



ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

STOCK CODE: 3898



Corporate Culture

Corporate Vision
To become a **global leader**
in transportation and energy fields

Corporate Mission
Connecting the World
Through Better Mobility

Corporate Spirit
Realistic, Respectful, Innovative
and Fruitful





CRRC's Principles

Core Value: Walking the Righteous Path with the Righteous Mind and Doing Good Deeds with Good Intention

Workplace Atmosphere: Positive and Harmonious, Simple and Candid, Open and Inclusive

Working Style: Proactive Accountability, Immediate Action and Excellence in Execution



Twelve Application Philosophies

Industrial Philosophy: Concentric Diversification, Serving the Nation with Industrial Prosperity

Work Philosophy: Joyful Work, Fulfilling Life

Talent Philosophy: Expertise, Contribution

Reform Philosophy: Innovation-Driven Evolution, Pioneering Leadership

Marketing Philosophy: Customer-Centric Commitment, Integrity-Based Relationships

R&D Philosophy: Open Collaboration, Self-Empowered Innovation

Manufacturing Philosophy: Precision Execution, Smart Manufacturing Excellence

Quality Philosophy: Quality Excellence, Customer Satisfaction

Safety Philosophy: Professional Prevention, Systematic Risk Prevention

Service Philosophy: Personalised Solutions, Rapid Operational Efficiency

Risk Control Philosophy: Accountability Reinforcement, Expediting Sustainable Growth

Party-Building Philosophy: Ideological Cultivation, Deep Integration





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 ANNUAL REPORT IS TRUE, ACCURATE, COMPLETE AND WITHOUT ANY FALSE REPRESENTATION, MISLEADING STATEMENT OR MATERIAL OMISSION, AND ASSUME SEVERAL AND JOINT LIABILITIES.

II. WHETHER THE COMPANY WAS NOT PROFIT-MAKING AT LISTING AND HAS NOT ACHIEVED PROFITABILITY

☐ Yes ☒ No

III. WARNING OF SIGNIFICANT RISKS

For the description of relevant risks, please refer to "Report of the Directors" of this report.

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

V. KPMG HUAZHEN LLP HAS ISSUED A STANDARD UNQUALIFIED AUDIT REPORT TO THE COMPANY.

VI. 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 THE ANNUAL REPORT.

VII. 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

The Company proposes to distribute cash dividends to the Shareholders based on the total number of Shares determined on the record date fixed for the equity distribution which will be specified in the equity distribution implementation announcement. The Company proposes to distribute cash dividends of RMB10 (tax inclusive) for every ten Shares held by Shareholders, totaling RMB1,369,339,712 based on the total share capital of the Company of 1,369,339,712 as at 26 February 2025, accounting for 36.98% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for 2024. In case of any change in the total share capital of the Company from the date of the profit distribution announcement to the record date for implementation of the equity distribution, the Company proposes to maintain the payout ratio per Share unchanged, make corresponding adjustments to the total payout amount, and will publish separate announcement(s) on the specific adjustments. The above profit distribution plan has been considered and approved at the 16th meeting of the seventh session of the Board, and is subject to consideration and approval at the 2024 annual general meeting of the Company.

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

☐ Applicable ☒ Not applicable

IX. 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 the investment risks.

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

No

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

No

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

No

XIII. OTHERS

☐ Applicable ☒ Not applicable

XIV. UNLESS OTHERWISE INDICATED, RENMINBI IS THE REPORTING CURRENCY IN THIS REPORT.



Results Highlights	4
Five-year Financial Summary	5
Chairman's Statement	6
Corporate Profile and Key Financial Indicators	11
Report of the Directors	20
Directors, Supervisors, Senior Management and Employees	91
Corporate Governance Report	114
Environmental, Social Responsibilities and Other Corporate Governance Issues	150
Significant Events	174
Changes in Shares and Particulars of Shareholders	236
Financial Report	253
Definitions	522

Notes:

1. Financial information in this annual report has been presented based on the PRC Accounting Standards.
2. This annual report is prepared in both Chinese and English. In case of any inconsistencies, the former shall prevail.
3. Figures contained in this annual 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, if any, is a result of rounding.



Results Highlights

Revenue
RMB



2024:
24,908,937,548
2023:
21,962,105,911
+13.42%

Net profit
RMB



2024:
3,948,755,845
2023:
3,085,150,423
+27.99%

Net profit attributable to
shareholders of the parent
RMB



2024:
3,702,585,914
2023:
3,040,760,113
+21.77%

Basic earnings per share
RMB/share



2024:
2.62
As at 31 December 2023:
2.15
+21.86%

Total assets
RMB



As at 31 December 2024:
64,802,246,319
As at 31 December 2023:
53,778,787,056
+20.50%

Total liabilities
RMB



As at 31 December 2024:
20,039,828,511
As at 31 December 2023:
15,930,081,855
+25.80%

Total equity
RMB



As at 31 December 2024:
44,762,417,808
As at 31 December 2023:
37,848,705,201
+18.27%

Equity attributable
to shareholders of the parent
RMB



As at 31 December 2024:
41,527,759,522
As at 31 December 2023:
36,998,130,898
+12.24%

Shareholders' equity per share
RMB/share



As at 31 December 2024:
29.52
As at 31 December 2023:
26.12
+13.01%

Note: In December 2024, the Company acquired 100% equity of Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and included it in the scope of consolidated financial statements. The transaction constitutes a business combination under the common control, and therefore the financial data of previous periods are adjusted retrospectively according to the relevant requirements of the Accounting Standards for Business Enterprises.

Five-year Financial Summary



CONSOLIDATED INCOME STATEMENT

Unit: Yuan Currency: RMB

Item	2024	2023	2022	2021	2020
Revenue	24,908,937,548	21,962,105,911	18,126,119,334	15,121,167,406	16,033,898,624
Operating costs	16,818,295,341	15,679,772,110	12,228,762,352	10,019,418,812	10,053,446,232
Taxes and surcharges	161,453,637	122,638,826	116,305,907	116,396,054	112,010,083
Selling expenses	589,179,188	490,653,649	1,101,990,835	1,050,331,762	1,120,965,514
Administrative expenses	1,168,944,671	1,065,949,593	886,668,722	813,021,020	760,727,754
Research and development expenses	2,656,671,063	2,062,404,741	1,773,978,960	1,690,047,967	1,686,836,761
Financial expenses	-146,227,486	-258,164,800	-190,908,791	-73,805,176	2,993,873
Other income	925,718,560	661,174,414	572,207,370	533,085,368	577,466,089
Investment income	28,298,447	57,177,847	-41,999,539	33,608,925	43,181,140
Gains (losses) from changes in fair value	43,848,229	74,602,203	166,033,744	71,130,766	2,327,307
Credit impairment gains (losses)	-307,061,034	-260,195,554	-65,218,091	121,825,631	85,645,821
Asset impairment gains (losses)	-88,368,856	-81,938,139	76,503,578	-161,869,899	-234,409,991
Gains (losses) from asset disposals	22,949,946	2,778,146	4,077,357	-2,072,439	6,440,830
Operating profit	4,286,006,426	3,252,450,709	2,920,925,768	2,101,465,319	2,777,569,603
Non-operating income	47,860,241	43,291,051	11,348,935	24,630,560	65,923,604
Non-operating expenses	17,272,734	1,093,984	1,096,078	3,012,417	6,554,910
Profit before income tax	4,316,593,933	3,294,647,776	2,931,178,625	2,123,083,462	2,836,938,297
Income tax expenses	367,838,088	209,497,353	349,575,746	88,476,513	340,381,369
Net profit	3,948,755,845	3,085,150,423	2,581,602,879	2,034,606,949	2,496,556,928
Net profit attributable to shareholders of the Company	3,702,585,914	3,040,760,113	2,545,453,427	2,017,694,796	2,475,454,606
Net profit attributable to non-controlling interests	246,169,931	44,390,310	36,149,452	16,912,153	21,102,322
Basic earnings per share	2.62	2.15	1.80	1.63	2.11
Diluted earnings per share	2.62	2.15	1.80	1.63	2.11

CONSOLIDATE BALANCE SHEET

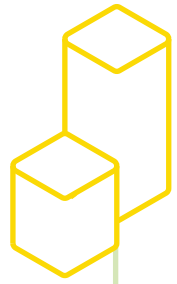
Unit: Yuan Currency: RMB

Item	2024	2023	2022	2021	2020
Total assets	64,802,246,319	53,778,787,056	48,841,569,670	44,150,745,227	33,865,721,258
Total liabilities	20,039,828,511	15,930,081,855	13,349,530,890	10,858,100,789	9,606,130,854
Total equity	44,762,417,808	37,848,705,201	35,492,038,780	33,292,644,438	24,259,590,404

Note: In December 2024, the Company acquired 100% equity of Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and included it in the scope of consolidated financial statements. The transaction constitutes a business combination under the common control, and therefore the financial data of previous periods are adjusted retrospectively according to the relevant requirements of the Accounting Standards for Business Enterprises.



CHAIRMAN'S STATEMENT





Chairman's Statement

Dear Investors,

Best greetings!

On behalf of the Board of Directors, I hereby present to you the 2024 annual report of the Company, and would like to extend my sincere gratitude to all our partners for their long-term support and concern about our development.



The year of 2024 represented a crucial step for China to echo the call of the Third Plenum of the 20th CPC National Congress and advance the new journey of Chinese-style modernization. During the year, Times Electric forged ahead to deepen its independent innovation and market expansion across the board, actively aligning itself with national strategies and expectations of the Board of Directors to circumvent challenges both from the complicated and changing external environment and the highly competitive industry. Under the scientific decisions of the Board of Directors and the united efforts of all employees, the Company stayed focused on its two-winged strategy on transportation and energy, adhering to high-quality development as its primary goal with revenue hitting a record high of over RMB24.9 billion. Having accomplished various tasks and objectives, we laid a more solid foundation for accelerating our progress towards the top-tier industrial players.

- (I) Seeking quality from innovation and building up ourselves through upgrades to scale new heights. Staying committed to the two-winged strategy on transportation and energy to grow its six business segments, the Company scaled new heights by building up operational synergies. The rail transit segment maintained strong performance, core component system steered breakthroughs, traction system stayed at the forefront in terms of market share, signal system built up the “non-inductive renovation” new benchmark among peers, and power supply, gate and repair and maintenance business witnessed accelerated growth. Semiconductors and vehicle electric drive systems scrambled for growth, while new energy power generation, marine equipment, industrial converters and other emerging businesses made improvements in volume and quality, leading to high growths both in revenue and profit as well as our increasing brand influence. Among our investment portfolio with faster upgrade paces, semiconductor Yixing Phase III project went into full operation, and Zhuzhou Phase III project completed the pile foundation work. CRRC Electric Drive zero carbon industrial park and Chencang base completed relocation and started production.

- (II) Tackling challenges through forward-looking R&D, leading the market in technological innovation. The Company stuck to its innovation-led strategy and remained committed to advanced technology independence, to build a strong driver to high-quality development. Our converter and control and other core technologies secured second-to-none breakthroughs and facilitated the successful rollout of the EMU CR450 samples, global launch of 7 new energy locomotives, successful operation test of the freight train with the largest load in China, and mass real-world test of a new generation of fully autonomous photovoltaic inverters. In semiconductors, the 7.5th generation ultra-fine groove technology enjoyed a leading position globally. Our influence in the industry continued to enhance, witnessed by 504 patent applications as well as presiding over or participation in 38 international, national, industry and group standards in the field of transportation and energy. We had 1 leading-role project included into the MIIT High-quality Development Program, and 1 project selected into the Open Competition Program of the MIIT provincial office. We had 9 scientific and technological achievements evaluated, won 1 national science and technology invention award, and won 13 science and technology awards at provincial and ministerial level and industrial level, including 3 first prizes. A number of our branches and subsidiaries were accredited as National Specialised and New “Little Giant” Enterprise and manufacturing “Individual Champion”.
- (III) Achieving remarkable results of efficient operations through digital transformation and precise management. Digital platform is consistently used as a common tool for our business management, to facilitate a smooth shift from qualitative and ambiguous to quantitative and precise. To accelerate and deepen digital transformation, we set up a management cockpit across different organisational levels, coupled with business review meetings to enable transparent and efficient decision-making and directing. We earnestly implemented profitability enhancements and continued to optimise financial, tax and treasury management, leading to notable achievements in efficiency and profitability. Based on the digital platform, we carried out in-depth quantitative and accurate analysis of the whole value chain, and planned profitability improvement programs, thus achieving significant results in cost reduction and efficiency enhancement. To further strengthen management on accounts receivable and inventories, we ensured full recovery of the due amounts by pushing and pulling contract performance information; and optimised inventory turnover control rules based on business scenarios, leading to significantly improved inventory turnover.
- (IV) Deepening reform to unlock vitality by growing steadily with “symbiosis between breakthrough and revitalisation”. We tackled the difficulties in market-oriented reform, focusing on establishing a modern management mechanism to constantly infuse new momentum into business development. Amid our fast and steady reform paces, CRRC Times Semiconductor introduced strategic investors and established an employee stock ownership platform to further fuel its business development; CRRC Electric Drive implemented its second employee stock ownership plan, to better motivate their career growth through closely aligned interest; we successfully completed organisational restructuring of the Green Energy Division, providing strong support to our business development. The Company was rated as an annual reform benchmark under the Market-oriented Reform Program for Technology Enterprises, ranking fourth nationwide, and was selected into the case study compiled by SASAC for reform deepening and upgrading actions of primary-level state-owned enterprises.



Chairman's Statement

- (V) Pooling concerted efforts, serving the industry and expediting quality development with Party building. Along its march towards quality development, the Company has been upholding the role of Party building as the driving force and solid assurance. Rolling out seminars with a focus on “first topic”, the Company guaranteed the penetration and depth of ideological guidance. It proactively conducted 25 joint Party building activities to effectively integrate resources and forge a strong impetus for growth. Besides, the Company launched 26 projects underpinning the “specific Party branches, specific themes and specific features” initiative, developed 22 youth contribution schemes, and organised over 20 labour competitions to fully unlock the motivation and motility of employees in pursuit of innovations and efficiency. Our new technologies and products have attracted broad interest from CCTV and other mainstream media. The Company took the initiative to devise new product launches and promotions, and was successfully enrolled as an excellent centrally-controlled enterprise, securing significant advancement in industry impact and recognition.

We are just in time for setting sail, to embark on a new journey innovatively. At the historic new starting line represented by a revenue exceeding RMB24.9 billion, Times Electric will stay in tune with the national development strategy, bear in mind “national endeavors”, and fully implement the national strategic deployment on “Nation with Strong Transportation System” and “carbon peak and neutrality”. We will remain committed to the two-winged strategy on transportation and energy, led by technological innovation, guided by market demand, catalyzed by digital transformation and fuelled by in-depth reform to fully unlock synergies across our six business segments. By strengthening the leadership of our core businesses such as rail transit and semiconductors, we aim to accelerate the leapfrog development of emerging segments such as new energy power generation and automotive equipment, thus comprehensively enhancing our comprehensive strength and setting a new benchmark for high-quality development.

The year of 2025 marks a key milestone for the Company to echo the call of the 20th CPC National Congress and a conclusive year to wrap up its “14th Five-Year Plan”. In light of the key note of “high-quality development and efficient operation”, we will enhance two underlying key technologies in converter and control system, adhere to digital intelligence and refined management, improve the balance among responsibilities, rights and interests, and optimise resource allocation in an effort to grow our six business segments in a balanced and tiered manner. On that basis, we are dedicated to building an enterprise fulfilling the “four higher goals” in social respect, shareholder recognition, customer satisfaction and employee happiness.

Li Donglin

Chairman

Zhuzhou, Hunan, the PRC

28 March 2025

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 office of the Company	Times Road, Shifeng District, Zhuzhou
Previous change of registered office 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

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	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. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers and websites designated by the Company for disclosure of annual reports	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 designated by the stock exchange for disclosure of annual reports of the Company	www.sse.com.cn
Place where the annual reports of the Company are available	Board Office of Zhuzhou CRRC Times Electric Co., Ltd. at Times Road, Shifeng District, Zhuzhou



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 share	Place of listing and market	Stock abbreviation	Stock code	Stock abbreviation before change
A shares	Science and Technology Innovation Board of the SSE	Times Electric	688187	Not applicable
H shares	Stock Exchange Main Board	Times Electric	3898	CRRC Times Elec

(II) Basic Information of Depositary Receipts of the Company

☐Applicable ☒Not applicable

V. OTHER RELEVANT INFORMATION

Accountant engaged by the Company (onshore)	Name	KPMG HUAZHEN LLP
	Office address	8th Floor, East Block 2 Oriental Plaza, 1 East Chang An Avenue Dongcheng District, Beijing
	Name of signing accountants	Lin Ying, Lei Jiang
Sponsor institution performing the duty of continuous supervision during the reporting period	Name	China International Capital Corporation Limited
	Office address	27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing
	Name of signing sponsor representatives	Liao Hanqing, Li Xin
	Term of continuous supervision	From the listing date of the A Shares to 31 December 2024

Corporate Profile and Key Financial Indicators

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE PAST THREE YEARS

(I) Key Accounting Data

Unit: Yuan Currency: RMB

Key Accounting Data	2024	2023		Increase/ decrease from the corresponding period of last year (%)	2022	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Revenue	24,908,937,548	21,962,105,911	21,798,940,776	13.42	18,126,119,334	18,033,778,561
Net profit attributable to shareholders of the listed company	3,702,585,914	3,040,760,113	3,105,703,645	21.77	2,545,453,427	2,555,823,375
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	3,225,597,847	2,595,354,689	2,595,354,684	24.28	1,998,118,903	1,998,118,899
Net cash flow from operating activities	3,361,120,915	2,767,580,144	2,781,885,557	21.45	1,943,315,649	2,041,235,459

	As at the end of 2024	As at the end of 2023		Increase/ decrease from the end of last year (%)	As at the end of 2022	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Net assets attributable to shareholders of the listed company	41,527,759,522	36,998,130,898	36,865,956,579	12.24	34,727,007,601	34,530,700,003
Total assets	64,802,246,319	53,778,787,056	53,404,847,387	20.50	48,841,569,670	48,509,554,784



Corporate Profile and Key Financial Indicators

(II) Key financial indicators

Key financial indicators	2024	2023		Increase/decrease from the corresponding period of last year (%)	2022	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (RMB/share)	2.62	2.15	2.19	21.86	1.80	1.80
Diluted earnings per share (RMB/share)	2.62	2.15	2.19	21.86	1.80	1.80
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	2.28	1.83	1.83	24.59	1.41	1.41
Weighted average rate of return on net assets (%)	9.31	8.48	8.70	Increased by 0.83 percentage points	7.58	7.61
Weighted average rate of return on net assets after deduction of non-recurring profit or loss (%)	8.11	7.35	7.27	Increased by 0.76 percentage points	5.95	5.95
R&D investment as a percentage of revenue (%)	11.41	9.96	9.84	Increased by 1.45 percentage points	10.25	10.24

Explanation of key accounting data and financial indicators of the Company in the past three years as at the end of the reporting period

☐Applicable ☒Not applicable

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

- (I) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with international accounting standards and Chinese accounting standards

☐Applicable ☒Not applicable

- (II) Differences in net profit and net assets attributable to shareholders of the listed company in financial reports disclosed in accordance with overseas accounting standards and Chinese accounting standards

☐Applicable ☒Not applicable

- (III) Explanation of differences between domestic and overseas accounting standards:

☐Applicable ☒Not applicable



Corporate Profile and Key Financial Indicators

VIII. MAIN QUARTERLY FINANCIAL DATA FOR 2024

Unit: Yuan Currency: RMB

	The first quarter (January to March)	The second quarter (April to June)	The third quarter (July to September)	The fourth quarter (October to December)
Revenue	3,951,483,100	6,404,156,093	6,037,884,271	8,515,414,084
Net profit attributable to shareholders of the listed company	556,568,395	923,576,887	974,078,450	1,248,362,182
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit or loss	460,999,114	697,684,494	888,574,768	1,178,339,471
Net cash flow from operating activities	-508,704,086	1,160,097,168	-126,118,502	2,835,846,335

Explanation of differences between quarterly data and data disclosed in the periodic report

☒Applicable ☐Not applicable

In December 2024, the Company acquired 100% equity of Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and included it in the scope of consolidated financial statements. The transaction constitutes a business combination under the common control, and therefore the financial data of previous periods are adjusted retrospectively according to the relevant requirements of the Accounting Standards for Business Enterprises.

Corporate Profile and Key Financial Indicators

IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amounts of 2024	Notes (if applicable)	Amounts of 2023	Amounts of 2022
Profit and loss on disposal of non-current assets (including the part of assets impairment provision already made and written off)	22,949,946	/	26,630,703	4,077,357
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 continuously based on a fixed amount and have a lasting impact on the Company's profit and loss)	593,927,636	/	391,077,595	424,349,163
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	86,249,997	/	138,058,062	227,070,561
Reversal of the impairment provision for receivables which are tested individually for impairment	1,624,590	/	4,232,453	4,143,729
Net current profit or loss of subsidiaries acquired through business combination under common control from the beginning of the period to the date of consolidation	-95,649,424	/	-64,943,537	-10,369,952
Profit or loss from debt restructuring	-898,131	/	-	-
Other non-operating income and expenses apart from the aforesaid items	30,117,729	/	42,162,259	9,252,856
Less: Effect of income tax	111,312,624		80,043,792	100,279,247
Effect of non-controlling interests (after tax)	50,021,652		11,768,319	10,909,943
Total	476,988,067		445,405,424	547,334,524

Explanations should be stated where the Company identifies 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 and loss items with significant amounts, or defines non-recurring profit and loss items 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 and loss items.

☐ Applicable ☒ Not applicable



Corporate Profile and Key Financial Indicators

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

☒Applicable ☐Not applicable

Unit: Yuan Currency: RMB

	Amount for the current period	Amount for the preceding period
Accounting indicator: Net profit	3,948,755,845	3,085,150,423
Adjustment item: Interest expenses	39,387,935	47,354,497
Adjustment item: Income tax expense	367,838,088	209,497,353
Adjustment item: Depreciation charge	968,212,069	816,299,746
Adjustment item: Amortization charge	266,689,096	195,403,596
Non-enterprise accounting standards financial indicator: EBITDA	5,590,883,033	4,353,705,615

Reason for selecting the non-enterprise accounting standards financial indicator

The Company is a rail transit equipment and emerging industrial equipment manufacturer, which requires long-term and substantial capital expenditure in investment and construction in related business fields, and is a capital-intensive enterprise. EBITDA can effectively eliminate the interference of expenses generated in the capitalization construction of the Company on profit indicators by excluding the profit influencing factors such as depreciation, amortization, interest and taxes, fully reflect the operational ability and profitability of the Company's core business, and reflect the real contribution of the industry to the Company's development.

Description of the changes in the selection of non-enterprise accounting standards financial indicators or adjustment items compared with the previous year

☐Applicable ☒Not applicable

Reasons for the changes of the non-enterprise accounting standards financial indicators during the current period

During the reporting period, The Company's EBITDA was RMB5,590.88 million (RMB4,353.71 million in the same period of last year), a year-on-year increase of 28.42%, mainly due to the growth of the Company's revenue, which led to the growth of operating profit. Besides, with the completion of some construction projects in progress and R&D projects and transferring to fixed assets, the corresponding depreciation and amortization charge increased.

Corporate Profile and Key Financial Indicators

XI. ITEMS MEASURED AT FAIR VALUE

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Current change	Amount of impact on current profit
Held-for-trading financial assets (structured deposit)	4,776,392,878	3,533,861,455	-1,242,531,423	89,581,767
Bills receivable measured at fair value	1,649,079,023	1,286,784,981	-362,294,042	—
Trade receivables measured at fair value	2,886,505,958	2,534,918,377	-351,587,581	—
Other equity instrument investments	233,249,992	266,823,520	33,573,528	371,200
Total	<u>9,545,227,851</u>	<u>7,622,388,333</u>	<u>-1,922,839,518</u>	<u>89,952,967</u>

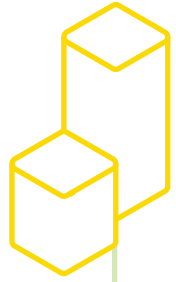
XII. EXPLANATION OF DELAYED OR EXEMPTED INFORMATION DISCLOSURE FOR STATE AND COMMERCIAL SECRET REASONS

☐ Applicable ☒ Not applicable





REPORT OF THE DIRECTORS





Report of the Directors

I. DISCUSSION AND ANALYSIS OF OPERATIONS

In 2024, China railway construction achieved remarkable results. According to the data disclosed by State Railway Group, China completed railway fixed asset investment of RMB850.6 billion in 2024, up by 11.3% year-on-year and hitting a record high. As at the end of 2024, the national railway operating mileage was 162,000 kilometers, including 48,000 kilometers of high-speed railway, and the urban rail transit construction progressed smoothly. According to China Association of Metros, as at the end of 2024, there were 362 urban rail transit lines in 58 cities in China, with an operating mileage of 12,168.77 kilometers. Under the guidance of carbon peak in 2030 and carbon neutrality in 2060, China's new energy industry embraced a rapid development stage. Among them, according to China Association of Automobile Manufacturers, China realised new energy vehicle output and sales of 12.888 million and 12.866 million respectively in 2024, up by 34.4% and 35.5% year-on-year respectively. According to the National Energy Administration, new installed capacity of photovoltaic and wind power generation in China was 277 million kW and 79 million kW in 2024, up by 45.2% and 18.0% year-on-year respectively. Advancing high-quality development earnestly and taking profitability enhancement as the core business task through the year, the staff worked together tenaciously, and delivered remarkable results in 2024.

(I) Rail Transit Business: Achieving Progress amid Stability

Seizing the opportunity from railway investment growth of State Railway Group, the Company took efforts to explore new products and markets while ensuring product delivery and consolidating its market position, and secured orders for new energy locomotive traction systems for the first time. Among its key technology breakthroughs, the Company completed the fully-furnished EMU prototype and the finalisation and upgrade of permanent magnet traction system for CR450, with leading efficiency and lightweight indicators in the industry, and achieved wide application of autonomous driving for 20,000-ton heavy-haul train at Shuohuang, securing locomotive autonomous driving orders of newly RMB100 million. According to the RT Rail Transit, the Company maintained a domestic market share of above 50% in 2024 for its urban rail traction system, leading the industry for 13 consecutive years; and with permanent magnet traction growing rapidly and representing almost half of the total demand, the Company's market share outperformed the traditional peers. On maintenance and overseas businesses, the Company achieved sound progress and substantially increased its maintenance revenue by securing multiple overseas orders totalling nearly RMB800 million in Asia, Europe and America. On railway engineering machinery business, we completed the first installation of electrical system for electric transmission continuous tamping vehicle, and secured the first ground-breaking order for large-size high-speed rail laying machine. Communication signal business continued to expand, with revenue hitting a record high. In particular, our urban rail signal segment won bids for three lines throughout the year; the seamless transformation of the signal system of Changsha Metro Line 2 was successfully completed, setting a new benchmark for domestic substitution; our proprietary FAO system achieved the first demonstration application at Ningbo Metro Line 8, satisfying the conditions for operation. In addition, our power supply system segment won all four projects of Chongqing Metro, and our door segment successfully expanded into a number of new markets in China.

(II) Emerging Equipment Business: Building up Ourselves through Upgrades

Basic device segment: Our IGBT module business established a clear leadership with the largest share in terms of delivery volume in domestic rail transit and power grid markets. We won bids for seven transmission lines in the power grid market, and secured a bulk order for an overseas flexible DC transmission project for the first time. Besides, the Company achieved a rapid breakthrough in the new energy market. According to NE Times, our power modules for new energy passenger vehicles achieved installation of 2.256 million sets in 2024, ranking second with a market share of 13.7%, only next to BYD. In new energy power generation market, our IGBT modules saw rapidly growing shipment volume; the 7.5th generation ultra-fine trench-gate products reached the international leading level in terms of efficiency and current output capability; and our semiconductor project phase III at Yixing production line went into operation successfully. The market share of the sensor business in the rail transit field continued to occupy a leading position, and the Company secured power grid orders for the first time.

New energy vehicle electric drive segment: Our new energy passenger vehicle electric drive systems recorded a further growth in annual sales volume, with annual installation of 251,000 sets according to NE Times, ranking eighth. We penetrated into five new automaker customers, and supported the automobile manufacturers to export to overseas. We successfully developed the fourth-generation electric drive platform integrated bearing electric drive assembly, reducing system loss by more than 10%.

New energy power generation segment: According to the statistics of International Energy/Photovoltaic Headlines, the Company's photovoltaic inverter business won the bid of more than 20GW in China, ranking at the forefront of the industry, and its annual shipment exceeded 10GW. The number of new contracts for wind hydrogen storage products has increased steadily, and the market share of IGBT hydrogen production power supply occupied a leading position domestically.

Marine equipment segment: Thanks to synergies across our three sites, both revenue and the number of orders for marine equipment hit record highs, while we accelerated the launch of electric ROVs to market.

Industrial converter segment: Delivered newly 300 sets of mining truck electric drive system which are applied in 10 countries around the world; secured central air-conditioning converter orders for data centers of China Mobile and China Telecom; and achieved export of metallurgical rolling mill products for the first time.

Looking into the future, the Company is confident to capitalise on its industrial advantages to consolidate its industry position and grow its business, seeking to create greater value for its shareholders.

ANALYSIS AND PROSPECT OF CHANGE IN BUSINESS RESULTS OF NON-ENTERPRISE ACCOUNTING STANDARDS

☐Applicable ☒Not applicable

II. THE COMPANY'S PRINCIPAL BUSINESS, OPERATING MODELS, INDUSTRY LANDSCAPE, AND RESEARCH AND DEVELOPMENT DURING THE REPORTING PERIOD

(I) Principal Business and Major Products or Services

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.



Report of the Directors

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 basic devices, new energy vehicle electric drive system, new energy power generation, marine equipment and industrial converter. After years of R&D efforts and technology accumulation, the Company has developed a completely independent intellectual property right 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, new energy vehicle electric drive system technology, and sensor technology.

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

(II) Major Operating Models

In terms of procurement mode, the Company adopts the model of “unified management, professional centralised management and separation of procurement duties”, establishes a unified set of measures, methods and procedures for procurement, performs centralised procurement and promotes a unified procurement platform, so as to ensure procurement quality, reduce costs and increase efficiency.

In terms of production model, the Company adopts the planning management model of determining production by sales. Under this model, the Company formulates sales plans according to sales orders and previous sales results, maintains a safety inventory based on daily demand assessment and coordination of production, supply and sales, and then determines the production plan. Based on the principle of “lean, efficient and dynamic management and comprehensive balance”, the Company has built an integrated, flexible, efficient and intelligent production planning system suitable for its development.

In terms of service model, the Company has established a global after-sales service network covering key customers, key regions and key products. With a three-level service management model underpinned by “service headquarters, service offices, and service stations”, the Company promptly responds to customer needs and ensures that customers can obtain after-sales services, technical support, quality feedback and complaint consultation at any time.

In terms of sales model, the Company obtains orders through market-oriented public bidding, competitive negotiation, single-source procurement by customers, and customer inquiry, and produces and sells products according to customer needs. Currently, the Company mainly adopts the direct sales model to sell products.

In terms of R&D model, the Company adheres to a “strategy-driven” and “market-oriented” approach (two-wheel drive), and determines research projects and carries out scientific research work from the perspectives of strategy and market. By introducing the concept of IPD and project triangle, the Company extends technology innovation to market research and product planning and to the life cycle management of mass-produced products, thus realising the whole process management of products from strategic planning, scientific research and development to commercialisation.

(III) Industry Landscape

1. *Development stage, basic characteristics, and main technical barriers of the industry*

The Company is mainly engaged in the R&D, design, manufacturing and sales of rail transit equipment products and the provision of related services. According to the National Economic Industry Classification (GB/T4754-2017) of the National Bureau of Statistics, the Company belongs to the “C37 railway, shipbuilding, aerospace and other transportation equipment manufacturing industry”; according to the Classification of Strategic Emerging Industries (2018) (NBS Order No. 23) issued by the National Bureau of Statistics, the Company belongs to the “2.4 Rail transit equipment industry of 2. High-end equipment manufacturing industry”. The Company’s rail transit equipment mainly includes rail transit electrical equipment, rail engineering machinery and communication signal systems, which belong to the respective sub-sectors under “2.4 Rail transit equipment industry of 2. High-end equipment manufacturing industry” as set out in the Classification of Strategic Emerging Industries (2018).

The Company’s emerging equipment includes basic devices, new energy vehicle electric drive system, new energy power generation, marine equipment and industrial converter products, some of which are used in the field of rail transit.

In the rail transit equipment industry which is characterised by high core technology barriers, customers have very high requirements for safety, reliability and sustainability of products and services provided, and enterprises need to have strong anti-risk capabilities. Driven by core technologies, the Company will continue to innovate and develop smarter and greener high-end equipment based on such application scenarios as railways, urban rail transit, new energy, mining, ports and metallurgy. After years of accumulation, the Company’s self-developed core technologies and multidisciplinary professional capabilities spanning from components to complete machines represent the main barriers for the rail transit industry and high-end industrial equipment industry.

2. *Analysis of the Company’s industry position and its changes*

The Company is a leading traction converter system supplier in China’s rail transit industry, and can produce traction converter systems for various vehicle models in the fields of locomotives, bullet trains and urban rail. The Company has a full spectrum of traction converter system products and a dominant market share. Take the urban rail sector as an example, according to public information on bidding in the urban rail traction converter system market, the Company has ranked first in the domestic market share for 13 consecutive years from 2012 to 2024.

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 in multiple series, including heavy-duty railway vehicles, catenary vehicles, large road maintenance machinery, and urban rail transit engineering vehicles, and continuously expands to the passenger line and urban rail markets.

In the field of power semiconductors, the Company has built industrial bases for 6-inch bipolar devices, 8-inch IGBTs and 6-inch silicon carbide, and possesses a complete set of independent technologies for chips, modules, components and applications. The full spectrum of high-reliability IGBT products manufactured by the Company have broken the monopoly of foreign companies in core devices for rail transit and UHV transmission. Currently, the Company is striving to solve the problem of domestic production of core devices for new energy vehicles and new energy power generation equipment in China. According to NE Times, in 2024, the Company ranked second in the industry in terms of installation of power modules in passenger vehicles with a market share of 13.7%.



Report of the Directors

With a focus on technology R&D, the Company adheres to the “concentric diversification” strategy and vigorously develops non-rail transit industries on the basis of consolidating rail transit business to create new growth points. In the field of industrial converters, the Company occupies a leading position in mining truck electric drive, air-conditioning converter and other sub-sectors, and in the field of new energy power generation, the Company continues its efforts in photovoltaic inverters, energy storage converters, wind power converters and IGBT hydrogen production power sources, leading to ongoing success across photovoltaic power, energy storage, wind power and hydrogen power segments. In particular, our photovoltaic inverter business recorded further growths in market share and new contracts by winning bids of over 20GW throughout the year, ranking ahead among peers in the domestic market. Our wind power storage converter business made rapid progress by actively developing new customers; and our IGBT hydrogen production power source business continued to rank first in terms of domestic market share, demonstrating our sustained leadership. According to NE Times, our new energy vehicle electric drive systems achieved annual installation of 251,000 sets, representing a steady growth from last year and ranking ahead among peers in the domestic market. 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.

The Company will constantly improve user experience and strengthen differentiated competitive advantages based on customer needs. Through continuous innovation in business, technology and management, the Company seeks to provide intelligent, safe, green and comfortable high-end equipment for the society, and become a preferred supplier of integrated electrical system solutions in the transportation and energy fields.

3. Development of new technologies, new industries, new business types and new models during the reporting period and their future development trends

With the conclusion of the 20th CPC National Congress, China embarked on a new journey of Chinese-style modernization towards the historic goal of national rejuvenation. Under an ambitious new energy blueprint defined in the report of the 20th CPC National Congress, 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.

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 electric control technologies. In addition, driven by the “carbon peak and neutrality” policy, the low-carbon energy transformation will fuel the rapid development of new energy vehicle electric drive systems, semiconductor devices and sensors.

(IV) 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 31 December 2024, the Company had 3,762 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.



Report of the Directors

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
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, which can meet the application requirements on serialised converter product platform in the rail transit and industrial converter fields
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 converter application. In the field of multi-source power system, we realise the optimisation of energy management by integrating the coordinated control technology of power chain and control chain, which significantly improves the efficiency and availability of the system

Report of the Directors



No.	Core technologies		Overview, advancedness and characteristics of technology
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
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, low-voltage network 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; obtained functional and information security certification; 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 onboard 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 which have been gradually promoted and applied in urban rail transit projects



Report of the Directors

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, 3+0, 1+1, 2+2, 1+1+1+1, 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 heavy-duty railway vehicles, catenary maintenance vehicles, large road maintenance machinery, urban rail engineering vehicles, small and medium-sized road maintenance machinery, and other rail engineering machinery, and built a professional vehicle and system platform capable of fast detection, efficient operation and multiple functions. Its products have been widely applied in State Railway Group, urban rail transit and other railway infrastructure maintenance fields
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, realised the coordinated integration of functional innovation and structural design, and gradually established unified platforms for assemblies such as vehicle body, floor, driver's desk and powertrain unit, thus improving simplification and modular design of vehicles
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-duty railway vehicles, tractors, catenary vehicles and other rail engineering machinery. Its permanent magnet traction system has been applied to tamping vehicles, enabling ultra-low constant speed and stepping electric drive for tamping vehicles
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, comprehensive inspection technology for lines and tunnels, and expert diagnosis technology, and built a distributed digital network control platform for large road maintenance machinery

Report of the Directors



No.	Core technologies		Overview, advancedness and characteristics of technology
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 trench and soft punch-through and a low-voltage trench-gate IGBT technology system underpinned by two generations of technologies – “trench + soft punch-through” and “fine trench”, 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, new energy, automobile and industrial control 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, high temperature activation annealing and low stress thinning, and power chip architecture design technologies such as active region gate oxygen electric field shielding, JFET region doping, carrier expansion, lightly doped source 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, industrial transmission and other fields
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 (electric, thermal, mechanical and humidity) stress, and failure analysis technology system based on key performance testing technology and micro-interface sample preparation and characterisation technology



Report of the Directors

No.	Core technologies		Overview, advancedness and characteristics of technology
19	Communication signal technology	Main line railway signal system technology	The Company has developed train operation control technology, safety computer technology, onboard 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, upgraded LKJ and 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, intelligent dispatching technology, health management technology, and fault diagnosis and warning technology for urban rail transit signal system, as well as CBTC, FAO and TACS technologies for urban rail transit signal system, and 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, Wuxi Metro and Guiyang Metro
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 train operation control system covering safety control model, vehicle-ground wireless communication, simulation and multi-system coordinated control.
22	Data and intelligent application technology	Data processing technology	For the data intelligent application fields of rail transit, clean energy, carbon control, deep-sea robots 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 R&D on key technologies such as data integration, data governance, data processing, data storage, data sharing and data statistical analysis, and delivered more than 60 sets of data platform products in the fields of rail transit and clean energy
23	Data and intelligent application technology	Onboard 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

Report of the Directors



No.	Core technologies		Overview, advancedness and characteristics of technology
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, longitudinal dynamics modeling of trains, smooth operation of heavy-haul trains, simulation of heavy-haul train operation environment, and autonomous driving system integration; established a safe, stable, punctual and energy-efficient autonomous driving technology system; and formed a locomotive autonomous 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, Baoshen Railway, Shuohuang Railway and Jingshen Railway, and has reached a widely-used normal operating state with a cumulative safe operation mileage of more than 4.6 million kilometers
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, multi-modal data generation based on foundation model, mapping and positioning technology, and multi-sensor fusion detection, and built an intelligent sensing application platform for multiple fields and all working conditions. The technologies have been widely applied in the fields of active obstacle detection for collision avoidance, TACS signal system, driver behavior recognition, pantograph-catenary condition monitoring, vehicle maintenance safety monitoring, 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 onboard 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 converter for multi-source integrated AC/DC traction power supply system such as modularisation and miniaturisation, adaptability to all environments, high frequency and high efficiency, resistance to lightning strikes and short-circuit current bypass; realised energy saving and power quality control and improvement for multi-source integrated AC/DC traction power supply system, and built a technical system for power electronisation of multi-source integrated 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



Report of the Directors

No.	Core technologies		Overview, advancedness and characteristics of technology
28	Traction power supply technology	Traction power supply control technology	The Company has developed such key technologies of power supply 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 and utilisation, full-automatic phase separation, in-phase power supply, etc.
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 permanent magnet direct drive testing technology, multi-source hybrid power testing 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; realised the unification of the test environment and the application environment; and further improved the EMC performance of rail transit electrical equipment such as converter, network and power supply equipment as well as EMC testing capability for rail transit traction system
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, non-destructive test, intelligent 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 onboard bus testing capabilities, covering physical layer, link layer and application layer, and provides inspection and testing services for the industry. The Company has overcome the difficulties in protocol conformance testing of TTDP/TRDP, a proprietary train Ethernet protocol, independently designed standardised network element, and built a comprehensive proprietary Ethernet protocol conformance testing platform. The Company has verified the next-generation train communication network based on TSN technology, and developed testing solutions covering laboratories, ground interconnectivity and trains in field. The Company has built functional security and network security inspection and testing capabilities for train communication network to ensure the network to effectively resist external attacks; and established an independent rail transit safety assessment system, which has a network control system to enable functional and security inspection, to ensure safe operation of trains in the industry

Report of the Directors



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, realised 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, thus establishing a leading position in China, and gradually progressed towards in-depth research of component technology from complete machines, 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 converters, onboard 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/dual electric control, single motor, three-in-one and all-in-one drive system integration products. Centering on innovative technologies such as domain control integration, high-density power brick, ultra-short PIN flat wire winding, ultra-quiet gear shaft and intelligent fusion algorithm, the Company advances rapid product iteration, and its electric drive products have been widely applied in various models in battery electric/hybrid power (including extended range) 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 realised the transformation from the development of sensor components to the provision of sensor measurement system solutions. Products are widely applied in rail transit, industrial photovoltaic, wind power, energy storage, charging and new energy vehicle fields



Report of the Directors

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 Technology Invention Award	2015	Key Technology and Application of Traction Control for High-speed and Heavy-haul Trains	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	2019	Key Technology and Application of High Voltage and High Current IGBT Chips	Second Prize
National Technology Invention Award	2024	High Voltage and Large Capacity DC Interrupting Semiconductor Devices, Key Technologies and Serialised 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 Signal 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
Chongqing CRRC Times Electrical Technology Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2024	Not applicable
Specialist Machine Developments (Shanghai) Co., Ltd.	National Specialised and New “Little Giant” Enterprise	2024	Not applicable

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.

In 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, contributing to successful launch of CR450 prototype and further consolidating and expanding global leadership of China's high-speed railway technology; and assisted in global launch of seven new energy locomotive models, all of which are equipped with the Company's independently developed core products such as traction/energy storage/control systems, as a strong driver to the green transformation of old-fashioned diesel locomotives. In September, China's unmanned heavy-haul train successfully completed the first test on Shuohuang Railway of China Energy Group, for which the Company is provider of core technologies such as operation simulation platform, remote control and intelligent operation and maintenance, including certain technologies filling the industry gaps. Our autonomous driving technology for heavy-haul train passed the technological achievement appraisal by China Communications and Transportation Association, reaching the international leading level and winning the first prize of the 2024 Science and Technology Award by China Communications and Transportation Association. The core subsystem of our industry-leading tSafer-UC4000 train autonomous operation system (TACS) fully passed safety certification and completed the review by the Test Verification Plan Panel for the main line of Ningbo Metro Line 8. The system introduced a pioneering train-to-train direct connection collaborative architecture, empowering smart cities with a new paradigm of intelligent control to usher in a new era of digital rail transit. The renovation project for Changsha Metro Line 2 completed the system migration in one go, marking the Company's ability for CBTC signal system renovation which helped to successfully complete the domestic substitution to old-fashioned foreign system. The Company completed the releasing of platform 3.0 for intercity urban traction system, featuring miniaturised product, lightweight, high reliability and low noise and providing an optimal traction system solution for intercity urban trains. On locomotive autonomous driving, we solved the modeling challenge in the air braking system based on fluid model, enabling wide application of autonomous driving of 20,000-ton heavy-haul train. On long-distance wireless reconnection, we completed its trial operation on 30,000-ton heavy-haul train, which is the longest-formation and largest-load heavy-haul train in China. On short-distance wireless reconnection, we developed virtualisation of WTB nodes and ETB bypass relay technologies, enabling wireless transmission of WTB backbone network and ETB backbone network. After passing the review by State Railway Group and small-scale operation assessment, the locomotive remote monitoring system has transited from laboratory phase to main line application. On active collision avoidance, we developed an object detection algorithm based on map positioning and empirical information and solved the technical challenge in long-distance accurate judgment on clearance infringement. According to a third-party independent review in all urban rail scenes, the product outperforms its competitors in all performance indicators, and has passed SIL4 safety certification. On PHM technology, based on the analysis of actual degradation process data of on-site faults, we constructed a PHM tiered warning technology system for main and auxiliary converters, solved the technical challenge in real-time estimation of the remaining service life of DC-link capacitors, and achieved condition-based repair of a total of 11 components including capacitors, resistors and filters. We successfully developed the electrical system of DWL-32 continuous dual-sleeper intelligent tamping and stabilising vehicle, which leverages intelligent diagnosis, key circuit monitoring, new measurement system, and automatic line compensation technologies to achieve system response time less than 5ms, increase operation accuracy by 20%, and reduce troubleshooting time by 50%.



Report of the Directors

In the emerging equipment segment, we completed development and product introduction of platinum (Pt) technology, and our automotive FRD products achieved the international leading performance. We carried out research on the fourth-generation planar gate and the fifth-generation trench-gate SiC MOSFET technologies, and achieved advanced technical indicators for 11m Ω and 7m Ω products which have reached the international leading level. Our 320kW string photovoltaic inverters were widely applied. On energy storage outdoor converters, we launched a 2,500kW liquid-cooled model and a modular 1,250kW model compatible with 314Ah battery cells; and on string energy storage converters, we launched a 215kW liquid-cooled integrated model. Hence, we have established the most comprehensive platform for centralised and string energy storage products in the industry. We completed the development and on-site installation of offshore floating 20MW full-power wind power converter, enabling isolated island operation of the first 20MW floating unit in China. Our Tiangong mining truck unmanned system passed the technological achievement appraisal by the China Energy Group, reaching the international leading level; and received the only innovation award in unmanned mining trucks among the “Innovative Application Cases of Intelligent Technologies in the Energy Industry” at the third “Belt and Road” Energy Minister Conference. Moreover, the Company developed its first P1+P3 architecture hybrid assembly product, and completed development of dual-system deep integration and efficient thermal management technologies, allowing its working efficiency to improve by 1% which has reached the industry’s advanced level and obtained interim acceptance by key customers; completed development of a spectrum of 80-180A large range current sensors; and developed strong anti-interference technology for 250-300A AC side current sensor, which has achieves wide application. Chifeng Yuanlian 1,150mm hot rolling project successfully commenced operation, achieving for the first time the application of “5 roughing stands + 8 finishing stands” fully continuous rolling process. We completed the first onboard application of domestically produced 10MW medium-voltage IGCT inverter for ships to ensure smooth trial voyage; and made key technology breakthroughs in the robot and tool system for dam maintenance, and completed the demonstration verification process. Our first 6,000-meter deep-sea heavy-duty ROV system was successfully verified through a sea test, which supports the drilling of combustible ice by the “Dream” vessel, filling the domestic gap in drilling and exploration technology for ultra deep water ocean scientific exploration.

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 2024, the Company submitted 504 patent applications, and was granted 278 new patents, including 6 patents in Europe, the United States and Japan, bringing the total number of valid patents granted to the Company to 3,762, of which over 60% are invention patents. We led or participated in the formulation of international, national, industry and group standards in transportation and energy sectors, among which 38 standards were released, leading to our consolidated industry position.

List of intellectual property rights obtained during the reporting period

	Increase in the year		Cumulative number	
	Number of applications	Number of approvals	Number of applications	Number of approvals
Invention patent	416	206	5,277	2,366
Utility model patent	77	68	1,948	1,270
Appearance design patent	11	4	269	126
Software copyright	7	7	385	385
Others	—	—	—	—
Total	511	285	7,879	4,147

3. R&D investment

Unit: RMB yuan

	Current year	Last year	Change (%)
Expensed R&D expenditure	2,656,671,063	2,062,404,741	28.81
Capitalised R&D expenditure	185,250,664	124,461,123	48.84
Total R&D expenditure	2,841,921,727	2,186,865,864	29.95
Percentage of total R&D expenditure in revenue (%)	11.41	9.96	Increased by 1.45 percentage points
Percentage of capitalised R&D expenditure (%)	6.52	5.69	Increased by 0.83 percentage points

Reason for significant changes in total R&D expenditure 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



Report of the Directors

4. Projects under development

✓Applicable ☐ Not applicable

Unit: RMB0'000

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	3,737	1,894	2,892	Organised and promoted development of new-generation high-speed EMU prototype, to build up reputation of high-speed railways as a national business card based on stronger 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; contributed to successful launch of the EMU prototype, further consolidating China's high-speed railway technological leadership in the world.	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

Report of the Directors



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	943	1,760	1. Completed development and onboard appraisal of traction converter based on the 4th generation high-power density IGBT, with over 20% improvement in power density, a switching frequency of 1kHz, and domestically leading overall technical performance; 2. Completed ground assembly type test and research test verification of the permanent magnet traction system, improving efficiency of traction system by over 3% and harmonic performance at grid and machine sides by 40% while reducing low-speed noise by over 5dB, thus improving environmental friendliness of locomotive and train. 3. Completed research on typical fault mode diagnosis and protection for permanent magnet traction system, and developed a complete safety guarantee scheme for permanent magnet traction system; 4. Completed development of dynamic reactive power compensation and active harmonic suppression algorithms, achieved dynamic switching frequency regulation, and improved pantograph-catenary operational quality; 5. Completed development of position-free control algorithm for permanent magnet traction motor, achieving precise and fast position identification in full speed range; 6. Completed extreme condition breaking test verification of isolation contactor, and realised reliable breaking in full speed and full power ranges.	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



Report of the Directors

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	318	644	1. Completed prototype trial production of traction, auxiliary and network systems as well as type tests of components; the combined traction system successfully passed the initial inspection, and started bulk delivery; 2. Realised lightweight design for traction and auxiliary converters with key parameters far exceeding the agreed specifications, enabling the platform to be applied in other overseas projects; 3. Introduced advanced noise reduction technology; completed noise tests for system components individually and collectively, with noise reduction performance reaching the international leading level; 4. The entire project design and production process meets international standards.	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
4	Key Technologies and Product Development of String Photovoltaic Inverters	1,013	412	964	1. Based on the 1,500V string photovoltaic inverter platform, we made key breakthroughs in high-power string converter, heat dissipation, and low-voltage network connection control; and realised mass production of 320kW string photovoltaic inverters, which have passed certification by China General Certification Center and CE certification, with product performance parameters reaching the industry-leading level; 2. Our 320kW string photovoltaic inverters were widely applied in new energy bases, plateaus, mudflats and other application scenarios; 3. We ranked among top three in China in terms of bid-winning capacity.	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

Report of the Directors



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	200	776	1. Completed mass production, delivery and grid connection of 1+X modular inverters; 2. Completed energy standard/national standard certification, SCR certification, and CEPRI high- and low-voltage ride through tests, with SCR performance and maximum conversion efficiency reaching industry-leading levels; 3. Promoted application of proprietary IGBT devices, enhancing market competitiveness of products and ensuring product supply chain safety.	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 1.1 MW – 4.4 MW 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



Report of the Directors

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	668	1,613	1. Completed development of two product families of hydrogen production power supply units (high-voltage high-current, and low-voltage low-current), and released the planning document for hydrogen production power supply unit platform for 1,000 standard cubic metres; 2. Completed development of DC coupled power supply units for 500 and 1,000 standard cubic metres, which passed certification by China General Certification Center and CE certification and were successfully applied in projects such as Three Gorges Narisong and Guohua Ningdong Yongli Hydrogen Production Plant, maintaining the largest domestic market share; 3. The product passed Hunan provincial technological achievement appraisal and new product appraisal, rated as "internationally leading".	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

Report of the Directors



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	1,796	3,239	1. Obtained safety certificates for key components covering integrated control, perception, ATO and ATS; 2. Completed construction of a full-scenario laboratory featuring the cutting-edge urban rail signal technologies and products in the industry; 3. The system completed full-function test verification on the main line of Ningbo Metro Line 8, passed a series of reviews by industry experts organised by the Equipment Committee of China Association of Metros covering testing plan, testing cases and witnessing of on-site tests, and was unanimously rated by the expert panel as qualified for engineering applications.	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 organisation.	Communication signal systems



Report of the Directors

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	296	701	1. Completed ATP, ATO, ATS and CI product certification process; 2. Complete the release of ATP, ATO, ATS and CI software for field lines, main lines, yards and sections; 3. Completed ATP function test for field lines, ATS external interface test and vehicle dispatching software test for field lines, and software CI function test for field lines; 4. Completed on-site CBTC test for initial operating sections of main lines and parking yards; 5. Completed R&D of three-dimensional engine, three-dimensional modeling and visualisation system for the signal system as well as the remote restart system and remote upgrading function; 6. Completed preparation and release of fully automatic joint debugging test documents and scenario test documents as well as on-site single vehicle testing issues for trial lines and main lines.	To develop a fully automatic operation signal system 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.	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

Report of the Directors



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	420	1,008	1. Completed vehicle trial production, commissioning and ex-factory acceptance inspection by user for dual-power source rail flaw detection vehicles, comprehensive inspection vehicles and rail grinding vehicles for Xi'an Metro Line 10; 2. Completed production, commissioning and in-factory preliminary acceptance inspection of dual-power source comprehensive inspection vehicles and rail grinding vehicles for Xi'an Metro Line 15; 3. Completed the development project review of dual-power source electric drive engineering vehicles for Xi'an Metro Lines 10 and 15.	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.	1. 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). 2. The rail grinding vehicle can increase grinding efficiency while reducing operation and maintenance costs, and is an innovative product with industry-leading technical performance. 3. 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



Report of the Directors

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	414	414	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. Completed prototype development of cophase power supply devices and energy dispatching devices; 3. Completed industry expert review of the implementation plan for the flexible interconnected cophase power supply system; 4. Completed development of electrified railway traction power supply simulation software (trial version).	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 utilisation 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

Report of the Directors



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	Development of DC3,000V & DC750V Electric Traction System Platform for Overseas Urban Rail Transit	705	327	327	Completed the development requirement analysis for mainstream DC3,000V and DC750V power supply products in overseas markets, and the construction design for electric traction system.	Developed an electric traction system product platform that meets high performance and high reliability requirements in overseas urban rail transit markets under the mainstream DC3,000V and DC750V power supply standards while being compatible with domestic market demand, to enhance its market competitiveness.	The product performance is fully on par with industry benchmark products overseas, with leading core indicators in volume, weight, noise and efficiency.	Rail transit electrical equipment
12	Research and Application of Multi-source Integrated Energy System Technology in Rail Transit	646	402	402	1. Completed investigation and analysis on multi-source integrated AC/DC traction power supply system, and developed four initial system solution sets; 2. Completed simulation modeling of multi-source integrated DC traction power supply system and generated a report; 3. Completed prototype development of 5MW single-phase grid-connected converter for connecting new energy to AC traction power supply system; 4. 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.	1. Developing the first 27.5kV large-capacity single-phase grid-connected bidirectional converter to support new energy feed-in of photovoltaic/energy storage systems. 2. Introducing a large-capacity full-power energy router system solution for railways; 3. 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; 4. Reaching the international leading level in terms of system integration and equipment capabilities.	Rail transit electrical equipment



Report of the Directors

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	Development of Electrical System for 200km/h Power Centralised EMU	2,196	1,515	1,515	1. Solved the challenges in developing miniaturised and lightweight converters with an improvement of 20% in related technical indicators; 2. Completed the development and application of passenger EMU integrated network control system for power centralised EMUs, and improved the control reliability; 3. Completed development 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; 4. Completed prototype development and ground tests of components including traction converter, network control system and train power supply and distribution cabinet; met technical requirements on 200km/h power centralised EMUs; and completed tests of relevant stages in conjunction with whole vehicles.	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

Report of the Directors



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	In-depth Research on Autonomous Driving Technology for Large-scale Application and New Complex Scenarios	1,007	613	613	1. For universality of autonomous driving system, completed review of complex and difficult application scenarios for freight general-load trains and heavy-haul trains; completed construction of standard line scenario sets, the preliminary development of adaptive planning and control algorithms under complex constraints, and the modular design of electronic maps, running time and parameter configuration, thus effectively improving the adaptability of locomotive automatic system to complex scenarios; 2. For new autonomous driving applications based on virtual formation, completed review of the system technical scheme, the technical scheme for coordinated control of train groups and the technical scheme for simulation system; completed external expert review of the simulation based on the virtual formation principle; completed the system installation scheme and communication interface design; and the onboard control software and the laboratory joint simulation system were under development.	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.	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



Report of the Directors

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	Research and Application of Image Data Generation Technology in Rail Transit	625	617	617	1. Conducted research on the multi-modal perception data generation technology for rail transit based on the combined virtual and real world; completed construction of physical simulation models for pedestrians, trains, obstacles (foreign objects), etc., which can synchronously output point cloud and image data; realised data generation in abnormal rail transit scenarios such as pantograph-catenary foreign objects and pedestrian clearance infringement. 2. Completed development and testing of the initial version of software base on cross-modal data fusion algorithms. 3. Based on an automatic annotation model, completed development and application of the initial version of self-annotation software, which supports automatic annotation of target objects such as trains and pantographs and semantic segmentation, and supports multi-modal prompt information to improve annotation efficiency.	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.	1. 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. 2. 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. 3. 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

Report of the Directors



No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
16	Development of 1,200V SiC Trench-gate MOSFET Chips with Low Specific On-resistance	2,300	1,646	1,646	1. Solved key technical challenges and completed development of samples of the fourth-generation 1,200V SiC trench-gate MOSFET chip with low specific on-resistance, with its electrical characteristics exceeding target indicators to greatly enhance competitiveness; 2. Streamlined the complete product development process including design, manufacturing, test and review of trench-gate chips, to support our high-quality development of SiC products.	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
17	Development of High-efficiency and High-current STMOs IGBT Chips	1,066	1,188	1,188	1. Established a robust STMOs + IGBT product platform, including a full spectrum of 750V S3+/S2+/S0+ (standard packaging platform) and L5/L6/L7/L8/L10 (plastic packaging platform) products for automobiles; 2. Made a breakthrough in proprietary technology route, as witnessed by the leading performance compared to peers' latest EDT3 technology; 3. Achieved bulk delivery of products to customers, selling over 100,000 modules in 2024.	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 STMOs products, the chip technology under this project has significantly improved performance and reliability, marking a leap forward in our IGBT technology.	Power semiconductor devices



Report of the Directors

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
18	Key Technology Research and Product Development of Current Sensors for String Photovoltaic Inverter System	579	367	367	1. Completed engineering prototype trial production for two open-loop Hall current sensors and one fluxgate leakage current sensor, with performance meeting the expected technical specifications. The prototypes have been delivered to and passed inspection by customers. 2. Completed small batch verification for a strong anti-interference closed-loop Hall current sensor, with its prototype passing type and reliability test verification, which has successfully obtained approval and bulk orders from customers.	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
19	Development of Current Sensor for Electric Control System of New Energy Vehicles	609	355	355	1. Completed prototype trial production of moulds for the single-chip Hall current sensors for electric control system of new energy vehicles, which were in process of reliability and durability test verification; 2. Completed prototype development of moulds for the triple- and multi-junction current sensors for electric control system of new energy vehicles, which have passed reliability and durability test verification; 3. Completed prototype trial production of moulds for the current sensors for 800V high-voltage platform electric control system of new energy vehicles, which were in process of reliability and durability test verification.	1. To develop two single-chip Hall current sensors for electric control system of new energy vehicles, with product performance meeting application requirements of customers; 2. To develop two triple- and multi-junction current sensors for electric control system of new energy vehicles, with product performance meeting application requirements of customers; 3. To develop two current sensors for 800V high-voltage platform electric control system of new energy vehicles, with product performance meeting application requirements of customers.	1. Addressing the needs from small-size and low-cost electric control systems, the Company aims to develop compact single-chip and monolithic-board Hall current sensors, with flexibility in installation to improve compatibility with electric control systems; 2. Addressing the needs from highly integrated electric control systems, the Company aims to develop compact triple- and multi-junction current sensors for the systems, and reach the technical level of high integration and reliability; 3. Developing current sensors for 800V high-voltage platform to enhance their withstand voltage level and safety performance.	New energy vehicle sensors

Report of the Directors



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	Key Technology Research and Product Development of X-PIN based Electrically Excited Electric Drive System	532	454	454	1. Completed construction and performance analysis of electromagnetic simulation platform for electrically excited motors, as well as rotor cooling and strength evaluation and analysis; 2. Completed prototype development and verification of electric excitation motors based on X-PIN windings and controllers; 3. Completed development and verification of control algorithms for electrically excited motors, meeting control requirements in full speed and full power ranges.	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
21	Development of MW-class Bidirectional Converter with Maglev Flywheel	138	123	123	1. Completed electrical and structural design, and delivered electrical drawings and three-dimensional structural drawings of converter; 2. Completed trial production of the first prototype, as well as various tests on the prototype according to ex-factory testing protocol.	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.	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



Report of the Directors

No.	Item	Estimated Total Investment	Investment in the Current Period	Cumulative Investment	Progress or Phased Results	Goal to be Achieved	Technical Level	Application Prospect
22	Technology Research and Product Development of Electrification Platform Technology for Deep Sea Robot	975	492	492	1. Conducted pressure test screening for key power electronic components; and completed static pressure tests on more than 2,000 samples of 12 types of electronic components with a pressure of over 50MPa, as well as principle board pressure tests on 3 types of onboard converters; 2. Completed prototype design and basic functional tests for underwater DC-HC insulation detection control board for the underwater cluster control system; 3. Completed prototype design and basic functional tests for underwater DC4,500V high-voltage DC conversion power supply unit, as well as high-frequency efficient bidirectional conversion DCDC robotic arm bidirectional power supply unit; 4. Set up an underwater motor testing platform.	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 utilisation 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.	1. Developing voltage-withstanding and driving technologies of semiconductor power devices, and realising their application in underwater converters, DC networking and distributed power supply systems; 2. 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; 3. 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; 4. 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	/	28,463	15,460	22,110	/	/	/	/

Explanations

Not applicable

Report of the Directors

5. R&D personnel

Unit: RMB0'000 Currency: RMB

	Basic information	
	Amount for the current period	Amount for the same period last year
Number of R&D personnel of the Company (persons)	4,025	3,180
Percentage of R&D personnel in the workforce of the Company (%)	40.21	38.03
Total remuneration of R&D personnel	126,824.65	94,771.28
Average remuneration of R&D personnel	31.51	29.8

Breakdown of R&D personnel by education	
Education level	Number of personnel
Doctorate degree	136
Master degree	1,792
Bachelor degree	2,014
Junior college degree	83
High school degree and below	0

Breakdown of R&D personnel by age	
Age group	Number of personnel
Aged below 30 (exclusive of 30)	1,585
Aged 30-40 (inclusive of 30 and exclusive of 40)	1,643
Aged 40-50 (inclusive of 40 and exclusive of 50)	650
Aged 50-60 (inclusive of 50 and exclusive of 60)	141
Aged 60 and above	6

Note: The statistics for 2024 cover entities included in the consolidated statements of Times Electric and include overseas subsidiaries and branches, which are different from the statistics last year that excluded overseas subsidiaries and branches.

Reasons for the material changes in the composition of R&D personnel and the impact on the future development of the Company

☐ Applicable ☒ Not applicable

6. Other explanations

☐ Applicable ☒ Not applicable



Report of the Directors

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 end of 2024, its high-speed railway and locomotive traction converter system products have been leading in the domestic market for many years. In the field of urban rail transit, the Company won open bids of traction converter system orders for 2,178 of 3,656 metro vehicles in 2024, representing 59.57% of the total and leading to the Company's largest market share in the domestic market for 13 consecutive years from 2012 to 2024 (source: RT Rail Transit). 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 to make breakthroughs, ranking ahead in a range of sectors. On power modules for passenger cars, the Company ranked second in the industry in terms of installations with a market share of 13.7% (source: NE Times). On photovoltaic inverters, the Company won bids of 20GW during the year, ranking ahead in the domestic industry. On new energy vehicle electric drive systems, the Company posted stable growth in installations for the year, ranking ahead in the domestic industry. 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 consisting of 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.

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 3,762 valid patents at home and abroad, including 2,366 invention patents; and has accumulatively led or participated in the formulation of 51 international standards and 187 domestic standards (including national standards, industry standards and group standards). In aggregate, the Company has obtained approvals for 49 national programs (including 39 national key research and development programs), and received a number of important awards including National, Provincial and Ministerial Science and Technology 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. In 2024, the Company received the second prize of the National Technology Invention Award, demonstrating its industry-leading strength in comprehensive scientific and technological innovation.

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 Times Electric”, 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 maintenance 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.

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 4,025 R&D professionals, accounting for 40.21% of the total workforce. Nearly half (47.90%) 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.



Report of the Directors

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 40 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 academicien 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. 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 three national scientific and technological projects, and won one second prize of the National Technology Invention Award and three golden prizes of China Patent Award. 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 four 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, Mao Yisheng Science and Technology 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

IV. RISK FACTORS

(I) Risk of Making No Profits Yet

☐Applicable ☒Not applicable

(II) Risk of a Sharp Decline or Loss in Earnings

☐Applicable ☒Not applicable

(III) 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 demand 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, and improve innovation capability; strengthen resource support for key areas, enhance external technological cooperation, pool together industry intellectual resources, expedite independent research and development of core technologies and upgrade product quality.

(IV) Operating Risk

☒Applicable ☐Not applicable

The Company's overseas operations are exposed to risks from various factors such as the escalating import and export controls and changes in international relations, amid the weakening global economic growth momentum with unstoppable trends of anti-globalisation and trade protectionism. The lingering headwinds such as shortage of overseas human resources, tight component supply overseas and the rising project costs might have a negative impact on the existing overseas business operation of the Company. In addition, the Company's overseas projects featuring long execution cycle and strict technical requirements typically follow international standards and local requirements and involve multiple stakeholders, thus posing higher requirements on project execution, progress of works and project management.

Countermeasures: The Company will accurately identify risk areas of its overseas projects, implement rational qualitative and quantitative risk analysis, summarise risk points in execution of overseas projects in a timely manner, develop an overall risk response plan, and regularly follow up the implementation of risk response measures; establish a long-term tracking mechanism for market and project information, and timely obtain project status and make project progress prediction; strengthen communication and contact with project owners, and maintain customer relationships effectively.

(V) Financial Risk

☒Applicable ☐Not applicable

With the progress of our globalisation strategy, the Company continues to enhance efforts in market development, product export, overseas investments, mergers and acquisitions, 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 losses 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. In addition, reverse market changes may lead to a higher risk in foreign exchange purchase cost for forward foreign exchange hedging positions.

Countermeasures: The Company will prudently manage its risk appetite, 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 hedge from foreign exchange risks in the early stage of foreign currency business.



Report of the Directors

(VI) Industry Risk

☒Applicable ☐Not applicable

In view of the accelerating evolution of new energy vehicle market, new energy vehicle manufacturers are competing for survival amid an increasing trend of self-production. Addressing the intensifying price competition in automotive parts market, 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. Our peers may adopt a more aggressive competition approach, taking competitive initiatives such as lower prices and white-box technologies to grab new project orders and thus posing significant competitive pressure. Moreover, 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; according to its market tactics of “spearheading components to seek breakthroughs in system business”, the Company will stabilise its inventory, tap into the potential for volume expansion, and synergise its domestic and overseas operations in multiple dimensions to achieve breakthroughs in overseas market orders; and strengthen technological innovation to enhance product competitiveness continuously.

(VII) Macro Environment Risk

☒Applicable ☐Not applicable

Amid the escalating external geopolitical risks and the profound and complicated changes in international security situation, global industrial and supply chains in profound adjustments, coupled with increasing financial market volatilities, have led to heightened downward pressure on world economy. All these add to uncertainties and uncontrollable factors across international markets. Domestic entities of the Company need to purchase certain raw materials from overseas and sell to overseas markets, and the Company has also set up a number of operating entities overseas for local business operation and development. The Company’s overseas operations are influenced by international trade policies and the political and economic environment of local countries, which might lead to higher product costs, more difficulties in securing orders, and challenges in localised project execution.

Countermeasures: The Company will keep abreast of local political, economic and industry information and dynamics of the countries and regions where it operates overseas business, strengthen risk assessment over overseas projects, and effectively preclude risks while conducting business in overseas markets.

(VIII) Risks Related Depository Receipts

☐Applicable ☒Not applicable

(IX) Other Material Risks

☐Applicable ☒Not applicable

V. PRINCIPAL OPERATIONS DURING THE REPORTING PERIOD

During the reporting period, the Company thoroughly implemented an operational philosophy integrating high-quality development with high-level safety, resolutely served national strategies, seized development opportunities in “intelligentisation, digitalization, and green transformation,” and consistently prioritised enhancing profitability. The Company strengthened foundations and pursued innovation in the rail transit sector, capitalised on momentum in emerging equipment sectors, and achieved overall improvement in operational efficiency.

During the reporting period, the Company achieved revenue of RMB24.909 billion, representing a year-on-year increase of 13.42%, net profit attributable to the parent of RMB3.703 billion, representing a year-on-year increase of 21.77%, primarily due to the increase in gross profit thanks to the increase in revenue, basic earnings per share of RMB2.62/share, representing a year-on-year increase of 22.03%, and weighted average rate of return on net assets of 9.31%, representing a year-on-year increase of 0.83 percentage points, primarily due to the increase in net profit attributable to the parent.

(I) Principal Business Analysis

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

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Change (%)
Revenue	24,908,937,548	21,962,105,911	13.42
Cost of sales	16,818,295,341	15,679,772,110	7.26
Selling expenses	589,179,188	490,653,649	20.08
Administrative expenses	1,168,944,671	1,065,949,593	9.66
Finance costs	-146,227,486	-258,164,800	Not applicable
R&D expenses	2,656,671,063	2,062,404,741	28.81
Net cash flow from operating activities	3,361,120,915	2,767,580,144	21.45
Net cash flow from investing activities	-3,199,606,969	-2,278,716,649	Not applicable
Net cash flow from financing activities	456,248,246	-571,071,878	Not applicable



Report of the Directors

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 same period last year	Change (%)
Rail transit equipment business	146.36	129.09	13.37
Of which: Rail transit electric equipment business	109.90	102.31	7.41
Rail engineering machinery business	18.91	16.85	12.22
Communication signal business	11.05	6.59	67.50
Other rail transit equipment business	6.50	3.34	95.02
Emerging equipment business	101.15	88.95	13.71
Of which: Basic devices	41.10	37.02	11.02
New energy vehicle electric drive system	25.69	20.72	23.96
New energy power generation	20.36	19.26	5.70
Marine equipment	8.65	7.33	18.04
Industrial converter	5.35	4.62	15.93
Others	1.58	1.57	0.17
Total	249.09	219.61	13.42

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

Reasons for changes in selling expenses: mainly due to the increase in salary of sales staff;

Reasons for changes in administrative expenses: mainly due to the increase in expenses such as maintenance fee for public facilities;

Reasons for changes in finance costs: mainly due to the increase in exchange losses;

Reasons for changes in R&D expenses: mainly due to the consumption of R&D materials and the increase in salary of R&D staff;

Reasons for changes in net cash flow from operating activities: mainly due to the decrease in cash payments for goods purchased and services received;

Reasons for changes in net cash flow from investment activities: mainly due to the increase in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets;

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

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

☐Applicable ☒Not applicable

2. Revenue and cost analysis

✓Applicable ☐Not applicable

In 2024, the Company achieved revenue of RMB24.909 billion, representing a year-on-year increase of 13.42% as compared to RMB21.961 billion for the same period of last year.

1. Steady revenue increase in rail transit equipment products

In 2024, revenue of rail transit equipment products reached RMB14.636 billion (RMB12.909 billion in the same period of last year), up 13.37% year-on-year. In particular, revenue of rail transit electric equipment business was RMB10.99 billion (RMB10.231 billion in the same period of last year), up by 7.41% year-on-year; revenue of rail engineering machinery business was RMB1.891 billion (RMB1.685 billion in the same period of last year), up by 12.22% year-on-year; revenue of communication signal business was RMB1.105 billion (RMB659 million in the same period of last year), up by 67.50% year-on-year; and revenue of other rail transit equipment business was RMB650 million (RMB334 million in the same period of last year), up 95.02% year-on-year.

2. Progress with stability for emerging equipment business

In 2024, revenue from emerging equipment products reached RMB10.115 billion (RMB8.895 billion in the same period of last year), up by 13.71% year-on-year. In particular, revenue from basic devices was RMB4.110 billion (RMB3.702 billion in the same period of last year), up by 11.02% year-on-year; revenue from electric drive system of new energy vehicles was RMB2.569 billion (RMB2.072 billion in the same period of last year), up by 23.96% year-on-year; revenue from new energy power generation was RMB2.036 billion (RMB1.926 billion in the same period of last year), up by 5.70% year-on-year; revenue from marine equipment was RMB865 million (RMB733 million in the same period of last year), up by 18.04% year-on-year; and revenue from industrial converters was RMB535 million (RMB462 million in the same period of last year), up 15.93% year-on-year.

(1) Results of principal operations by industry, product, region and sales model

Unit: Yuan Currency: RMB

Principal operations by industry						
By industry	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue from the previous year (%)	Change in cost of sales from the previous year (%)	Change in gross profit margin from the previous year (%)
Rail transit equipment and its extended industries	24,908,937,548	16,818,295,341	32.48	13.42	7.26	Increased by 3.87 percentage points



Report of the Directors

Principal operations by product

By product	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue from the previous year (%)	Change in cost of sales from the previous year (%)	Change in gross profit margin from the previous year (%)
Rail transit equipment business	14,636,033,580	9,103,227,393	37.80	13.37	3.14	Increased by 6.17 percentage points
Emerging equipment business	10,115,178,337	7,584,360,718	25.02	13.71	12.76	Increased by 0.63 percentage points
Others	157,725,631	130,707,230	17.13	0.17	2.36	Decreased by 1.77 percentage points

Principal operations by region

By region	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue from the previous year (%)	Change in cost of sales from the previous year (%)	Change in gross profit margin from the previous year (%)
Mainland China	23,528,651,385	15,739,473,796	33.11	12.27	5.61	Increased by 4.22 percentage points
Other countries or regions	1,380,286,163	1,078,821,545	21.84	37.25	38.87	Decreased by 0.91 percentage points

Principal operations by sales model

By sales model	Revenue	Cost of sales	Gross profit margin (%)	Change in revenue from the previous year (%)	Change in cost of sales from the previous year (%)	Change in gross profit margin from the previous year (%)
Direct sales	24,665,165,386	16,670,082,564	32.41	14.32	7.93	Increased by 4.00 percentage points
Distribution	243,772,162	148,212,777	39.20	-36.99	-36.60	Decreased by 0.37 percentage points

Description of results of principal operations by industry, product, region and sales model

- Reasons for the increase in revenue by over 30% from other countries or regions: mainly due to the increase of project delivery in overseas markets compared with the same period of last year;
- Reasons for the increase in cost of sales by over 30% in other countries or regions: mainly due to the increase in revenue in other countries or regions;
- Reasons for the decrease in revenue from distribution by over 30%: mainly due to the Company's strengthening of control over distributors and reducing sales by distributors;
- Reason for the decrease of cost of sales of distribution by over 30%: mainly due to the decrease in revenue from distribution.

Report of the Directors



(2) Analysis of production and sales volume

✓Applicable ☐Not applicable

Main product	Unit	Production	Sales volume	Inventory level	Change in production from the previous year (%)	Change in sales volume from the previous year (%)	Change in inventory level from the previous year (%)
Semiconductor device	10,000 devices	528.74	523.32	59.99	22.81	26.34	-13.94
Railway engineering machinery	vehicle	439	428	17	35.91	35.02	183.33

Description of production and sales volume

The traction converter systems of rail transit vehicles produced by the Company need to be customised based on customer needs, and the core of the system includes software and system integrated modules and involves many types of hardware and devices. Some non-critical hardware may be obtained through purchase. Accordingly, the traditional concept of production capacity is not applicable to such product.

The production and sales volume of the Company's power semiconductor devices (device products) and railway engineering machinery (complete machines) are set out above. Among them, the sales volume of power semiconductor devices includes the volume of sales to companies included in the Company's consolidated scope.

In 2024, the production and sales volume of the Company's rail transit engineering products have been greatly improved, mainly benefiting from the increase of purchase scale of State Railway Group and the existing overhaul market.

(3) Performance of material purchase contracts and sales contracts

☐Applicable ☒Not applicable

(4) Cost analysis

Unit: RMB yuan

By industry	Cost components	Amount for the current period	Analysis by industry		Amount for the same period last year	Year-on-year change in the amount (%)	Note
			As a percentage of total cost for the current period (%)	As a percentage of total cost for the same period last year (%)			
Rail transit equipment and its extended industries	Direct material cost	14,209,247,072	84.49	13,598,429,518	86.73	4.49	/
Rail transit equipment and its extended industries	Direct labor cost	463,634,418	2.76	389,050,448	2.48	19.17	/
Rail transit equipment and its extended industries	Manufacturing cost	2,145,413,851	12.75	1,692,292,144	10.79	26.78	/



Report of the Directors

By product	Cost components	Amount for the current period	Analysis by product		Amount for the same period last year	Year-on-year change in the amount (%)	Note
			As a percentage of total cost for the current period (%)	As a percentage of total cost for the same period last year (%)			
Rail transit equipment business	Direct material cost	8,329,765,025	49.53	8,226,843,300	52.47	1.25	/
Rail transit equipment business	Direct labor cost	136,207,423	0.81	107,477,836	0.68	26.73	/
Rail transit equipment business	Manufacturing cost	637,254,945	3.79	491,851,762	3.13	29.56	/
Emerging equipment business	Direct material cost	5,757,029,408	34.23	5,251,327,493	33.49	9.63	/
Emerging equipment business	Direct labor cost	327,426,995	1.95	281,572,612	1.8	16.29	/
Emerging equipment business	Manufacturing cost	1,499,904,315	8.91	1,193,006,217	7.61	25.72	/
Others	Direct material cost	122,452,639	0.73	120,258,725	0.77	1.82	/
Others	Manufacturing cost	8,254,591	0.05	7,434,165	0.05	11.04	/

Other notes to cost analysis

None

(5) Changes in the scope of consolidation due to major changes in equity in subsidiaries during the reporting period

☐ Applicable ☒ Not Applicable

(6) Significant changes or adjustments in the Company's business, products or services during the reporting period

☐ Applicable ☒ Not Applicable

(7) Major customers and major suppliers

A. Information about major customers of the Company

☒ Applicable ☐ Not Applicable

The sales to the top five customers was RMB13,237.98 million, accounting for 53.15% of the total annual sales, of which sales to related parties was RMB9,370.75 million, accounting for 37.62% of the total annual sales.

Except for CRRC Group which is an indirect controlling shareholder of the Company, none of the Directors or any of their respective close associates or shareholders holding 5% or more of the Company's shares had an interest in top five customers.

Report of the Directors

Top five customers of the Company

☒ Applicable ☐ Not Applicable

Unit: 0'000 Yuan Currency: RMB

No.	Customer name	Sales	As a percentage of total annual sales (%)	Whether a related party of the Company
1	CRRC Group	937,075	37.62	Yes
2	Customer 2	142,501	5.72	No
3	Customer 124082	91,375	3.67	No
4	Customer 107823	82,408	3.31	No
5	Customer 126052	70,439	2.83	No
Total	/	<u>1,323,798</u>	<u>53.15</u>	/

Sales to a single customer exceeded 50% of the total, the top 5 customers included new customer(s), or there was a heavy reliance on few customers during the reporting period

☐ Applicable ☒ Not Applicable

B. Information about major suppliers of the Company

☒ Applicable ☐ Not Applicable

The purchase from the top five suppliers was RMB3,180.60 million, accounting for 20.63% of the total annual purchase amount, of which purchase from related parties was RMB1,989.42 million, accounting for 12.91% of the total annual purchase amount.

Except for CRRC Group which is an indirect controlling shareholder of the Company, none of the Directors or any of their respective close associates or shareholders holding 5% or more of the Company's shares had an interest in top five suppliers.

Top five suppliers of the Company

☒ Applicable ☐ Not Applicable

Unit: 0'000 Yuan Currency: RMB

No.	Supplier name	Purchase amount	As a percentage of total annual purchase amount (%)	Whether a related party of the Company
1	CRRC Group	198,942	12.91	Yes
2	Supplier 800511	53,054	3.44	No
3	Supplier 738149	27,813	1.80	No
4	Supplier 740244	19,913	1.29	No
5	Supplier 701699	18,338	1.19	No
Total	/	<u>318,060</u>	<u>20.63</u>	/



Report of the Directors

Purchase from a single supplier exceeded 50% of the total, the top 5 suppliers included new supplier(s), or there was a heavy reliance on few suppliers during the reporting period

☐ Applicable ☒ Not Applicable

3. Expenses

☒ Applicable ☐ Not Applicable

Reasons for changes in selling expenses: during the reporting period, the selling expenses was RMB589 million, an increase of 20.08% over the previous year, mainly due to the increase in salary of sales staff;

Reasons for changes in administrative expenses: during the reporting period, the administrative expenses were RMB1.169 billion, an increase of 9.66% over the previous year, mainly due to the increase of various expenses such as maintenance fee for public facilities;

Reasons for changes in finance costs: during the reporting period, the net finance costs were RMB146 million, compared with RMB258 million in the same period of last year, mainly due to the increase of exchange losses;

Reasons for changes in R&D expenses: during the reporting period, the R&D expenses were RMB2.657 billion, an increase of 28.81% over the previous year, mainly due to the consumption of R&D materials and the increase in the salary of R&D staff.

4. Cash flow

☒ Applicable ☐ Not Applicable

Reasons for changes in net cash flow from operating activities: during the reporting period, net cash flow from operating activities was a net inflow of RMB3.361 billion, an increase of 21.45% over the same period of last year, mainly due to the decrease in cash payments for goods purchased and services received;

Reasons for changes in net cash flow from investing activities: during the reporting period, net cash flow from investing activities was a net outflow of RMB3.200 billion, mainly due to the increase in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets;

Reasons for changes in net cash flow from financing activities: during the reporting period, net cash flow from financing activities was a net inflow of RMB456 million, mainly due to the increase in cash receipts from capital contributions from minority shareholders of subsidiaries.

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

☐ Applicable ☒ Not Applicable

Report of the Directors

(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 period	Percentage of closing balance of the previous period in total assets (%)	Change in closing balance of the current period over the previous period (%)	Note
Cash and bank balances	10,652,179,214	16.44	7,907,280,965	14.70	34.71	(1)
Bills receivable	3,224,588,596	4.98	2,393,066,611	4.45	34.75	(2)
Contract assets	995,492,991	1.54	389,649,694	0.72	155.48	(3)
Non-current assets due						
within one year	2,628,347,569	4.06	1,100,449,970	2.05	138.84	(4)
Other current assets	2,071,940,937	3.20	415,617,535	0.77	398.52	(5)
Fixed assets	8,594,961,720	13.26	5,297,085,100	9.85	62.26	(6)
Construction in progress	2,312,618,688	3.57	1,269,716,197	2.36	82.14	(7)
Long-term prepaid						
expenses	17,940,557	0.03	28,694,796	0.05	-37.48	(8)
Other non-current assets	3,513,755,034	5.42	5,603,035,064	10.42	-37.29	(9)
Short-term loans	39,010,667	0.06	414,922,553	0.77	-90.60	(10)
Accounts payable	8,289,622,832	12.79	6,336,312,525	11.78	30.83	(11)
Bills payable	5,816,830,991	8.98	3,987,430,534	7.41	45.88	(12)
Contract liabilities	1,333,540,452	2.06	744,696,858	1.38	79.07	(13)
Other payables	1,869,975,564	2.89	1,173,512,094	2.18	59.35	(14)
Non-current liabilities due						
within one year	743,193,133	1.15	497,130,061	0.92	49.50	(15)
Other current liabilities	166,486,362	0.26	92,453,353	0.17	80.08	(16)
Long-term loans	62,004,100	0.10	631,943,386	1.18	-90.19	(17)
Deferred income	420,037,069	0.65	777,841,769	1.45	-46.00	(18)



Report of the Directors

Other explanations

- (1) Mainly due to the increase in net cash inflow from operating activities during the reporting period;
- (2) Mainly due to the increase in recovery of accounts by means of issuance or endorsement of commercial acceptance bills by customers during the reporting period;
- (3) Mainly due to the increase of quality guarantee receivable caused by the increase of revenue during the reporting period;
- (4) Mainly due to the increase in certificates of deposit due within the next year held at the end of the reporting period;
- (5) Mainly due to the increase of certificates of deposit with a term shorter than one year purchased in the reporting period;
- (6) Mainly due to the increase in acceptance of certain production lines under construction and transferred to fixed assets during the reporting period;
- (7) Mainly due to the promotion of production line capacity to drive the capacity increase of new business during the reporting period;
- (8) Mainly due to the termination of certain lease contracts during the reporting period and the one-time amortisation of the renovation expenses of the corresponding leased assets;
- (9) Mainly due to the fact that the certificates of deposit held in the reporting period are classified as due within one year according to liquidity;
- (10) Mainly due to repayment of external short-term bank loans during the reporting period;
- (11) Mainly due to increase in purchases from suppliers during the reporting period;
- (12) Mainly due to the increase in payment to suppliers by means of issuance of bills during the reporting period;
- (13) Mainly due to increase in advance receipts related to sales contracts received during the reporting period;
- (14) Mainly due to increase in accounts payable and other current accounts related to fixed assets during the reporting period;
- (15) Mainly due to the increase in estimated liabilities due within one year during the reporting period;
- (16) Mainly due to the increase in tax corresponding to the advance receipts related to the sales contracts received during the reporting period;
- (17) Mainly due to repayment of external long-term bank loans during the reporting period;
- (18) Mainly due to the increase in amortisation of deferred income during the reporting period.

2. Overseas assets

☒Applicable ☐Not applicable

(1) Asset size

Where: Overseas assets amounted to RMB1,594,067,505, accounting for 2.46% of total assets.

(2) Explanation on the high proportion of overseas assets

☐Applicable ☒Not Applicable

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

☒Applicable ☐Not applicable

For details, please refer to “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



Report of the Directors

(IV) Analysis of Industry Operational Information

✓Applicable ☐Not Applicable

For details, please refer to “Chairman’s Statement” and “Report of the Directors” of this report.

(V) 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
80,573,528	154,076,467	-47.71%

During the reporting period, the amount of the Group’s equity investment was RMB80,573,528, which was the capital increase of RMB47,000,000 in Zhixin Semiconductor Co., Ltd. presented in long-term equity investment and the capital increase of RMB33,573,528 in Xicheng CRRC (Wuxi) Urban Transit Transport Engineering Co., Ltd. presented in investment in other equity instruments, respectively. The external equity investment in the same period last year was RMB154,076,467, including capital increase of RMB73,500,000 in Guangzhou Qinglan Semiconductor Co., Ltd. presented in long-term equity investment and the capital increase of RMB80,576,467 in Xicheng CRRC (Wuxi) Urban Transit Transport Engineering Co., Ltd. presented in investment in other equity instruments, respectively.

As at the end of the reporting period, the balance of external equity investments of the Group was RMB839,267,940, representing an increase of 9.47% as compared with RMB766,661,196 at the beginning of the year. Among them, the balance of long-term equity investments in associates and joint ventures at the end of the reporting period was RMB572,444,420, representing an increase of 7.32% from RMB533,411,204 at the beginning of the period. For details, please refer to “12. Long-term equity investments” in “VII. Notes to the Consolidated Financial Statements” in Financial Report.

Report of the Directors

1. Material equity investment

✓Applicable ☐Not applicable

Unit: 0'000 Currency: RMB

Investee name	Principal operations	Investment mode	Investment amount	Shareholding (%)	Source of funding	Progress as at the end of the reporting period	Investment gain or loss in the current period	Disclosure date and index (if any)
Hunan CRRC Commercial Vehicle Power Technology Co., Ltd.	R&D and manufacturing of mid- to high-end electric drive systems for new energy commercial vehicles, covering products such as electric motors, electric control, fuel cell, DC/DC and other automotive converters but not involving R&D and manufacturing of new energy vehicles and batteries	Acquisition	10,692.50	100%	Self-owned funds	Acquisition completed	—	For details, please refer to the Announcement on Acquisition of 100% Equity Interest in Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and Related Party Transaction of Zhuzhou CRRC Times Electric Co., Ltd. (Announcement No. 2024-057) published by the Company on the website of the SSE on 14 December 2024.
Total	/	/	<u>10,692.50</u>	/	/	/	—	/

2. Material non-equity investment

✓Applicable ☐Not applicable

At the 10th meeting of the seventh session of the Board held on 23 August 2024, the Proposal on the Medium and Low Voltage Power Component Production Capacity Construction (Yixing) Project of CRRC Times Semiconductor was considered and approved, pursuant to which Yixing CRRC Times Semiconductor Co., Ltd. was approved to invest in the Medium and Low Voltage Power Component Production Capacity Construction (Yixing) Project with a total investment of approximately RMB946 million. For details, please refer to the Announcement on Voluntary Disclosure of the Investment in the Medium and Low Voltage Power Component Production Capacity Construction (Yixing) Project by a Controlled Subsidiary of Zhuzhou CRRC Times Electric Co., Ltd. (Announcement No. 2024-037) published by the Company on the website of the SSE on 24 August 2024. As of now, the project is in progress.



Report of the Directors

3. Financial assets measured at fair value

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Asset type	Opening balance	Gain 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 in the current period	Disposal/redemption amount in the current period	Other changes	Closing balance
Financial assets held for trading	4,776,392,878	45,928,267	-	-	9,517,000,000	10,740,000,000	-65,459,690	3,533,861,455
Bills receivable measured at fair value	1,649,079,023	-	5,656,460	-	-	-	-367,950,502	1,286,784,981
Trade receivables measured at fair value	2,886,505,958	-	22,906,422	-	-	-	-374,494,003	2,534,918,377
Other equity instrument investment	233,249,992	-	-	-	33,573,528	-	-	266,823,520
Total	<u>9,545,227,851</u>	<u>45,928,267</u>	<u>28,562,882</u>	<u>-</u>	<u>9,550,573,528</u>	<u>10,740,000,000</u>	<u>-807,904,195</u>	<u>7,622,388,333</u>

Securities investment

☐ Applicable ☒ Not applicable

Derivatives investment

☒ Applicable ☐ Not applicable

Report of the Directors



(1) Derivative investments for hedging purposes during the reporting period

✓Applicable ☐Not applicable

Unit: RMB0'000 Currency: RMB

Type of derivatives investment	Initial investment amount	Opening book value	Gain or loss from fair value changes in the current period	Accumulated fair value changes included in equity	Amount purchased in the reporting period	Amount sold in the reporting period	Closing book value	Closing book value as a percentage of the Company's net assets at the end of the reporting period (%)
Foreign exchange forward contracts	8,886.75	0	-208.00	0	8,886.75	8,886.75	0	0
Total	8,886.75	0	-208.00	0	8,886.75	8,886.75	0	0

Accounting policies and specific accounting principles for hedging business during the reporting period, and explanations on whether there are significant changes compared with the previous reporting period

No material changes

Explanation on actual gain or loss during the reporting period

The actual loss of the Company's foreign exchange forward contracts was RMB3,331,800, which was hedged against the corresponding underlying assets.

Description of hedging effect

The Company generates foreign currency collection and payment business due to daily operations, and uses ordinary forward instruments for hedging. Through forward contracts, the Company locked up the procurement cost, reduced the risk of foreign exchange rate fluctuations, and secured its operating profit.

Sources of funds for derivatives investment

Self-owned funds



Report of the Directors

Risk analysis and description of control measures for derivatives positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)

1. Risk analysis of the Company's foreign exchange derivatives trading business

(1) Market risk

Foreign exchange rates may fluctuate significantly due to changes in domestic and overseas economic situation, exposing the Company's foreign exchange derivatives trading to certain market risks. In reviewing foreign exchange derivatives trading business and annual plan, the Company strictly adheres to the principle of hedging and the purpose of reducing risk exposure of its principal operations, selects derivative products with simple structure, manageable risks and strong liquidity, and matches the business structure with its principal operations in terms of variety, size, direction, term and other elements of exposure positions to ensure the hedging relationship between its derivatives business and the hedged underlyers. Speculative trading is prohibited to effectively guard against market risks.

(2) Operational risk

Foreign exchange derivatives business is highly professional and complex, and certain risks may be caused by operators who fail to understand derivatives information in time or at all, or fail to execute transactions in accordance with rules and policies. The Company will continuously improve its foreign exchange risk management system, clearly separate front, middle and back offices for derivatives business, ensure that operators have relevant experience or business qualifications, and strictly prevent operational risks through employee audits, systematic controls and hierarchical authorisation and approval mechanisms.

(3) Liquidity Risk

Unreasonable purchase arrangement of foreign exchange derivatives may trigger liquidity risk of the Company's funds. The foreign exchange derivatives are based on the Company's foreign exchange assets and liabilities and match with the actual foreign exchange income and expenditure, and the Company selects appropriate foreign exchange derivatives in a timely manner and appropriately chooses net settlement foreign exchange derivatives, which can ensure that there are sufficient funds for settlement at the time of delivery, so as to reduce liquidity risk.

(4) Performance risk

If the counterparty of foreign exchange derivatives fails to execute contract at the agreed price upon expiry, the corresponding foreign exchange exposure would not be closed, leading to a failure in managing exchange rate risk as expected. The counterparties of foreign exchange derivatives transactions of the Company are all large commercial banks with high credit ratings and long-term business relationship with the Company, so as to avoid performance risk.

Report of the Directors



2. Risk prevention and control measures adopted by the Company for foreign exchange derivatives trading business
 - (1) All foreign exchange derivatives trading varieties carried out by the Company are those with simple structure, manageable risks and strong liquidity that are closely related to the basic business, and such foreign exchange derivatives match the basic business in terms of variety, size, direction, term, etc., so as to follow the Company's prudent and robust risk management principle, avoid speculative transactions and effectively guard against market risks.
 - (2) The Company has formulated the strict Administrative Measures for Financial Derivatives Business and the Operation Manual for Financial Derivatives Business, which clearly stipulate the operating principles, approval authority, department setting and staffing, internal operation process, internal risk reporting system and risk handling procedures, information disclosure and information isolation measures of foreign exchange derivatives transactions to avoid operational risk.
 - (3) The Company will carefully select counterparties for foreign exchange derivatives trading, requiring them to be large commercial banks with high credit ratings and long-term business relationship with the Company, strictly review the terms of contracts entered into with qualified financial institutions and strictly implement the risk management system to effectively avoid performance risk.
 - (4) The internal audit department of the Company is responsible for reviewing and evaluating the derivatives transactions on a regular basis.

Changes in market price or fair value of the invested derivatives during the reporting period; the analysis of fair value of derivatives shall disclose the specific methods used and the setting of relevant assumptions and parameters

During the reporting period, the Company's foreign exchange hedging transaction varieties were ordinary forward foreign exchange contracts, and the prices in the valuation notices from banks were used as fair value of the contracts.

Litigation (if applicable) Not applicable

Date of announcement of the Board on approval of derivatives investment (if any) 29 March 2024

Date of announcement on approval of derivatives investment at general meeting (if any) Not applicable

(2) Derivatives investment for speculation purpose during the reporting period

☐ Applicable ☒ Not applicable

Other explanations

None

4. Investment in private equity investment fund

☐ Applicable ☒ Not applicable

Other explanations

None

5. Progress of major asset restructuring and consolidation during the reporting period

☐ Applicable ☒ Not applicable



Report of the Directors

6. 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 totalling RMB4,327.8 million. Upon completion of the capital increase, the Company's shareholding in CRRC Times Semiconductor will change to 77.7771%, and it will remain as a direct controlling shareholder of CRRC Times Semiconductor. For details, please refer to the announcement dated 28 March 2024 published on the website of the Stock Exchange and 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. (Announcement No. 2024-011) disclosed by the Company on the website of the SSE on 29 March 2024. As of 31 December 2024, the capital increase agreement has been executed, the increased capital has been paid up, and the change in industrial and commercial registration has been completed.

(VI) Analysis of Major Subsidiaries and Associates

☒ Applicable ☐ Not applicable

For details, please refer to Financial Report – "X. Interests in Other Entities".

(VII) Structured Entities Controlled by the Company

☐ Applicable ☒ Not applicable

VI. DISCUSSION AND ANALYSIS ON THE FUTURE DEVELOPMENT OF THE COMPANY

(I) Industry Landscape and Trends

☒ Applicable ☐ Not applicable

As an important part of the modern transportation system and a major livelihood undertaking, railways have made important contributions to promoting economic recovery and facilitating people's travel, and the railway passenger and freight market has entered a recovery cycle. According to the Outline of Powerful Nation Railway Advance Planning in the New Era, by 2035, China's railway network will reach approximately 200,000 kilometers, including approximately 70,000 kilometers of high-speed railway. Cities with a population of more than 200,000 will be covered by railway, and cities with a population of more than 500,000 will be accessible by high-speed railway. The regional coordinated development strategy will be further implemented. As the state implements major national strategies such as "new infrastructure", accelerating the contraction of rail transit network in urban agglomerations and metropolitan areas, and speeding up the development of urban (suburban) railways in metropolitan areas, the development of intercity and urban (suburban) railways will enjoy prosperity. Driven by the increasing ownership of rail transit equipment which continues to enter the maintenance period, the maintenance and repair market is expected to further grow. In terms of competition landscape, Beijing Zongheng Electromechanical Technology Co., Ltd., a subsidiary of China Academy of Railway Sciences Corporation Limited, maintains a strong competitive edge in the EMU traction converter system market by virtue of its rich experience in product development, production and application. In addition, CRRC Qingdao Sifang Rolling Stock Research Institute Co., Ltd., CRRC Yongji Electric Co., Ltd., CRRC Dalian Institute Co., Ltd., and CRRC Dalian Electric Traction Research and Development Center Co., Ltd., which are subsidiaries of CRRC, are also engaged in business operations related to traction converter systems of rail transit vehicles, and compete with the Company in certain business areas.

Urban rail transit construction is slowing down as the investment in urban rail transit construction decreased year by year, resulting from tightening fiscal policies. Local government exercise strict control over urban rail transit construction. Cities with subway have delayed or stopped the construction of projects currently invested by less than half. Given the general slowdown of subway construction, urban rail transit, low-to-medium-haul railway, as well as maintenance and repair service may embrace development opportunities. In addition, under China's carbon peak and neutrality strategy, China Association of Metros issued the Action Plan for Green Urban Rail Transit Construction of China, which clearly put forward the requirements on building a green urban rail transit system. Accordingly, intelligent and low-carbon integrated urban rail transit solutions will be increasingly favoured by users in the future. In terms of competition landscape, leveraging its deep partnerships with project owners in some areas, Xinyu Bombardier Traction System Co., Ltd. secured traction orders for nearly 600 subway vehicles in Beijing, Shanghai, Wuhan and other places in 2024, maintaining significant market competitiveness. In addition, Jiangsu Kingway Rail Transportation Equipment Co., Ltd. secured a batch of permanent magnet traction orders in Hangzhou and Guangzhou in 2024, leveraging its extensive technology reserve to actively participate in market competition.

Achieving carbon peak and carbon neutrality is an extensive and profound economic and social systemic reform. With the further implementation of the national "carbon peak and neutrality" strategy, the reform will give rise to a new energy market that is worth hundreds of billions of yuan and has great growth potential. Emerging industries such as wind, solar, energy storage and hydrogen equipment and photovoltaic engineering, automotive electric drive, semiconductors and sensors, which are highly aligned with China's "carbon peak and neutrality" strategy, are on a fast track and also provide a broad market space for industry players. In terms of competition landscape, in the photovoltaic inverter market with still obvious oligopoly effect, Huawei Technologies Co., Ltd., Sungrow Power Supply Co., Ltd., Zhuzhou CRRC Times Electric Co., Ltd., Sineng Electric Co., Ltd. and TBEA Co., Ltd. each won bids of over 20GW in 2024 from the tenders that have disclosed shares of bid winners, according to Solarbe.com. In the wind power converter market, Sungrow Power Supply Co., Ltd., Shenzhen Hopewind Electric Co., Ltd. and Xinjiang Goldwind Science and Technology Co., Ltd. as top players still have a significant market share. According to NE Times, in 2024, the top three passenger car electric drive system providers in total represented more than 43% market share. In particular, Huawei Digital Power Technologies Co., Ltd. is rising rapidly by virtue of its electric drive technology well recognised in the market, while automobile manufacturers such as self-manufacturing (BYD and Tesla) and independent suppliers (Suzhou Inovance Automotive Co., Ltd. and United Automotive Electronic Systems Co., Ltd.) remain competitive. In the semiconductor market, as to automobile, new energy and industrial sectors, as domestic substitution advanced further, Hangzhou Silan Microelectronics Co., Ltd. leveraged its strengths in IDM model to maintain a rapid growth momentum in scale; meanwhile, international top players led by Infineon Technologies AG drew upon their long-established expertise to maintain their technical and market leadership. In the sensor market, LEM Holding SA ranks No. 1 in power sensors globally and has been a pacesetter in the industry. In addition, a domestic company, Sinomags Technologies Co., Ltd., has been rapidly growing in the power sensor segment over recent years, becoming another major competitor to the Company.

(II) Development Strategy of the Company

✓Applicable ☐Not applicable

In light of its philosophy of "high-quality, high-efficiency operation" and the strategy of "concentric diversification", the Company is deeply engaged in the rail transit industry with "smart technologies", and rides on tailwinds from the "carbon peak and neutrality" strategy to innovatively develop emerging strategic businesses. Upholding a market-oriented approach, the Company leverages its advantages in vertical integration of industry chain and cross-disciplinary technical expertise to promote the complementary coordination and innovative integration of systems. Through digital transformation, the Company further deepens refined management, continuously optimises resource allocation, improves efficiency and benefits, creates sustainable value for shareholders and achieves sound development, in an effort to become global preferred electrical system comprehensive solution provider in the fields of transportation and energy at a faster pace.



Report of the Directors

(III) Business Plan

☒ Applicable ☐ Not applicable

In 2025, under the guidance of Xi Jinping's vision on the socialism with Chinese characteristics for a new era, the Company will fully implement the guiding principles of the Report to the 20th CPC National Congress, contribute to Chinese-style modernisation to promote the great cause of building a strong country and national rejuvenation, closely follow the main line of high-quality development, and strengthen the balance among responsibilities, rights and interests. Capturing the opportunities in the "intelligentisation" and "carbon peak and neutrality" strategies, we aim to strengthen and thoroughly improve our two technology foundations for converter and control system, adhere to digital intelligence and refined management, and optimise resource allocation. On that basis, we are dedicated to building an enterprise fulfilling the "four higher goals" in social respect, shareholder recognition, customer satisfaction and employee happiness.

(IV) Miscellaneous

☐ Applicable ☒ Not applicable

VII. OTHER DISCLOSURES

Corporate Information

The Company is a joint stock limited company incorporated in the PRC on 26 September 2005. The Company's H Shares were listed on the Main Board of the Hong Kong Stock Exchange on 20 December 2006. The Company's A shares were listed on the Science and Technology Innovation Board of the SSE on 7 September 2021.

The basic information of the Company is set out in "Company Profile and Key Financial Indicators" of this annual report.

Reserves

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

Reserves Available for Distribution

For details of the reserves of the Company available for distribution, please refer to "(VII) Notes to Key Items of the Consolidated Financial Statements – 43. Retained Earnings" to the financial report of this annual report prepared under the China Accounting Standards for Business Enterprises.

Taxation

Details of the taxation of the Group for 2024 are set out in note "VI. Taxation" to the financial report of this annual report.

Events after the Balance Sheet Date

Details of the events after the balance sheet date of the Group are set out in the note "XVII. Events After the Balance Sheet Date" to the financial report of this annual report.

Share Capital

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

Report of the Directors

Purchase, Sale or Redemption of Listed Securities of the Company

During the reporting period and up to 20 February 2025, the Company repurchased a total of 46,897,200 H Shares in the Share capital with a nominal value of RMB1 each on the Stock Exchange, at a total consideration of approximately HK\$1,384,098,358.21 (excluding transaction expenses). Details are as follows:

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
December 2024	9,220,100	32.5	29.85	285,712,624.46
January 2025	12,351,200	32.6	29.05	371,044,003.86
February 2025	20,629,100	32.2	28.8	628,782,940.65

H Shares repurchased by the Company in January 2024 were cancelled on 16 April 2024; 4,887,300 H Shares repurchased during the period from 12 December 2024 to 16 December 2024 were cancelled on 19 December 2024; and the other 37,313,100 H Shares repurchased were cancelled on 26 February 2025.

Save as disclosed in this annual report, during the reporting period and up to the date of this report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Given that the repurchase of H Shares will improve net asset value per share and earnings per share of the Group and thus benefit the shareholders as a whole, shareholders approved a general mandate at the Company's annual general meeting, the A Share class meeting and H Share class meetings held on 27 June 2023 and 27 June 2024, respectively, pursuant to which the Directors repurchased the H Shares.

Performance and Distribution

The performance of the Group for the year ended 31 December 2024 and the financial position of the Group as at 31 December 2024 are set out in "Financial Report" of this report.

The implementation of cash dividend policy of the Company during the reporting period is set out in "Corporate Governance Report – XIII. Plan for Distribution of Profits or Transfer of Capital Reserve Fund" of this annual report.

Distribution Plan and Policy of Dividend

The Company's distribution plan and policy of dividend is set out in "Corporate Governance Report-XIII. Plan for Distribution of Profits or Transfer of Capital Reserve Fund" of this annual report.

Bank Loans and Other Loans

Details of the bank loans and other loans of the Company as at 31 December 2024 are set out in Note "(VII) Notes to Key Items of the Consolidated Financial Statements – 23. Short-term Borrowings" and "32. Long-term Borrowings" in "Notes to the Financial Statements" to the financial report of this annual report prepared under the China Accounting Standards for Business Enterprises.



Report of the Directors

Property, Plant and Equipment

Details of changes in the property, plant and equipment of the Company in 2024 are set out in “(VII) Notes to Key Items of the Consolidated Financial Statements – 14. Fixed Assets” and “16. Right-of-use Assets” to notes to the financial statements in the financial report of this annual report prepared under the China Accounting Standards for Business Enterprises.

Information of Directors, Supervisors and Senior Management of the Company

Details of information of Directors, Supervisors and senior management of the Company are set out in “Directors, Supervisors, Senior Management and Employees” of this annual report.

Service Contracts with Directors and Supervisors

The Company has entered into service contracts with all Directors and supervisors which set out, among other things, their terms of office and remuneration. Each session of the Board has a term of three years. Directors elected as the members of any new session of the Board will have a term of office commencing from the date on which he/she is elected up to the date on which members of the next session of the Board are elected or for a shorter period as may be decided upon at the general meeting. Directors appointed to fill casual vacancy will have a term of office commencing from the date of his/her appointment up to the next general meeting or for a shorter period as may be decided upon at the general meeting. Similarly, each session of the Supervisory Committee of the Company has a term of three years and the term of office of the supervisors are determined similarly as the Directors except that references to general meeting should be replaced by the meeting of the representatives of the employees in respect of the employee representative supervisor. The period of notice of termination of the service contracts given by either party shall not be less than three months.

None of the Directors nor supervisors (including but not limited to those Directors proposed for re-election at the forthcoming general meeting of the Company and those supervisors proposed for re-election at the forthcoming general meeting or meeting of the representatives of the employees) has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Remuneration of Directors, Supervisors and Senior Management

Details of the remunerations of Directors, Supervisors and five highest paid individuals of the Company are set out in the note (XII) Related Parties and Related Party Transactions – 5. Transactions Between the Group and its Related Parties – (7) Remuneration of Key Management Personnel to the financial report of this annual report.

Permitted Indemnity

The Company has arranged appropriate liability insurance policies for Directors, supervisors and senior management members, for the purpose of covering their liability arising out of the Group’s corporate activities.

Directors’ and Supervisors’ Interests in Contracts

During the year and as at 31 December 2024, none of the Directors or supervisors had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party.

Loans Provided to Directors, Supervisors and Senior Management of the Company

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

Directors' Interests in Competing Business

During the year and as at 31 December 2024, none of the Directors, directly or indirectly, had an interest in any business which competes or may compete with the business of the Company and/or its subsidiaries.

Interests and Short Positions of Directors, Supervisors and the General Manager in the Shares and Debentures

During the year and as at 31 December 2024, none of the Directors, supervisors and the general manager of the Company or their respective associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or any interests or short positions in the shares required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or any personal, family, corporate or other interests or short positions required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the SEHK Listing Rules (the "Model Code").

Directors' and Supervisors' Rights to Acquire Shares or Debentures

At no time during the year were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Directors, supervisors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors and supervisors to acquire such rights in any other body corporate.

Employee Retirement Plan

Details of the employee retirement plan of the Company are set out in (XVIII) OTHER SIGNIFICANT EVENTS – 8. Other Financial Information to the financial report of this annual report prepared under the China Accounting Standards for Business Enterprises.

Staff

Staff is the key for the Group's sustainable development. Details of the staff of the Group are set out in "Directors, Supervisors, Senior Management and Employees" of this report.

Mechanism for Protecting Non-controlling Interests

To protect non-controlling interests, the Company has established and implemented certain governance measures, which include:

- (1) In accordance with the Articles, directors who are interested in the transactions should disclose their respective interest, and shall not vote in respect of the transactions in which they are interested and shall not be counted towards the quorum of the meeting. Therefore, for the connected transactions between the Group and CRRC Group, Mr. Li Donglin, Mr. Liu Ke'an, Mr. Shang Jing and Mr. Zhang Xinning did not vote in respect of the relevant Board resolutions and were not counted towards the quorum of the meetings approving the relevant resolutions due to conflict of interest.
- (2) An independent professional management team of the Group responsible for negotiating and reviewing the terms of transactions with the suppliers and customers (including CRRC Group) has been established. The members of the management team include the staff of the Group with relevant techniques and sales expertise, and the terms of duties of the management team allow it to make independent business judgments. The management team reports to the Board, while the Board is accountable to the Shareholders of the Company as a whole.



Report of the Directors

- (3) The Company's auditor has provided quarterly reports to the independent non-executive Directors on all transactions conducted between the Group and CRRC Group.
- (4) When making purchases, the Group has endeavoured to obtain tenders or quotations from a number of independent suppliers, and select successful bidders (where applicable) based on objective standards such as the price and quality of products, delivery schedule and services.
- (5) Subject to (1) above, all independent non-executive Directors have attended the Board meetings for deciding whether the Group should conduct special transactions with CRRC Group.
- (6) The terms for the supply and purchase arrangements entered into between the Group and CRRC Group are subject to quarterly review by the independent non-executive Directors, and opinions regarding such transactions are disclosed by the Company to the Shareholders by way of announcements. Independent non-executive Directors may request an independent party having at least 10 years' experience in the locomotive and rolling stock manufacturing industry to participate in assessing the terms of the sales and purchases agreements, and to provide their opinions to the independent non-executive Directors.

Non-competition and Indemnity Deeds

The Company entered into a non-competition and indemnity deed with CRRC ZELRI and CRRC Group on 30 November 2006 (the "Non-Competition and Indemnity Deed"), pursuant to which CRRC ZELRI and CRRC Group respectively undertook not to, and procure any of its associates (as defined under the Hong Kong Listing Rules, excluding the Group) not to carry on businesses that are in competition with the Group's businesses. In 2015, CSR merged with CNR and formed CRRC; China Northern Locomotive & Rolling Stock Industry (Group) Corporation merged with CSR Group and formed CRRC Group. As certain businesses of the subsidiaries of CNR overlap with those of the Group, there are certain business overlaps between CRRC Group and the Group. Accordingly, CRRC issued an undertaking letter regarding the avoidance of competition with the Company (the "Undertaking Letter") to the Company on 5 August 2015, in which it provided non-competition undertakings as follows:

- 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 Company;
- CRRC further granted 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 conditions, and the sale to the third party may only be effected after the Company declined to purchase the competing business;
- the decision of the Company to exercise the aforesaid option and the pre-emptive right to purchase shall be made by the independent non-executive Directors of the Company;
- the exercise of the aforesaid option and the pre-emptive right to purchase 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;
- the aforesaid non-competition undertaking will be effective from the date of issuance to the time when the Company is de-listed or CRRC ceases to be an indirect controlling Shareholder of the Company.

Report of the Directors

The independent non-executive Directors have reviewed the compliance issue of the Non-Competition and Indemnity Deed with CRRC ZELRI and CRRC Group (excluding the Group) for the year ended 31 December 2024, and reviewed relevant information provided by CRRC ZELRI and CRRC Group (excluding the Group). The independent non-executive Directors were of the opinion that:

- (1) CRRC ZELRI complied with the relevant terms of the Non-Competition and Indemnity Deed in 2024. CRRC ZELRI carried on its businesses independent of the Group's businesses, having different technology applications and different customers, which would not be in competition with that of the Group;
- (2) in 2024, CRRC Group continued to procure CRRC to perform its undertakings to the Company; and
- (3) the Board operated and managed the Company's businesses independently in the interests of the Company and the Shareholders as a whole.

In December 2020, in order to meet the requirements of the issue and listing of A Shares of the Company, each of CRRC Group and CRRC ZELRI has further issued to the Company, among others, an undertaking letter regarding the avoidance of competition with the Company (the "2020 Undertaking Letters"). For details, please refer to the section headed "Significant Events – Performance of Undertakings" in this annual report.

Sufficiency of Public Float

According to publicly available information and as far as the Directors were aware, as at the date of this report, there was a sufficient public float of the Company's issued shares as required under the SEHK Listing Rules.

Taxation

Pursuant to the provisions of the Corporate Income Tax Law of the PRC and the Implementing Regulations of the Corporate Income Tax Law of the PRC implemented in 2008, effective from 1 January 2008, any PRC domestic enterprise shall withhold the corporate income tax upon the distribution of dividends payable to the Shareholders being non-resident enterprises (legal persons) for accounting periods starting from 1 January 2008, and the payer shall serve as the withholding agent. The Company will strictly abide by the law and identify all Shareholders who are subject to the withholding and payment of corporate income tax, whose names appear in the Company's register of members as holders of H shares on the record date and who are not individuals (including HKSCC Nominees Limited, other corporate nominees or trustees, and other entities or organisations which are all considered as non-resident enterprise Shareholders, but excluding any H shares of the Company registered in the name of HKSCC Nominees Limited which are held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder on behalf of investors who invest in the H shares of the Company through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect), the Company will distribute the relevant dividends after deducting corporate income tax of 10%.

Pursuant to the requirements of Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994] 020) (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)), individual foreigners are exempt from individual income tax on dividend and bonus from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, the individual Shareholders who hold the H shares of the Company and appear in the H-share registrar are not required to pay the individual income tax of the PRC.



Report of the Directors

Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (財稅[2014]81號), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H shares companies shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The H shares companies will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Pursuant to the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (財稅[2016]127號), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H shares companies shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The H shares companies will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Save as disclosed above, for the year ended 31 December 2024, no foreign shareholder who is non-PRC resident is liable to individual or corporate income tax, capital gains tax, stamp duty or estate duty of the PRC in relation to their holding of the H shares of the Company. Shareholders are urged to consult their tax advisers regarding the applicable PRC and Hong Kong tax laws and other tax consequences of the ownership and disposal of the H shares of the Company.

Management Contracts

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

Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares

The shareholdings of substantial shareholders in the Company are set out in “Changes in Shares and Particulars of Shareholders – (VI) Interests and short positions of substantial shareholders in shares and underlying shares of the Company” of this report.

Arrangements for Share Pre-emptive Right and Stock Option

In 2024, no arrangement for Share pre-emptive right and stock option was made by the Company, as there are no specific provisions under the PRC laws or the Articles of Associations regarding share pre-emptive right.

Connected Transactions

The connected transactions of the Company are set out in Significant Events of this report.

Related Party Transactions

The Group entered into certain transactions with the relevant parties considered to be “related parties” pursuant to applicable accounting standards during the reporting period. Details of the related party transactions entered into by the Group during the reporting period are disclosed in note “XII. Related Parties and Related Party Transactions” to the financial report. Save as disclosed in this report, the related party transactions disclosed in note “XII. Related Parties and Related Party Transactions” were neither considered to be connected transactions as defined by the Hong Kong Listing Rules nor exempted from the reporting, announcement and shareholders’ approval requirements pursuant to the Hong Kong Listing Rules.

Non-exempt Connected Transactions

Save as those disclosed in this report, there were no other non-exempt connected transactions as defined by the Hong Kong Listing Rules entered into by the Company with its connected persons during the reporting period.

Audit Committee

The audit committee of the Company has reviewed the annual results and the annual report of the Company for 2024 as well as the audited consolidated financial statements for the year ended 31 December 2024 of the Company.

Accounting Policies

Changes to the accounting policies of the Company are set out in “V. Significant Accounting Policies and Accounting Estimates - 41. Changes in Significant Accounting Policies and Accounting Estimates”.

Auditors

At the 2023 annual general meeting of the Company held on 27 June 2024, the Resolution on Engagement of Auditor of the Company for 2024 was considered and approved, pursuant to which, the Company engaged KPMG Huazhen LLP as its auditor for financial reporting and internal control audit in 2024.

Details on change of auditors by the Company in the past three years are set out in “Explanation on the Change in the Employment of Auditors during the Audit Period” under Section VIII “Significant Events” in 2022 Annual Report.

Environmental Policy and Performance

For details, please refer to the 2024 Environmental, Social and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. published by the Company on the websites of the SSE and the Stock Exchange.

Compliance with Laws and Regulations

The Group has formulated the compliance procedures to ensure compliance with the applicable laws, rules and regulations that have a significant impact on it. The securities and legal affairs department and other relevant departments of the Company are responsible for supervising the policies and practices for compliance with laws and supervision by reviewing the same regularly. The relevant employees and subsidiaries will be notified from time to time of any material change in the applicable laws, rules and regulations.

The Group has complied with relevant applicable laws, rules and regulations of the jurisdictions in which the Group operates in all material aspects and has obtained relevant qualifications required for the provision of products and/or services. During the year and as far as the Company is aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on its business and operations.



Report of the Directors

Relationship with Employees

The Group provides a harmonious and professional working environment to employees and ensures that all of them are reasonably remunerated. The Company regularly optimises and updates its policies on remuneration and benefits, training as well as occupational health and safety in accordance with laws and policy requirements at all levels. Details of the employees of the Company are set out in “Employees and remuneration policy”.

During the reporting period, there were no material disputes between the Group and its employees.

Relationship with Customers

The customers of the national railway business are mainly the automakers under the CRRC Group and the railway bureaus under State Railway Group. The target customers of the said market are clear. The customers in urban railway market and industrial markets are relatively dispersed. The Group recognises the importance of maintaining good cooperative relationship with its customers to achieve win-win results. In the course of business operation, the Company pays close attention to the benefits of the customers and communicates with them smoothly through dedicated account managers, green service centers, customer satisfaction and compatibility survey, and business and technology exchange, with a view to fully understanding, collecting and analysing their concerns and making responses positively, so as to continuously improve its own operation ability and the ability to serve its customers.

During the reporting period, there were no material disputes between the Group and its customers.

Relationship with Suppliers

The raw materials and parts of the Group are mainly obtained from external procurement, with some provided by internal production of the corporation. The Group implements strategic procurement and values the development of long-term relationship with its business partners. It has always striven to cooperate with its business partners to create and share value to achieve mutual development and win-win results. The Group established direct and stable supply channels with the suppliers. Through whole life cycle management and performance evaluation of the suppliers, the overall supply risk is reduced and the risk of excessive reliance on a single supplier is lower.

During the reporting period, there were no material disputes between the Group and its suppliers.

Donations

The Group did not make donations during the year.

Environmental, Social and Governance (ESG) Report

For details of the performance of social responsibilities by the Group during the reporting period, please refer to the 2024 Environmental, Social and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. published by the Company on the websites of the SSE and the Stock Exchange on the same date.

By order of the Board

Li Donglin

28 March 2025

Directors, Supervisors, Senior Management and Employees



I. THE CHANGES IN SHAREHOLDING AND REMUNERATIONS OF CURRENT AND RESIGNED DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS DURING THE REPORTING PERIOD

✓ Applicable ☐ Not Applicable

Unit: share

Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Shareholding at the beginning of the year	Shareholding at the end of the year	Changes in shareholding during the year	Reason for change	Total before-tax remuneration obtained from the Company during the reporting period (RMB'0'000)	Whether to receive any remuneration from any related party of the Company
Li Donglin	Chairman of the Board, executive Director	Male	58	23 June 2020	26 June 2026	–	–	–	–	0	Yes
Shang Jing	Vice Chairman of the Board	Male	48	12 June 2024	26 June 2026	–	–	–	–	19	Yes
	Executive Director			28 September 2020	26 June 2026						
	General manager			28 September 2020	14 May 2024						
Xu Shaolong	Executive Director	Male	41	27 June 2024	26 June 2026	–	–	–	–	37.53	No
	General manager			12 June 2024	26 June 2026						
Li Kaiguo	Independent non-executive Director	Male	63	21 October 2022	26 June 2026	–	–	–	–	11.9	No
Zhong Ninghua	Independent non-executive Director	Male	43	27 June 2023	26 June 2026	–	–	–	–	11.9	No
Lam Siu Fung	Independent non-executive Director	Male	51	27 June 2023	26 June 2026	–	–	–	–	27.03	No
Feng Xiaoyun	Independent non-executive Director	Female	63	27 June 2024	26 June 2026	–	–	–	–	5.07	No
Li Lüe	Chairman of the Supervisory Committee, Supervisor	Male	56	23 June 2020	22 June 2026	–	–	–	–	0	Yes
Geng Jianxin	Independent Supervisor	Male	71	23 June 2020	27 June 2026	–	–	–	–	11.9	No
Shen Zhulin	Employee representative Supervisor	Male	52	27 June 2023	26 June 2026	–	–	–	–	68.64	No
Liu Shaojie	Employee representative Supervisor	Male	40	27 June 2023	26 June 2026	–	–	–	–	44.69	No
Niu Jie	Secretary of Party Committee	Male	57	29 October 2018	–	–	–	–	–	131.51	No
	Deputy general manager			15 June 2012	26 June 2026						
Tan Yongneng	Secretary of Discipline Committee	Male	55	30 January 2018	–	–	–	–	–	117.87	No
	Chief administration officer			19 January 2010	26 June 2026						
	Chairman of the labour union			19 January 2010	–						
Gong Tong	Deputy general manager	Male	51	18 March 2020	26 June 2026	–	–	–	–	101.65	No
Yu Kang	Deputy general manager	Male	47	18 March 2020	26 June 2026	–	–	–	–	109.54	No
Hu Yunqing	Deputy general manager, chief engineer	Male	41	28 April 2023	26 June 2026	–	–	–	–	83.99	No
Yao Zhonghong	Deputy general manager	Male	47	28 April 2023	26 June 2026	–	–	–	–	115.4	No



Directors, Supervisors, Senior Management and Employees

Name	Position	Gender	Age	Commencement date of term of office	Termination date of term of office	Shareholding at the beginning of the year	Shareholding at the end of the year	Changes in shareholding during the year	Reason for change	Total before-tax remuneration obtained from the Company during the reporting period (RMB'0'000)	Whether to receive any remuneration from any related party of the Company
Gan Weiwei	Deputy general manager Head of the Rail Transit Technology Centre of CRRC Times Electric and core technician	Male	41	28 March 2024 28 April 2023	26 June 2026 11 April 2024	-	-	-	-	93.96	No
Sun Shan	Deputy general manager, financial director	Female	47	28 March 2024	26 June 2026	-	-	-	-	42.52	No
Chai Duo	Deputy general manager	Male	41	15 October 2024	26 June 2026	-	-	-	-	27.7	No
He Zhengjun	Deputy general manager	Male	39	15 October 2024	26 June 2026	-	-	-	-	24.6	No
Long Furong	Secretary to the Board, general legal counsel, chief compliance officer	Female	45	28 April 2023	26 June 2026	-	-	-	-	91.16	No
Wang Yeliu	Core technician	Male	43	12 October 2020	-	1,000	1,000	-	-	54.81	No
Zhang Dongfang	Core technician	Male	45	12 October 2020	-	-	-	-	-	58.46	No
Zhang Dinghua	Core technician	Male	46	12 October 2020	-	-	-	-	-	74.4	No
Dou Zechun	Core technician	Male	40	11 April 2024	-	-	-	-	-	44.98	No
Qi Yu	Core technician	Male	38	11 April 2024	-	-	-	-	-	69.55	No
Wu Qingli	Core technician	Male	43	3 March 2025	-	-	-	-	-	-	No
Zheng Huaxiong	Core technician	Male	42	3 March 2025	-	-	-	-	-	-	No
Cheng Zhenglin	Core technician	Male	42	3 March 2025	-	-	-	-	-	-	No
Li Cheng	Core technician	Male	38	3 March 2025	-	-	-	-	-	-	No
Zhang Xinning	Former non-executive Director	Male	61	23 June 2020	7 March 2024	-	-	-	-	-	Yes
Liu Ke'an	Former vice chairman of the Board, executive Director	Male	54	23 June 2020	12 June 2024	-	-	-	-	-	Yes
Gao Feng	Former independent non-executive Director	Male	48	23 June 2020	31 July 2024	-	-	-	-	7.11	No
Yan Changqi	Former deputy general manager	Male	57	29 January 2016	28 March 2024	-	-	-	-	11.04	No
Liu Zehua	Former deputy general manager and financial director	Male	57	31 March 2020	28 March 2024	-	-	-	-	10.26	No
Yi Weihua	Former deputy general manager	Male	43	2 November 2020	2 August 2024	-	-	-	-	94.84	No
Li Peng	Former deputy general manager	Male	44	23 February 2022	2 August 2024	-	-	-	-	24.98	No
Liu Yong	Former core technician	Male	44	28 November 2020	11 April 2024	-	-	-	-	9.07	No
Liu Yongjiang	Former core technician	Male	40	27 November 2020	27 September 2024	-	-	-	-	27.76	No
Zhu Hongjun	Former core technician	Male	54	12 October 2020	3 March 2025	-	-	-	-	49.17	No
Lv Yang	Former core technician	Male	43	12 October 2020	3 March 2025	-	-	-	-	76.87	No
Zhang Min	Former core technician	Male	44	12 October 2020	3 March 2025	-	-	-	-	74.61	No
Liu Liangjie	Former core technician	Male	43	12 October 2020	3 March 2025	-	-	-	-	108.89	No
Total	/	/	/	/	/	1,000	1,000	/	/	1,974.36	/

- Notes:
1. Remunerations, bonuses and subsidies actually paid in 2024 under "total before-tax remuneration obtained from the Company during the reporting period" are calculated on a cash basis, which do not include the employee benefits and social insurance, housing provident fund and annuities undertaken by the Company. The remuneration of newly appointed Directors, Supervisors and senior management and core technicians in 2024 is the actual remuneration paid by the Company during the term of office, excluding the settlement beyond the term of office.
 2. Commencement dates of term of office of the above Directors and Supervisors refer to the term of office of the sixth and seventh session of the Board and the Supervisory Committee.

Directors, Supervisors, Senior Management and Employees



Name	Major working experience
Li Donglin	<p>Mr. Li Donglin, the 14th National People's Congress (第十四届全国人大代表), born in 1967, a Chinese citizen without permanent residency abroad. Mr. Li graduated from Southwest Jiaotong University with a bachelor's degree in Electric Traction and Drive Control in 1989. He is a senior engineer. Mr. Li joined CRRC ZELRI in July 1989 and held the positions of deputy chief engineer, deputy general manager of the rail transport department, director of the manufacturing centre, deputy general manager of the sales and marketing centre of CRRC ZELRI. Mr. Li served as the chief marketing officer of the Company from September 2005 to December 2007 and vice president and Party secretary of the Company from December 2007 to December 2009. From January 2010 to April 2010, he served as the general manager of the Company. From April 2010 to January 2016, he served as an executive director and the general manager of the Company. Mr. Li was a director, the general manager and deputy Party secretary of CRRC ZELRI from December 2015 to May 2018. He has been the chairman of the board of directors and Party secretary of CRRC ZELRI since May 2018. Mr. Li was the Vice Chairman of the Board and an executive Director of the Company from March 2017 to July 2018, and has been the Chairman of the Board and an executive Director of the Company since July 2018. He currently serves as the Chairman of the Board and an executive Director of the Company.</p>
Shang Jing	<p>Mr. Shang Jing, born in 1977, a Chinese citizen without permanent residency abroad. Mr. Shang graduated with a bachelor's degree in Mechanical and Electrical Engineering and a master's degree in Power System and Automation from Southwest Jiaotong University in July 2000 and April 2003, respectively. In December 2016, he graduated from Central South University with a doctor degree in control science and engineering. He is a professorate senior engineer. He joined CRRC ZELRI in July 2003 as an engineer at the R&D centre. He served as an engineer at the R&D centre, the director and the deputy director of the industrial drive department of the Company from September 2005 to May 2011, and the deputy director and the director of the foundation and platform research and development centre of CRRC ZELRI Research Institute from June 2011 to February 2015, respectively. He was also the vice chief engineer and the director of the foundation and platform research and development centre of CRRC ZELRI Research Institute from February 2015 to January 2016. He has been serving as the deputy director of the Management Committee of the National Key Laboratories of New Power Semiconductor Devices since February 2016. From January 2016 to September 2020, he served as a vice general manager and chief engineer of the Company. He served as an executive director and the general manager of the Company from September 2020 to May 2024, general manager, deputy secretary to the Party Committee and director of CRRC ZELRI since May 2024 and vice chairman of the Board and executive director of the Company since June 2024.</p>



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Xu Shaolong	<p>Mr. Xu Shaolong, born in 1984, a Chinese citizen without permanent residency abroad, graduated from Zhejiang University in 2006 with a bachelor's degree in automation. In 2016, he graduated from Zhejiang University with a master's degree in electrical engineering. In 2023, he graduated from Central South University with a doctor's degree in transportation engineering, and is a professor level senior engineer. From August 2006 to April 2013, he was an engineer of the Company's technology center. From May 2013 to April 2014, he worked as an engineer of CRRC ZELRI research institute. From April 2014 to June 2017, he successively served as the system technology application engineer, the leader of the system technology group and the director of the transmission control department of the Company's technology center. From June 2017 to October 2020, he served as deputy director and director of the Company's rail transit technology center. He served as deputy general manager of the Company from November 2020 to January 2022. From January 2022 to June 2022, he served as the assistant general manager and general manager of industrial development division of CRRC ZELRI. From July 2022 to February 2023, he served as assistant general manager and general manager of comprehensive energy division of CRRC ZELRI. From March 2023 to June 2024, he served as deputy general manager and general manager of comprehensive energy division of CRRC ZELRI. From September 2023 to June 2024, he served as the secretary of the board of directors of CRRC ZELRI. He has been an executive director and general manager of the Company since June 2024.</p>
Li Kaiguo	<p>Mr. Li Kaiguo, born in 1962, a Chinese citizen without permanent residency abroad. Mr. Li graduated from Hunan University in the PRC with a bachelor's degree in Engineering in 1983. He is a researcher level senior engineer, a Machinery Industrial Scientific Technology Specialist of the PRC, an expert entitled to special grants of the State Council, and the first batch of national candidates for the New Century Hundred-Thousand-Ten Thousand Talents Project* (新世紀百千萬人才工程國家級人選). During the period from August 1983 to February 2000, Mr. Li successively served as an engineer, the deputy head and the head of Component Testing Laboratory of Chongqing Automobile Research Institute* (重慶汽車研究所) ("CARI") (currently known as China Automotive Engineering Research Institute Co., Ltd* (中國汽車工程研究院股份有限公司) ("CAERI"), (stock code: 601965.SH)). Between July 1995 and February 2000, he also concurrently served as the general manager of the Automotive Test Equipment Development Centre* (汽車試驗設備開發中心) of CARI. Between February 2000 and November 2007, Mr. Li served as the deputy director and member of party committee of CARI. Between November 2007 and October 2013, Mr. Li served as the director, deputy general manager and member of party committee of China Automotive Engineering Research Institute Co., Ltd* (中國汽車工程研究院有限公司) (currently known as CAERI). Between October 2013 and May 2022, Mr. Li successively served as director, general manager, deputy secretary of party committee, secretary of party committee and chairman of CAERI. Since May 2022, Mr. Li has been the expert of CAERI and concurrently served as the head of automobile inspection and testing technology committee of China General Technology (Group) Holding Co Ltd (中國通用技術(集團)控股有限責任公司). He has been an independent director of SERES Group Co., Ltd. (賽力斯集團股份有限公司) (stock code: 601127) since November 2022 and a concurrent independent director of Bethel Automotive Safety Systems Co., Ltd. (蕪湖伯特利汽車安全系統股份有限公司) (stock code: 603596) since September 2024. Mr. Li has been an independent non-executive Director of the Company since October 2022.</p>

Directors, Supervisors, Senior Management and Employees



Name	Major working experience
Zhong Ninghua	<p>Zhong Ninghua, born in 1982, a Chinese citizen without permanent residency abroad, graduated from Fudan University and Peking University with a bachelor's degree and a master's degree in economics in July 2005 and July 2008, respectively, and graduated from the Hong Kong University of Science and Technology in March 2013 with a doctor's degree in finance. From March 2013 to December 2015, he successively served as an assistant professor and associate professor of the College of Economics and Management of Tongji University. Since December 2015, he has been a professor and doctoral supervisor of the College of Economics and Management of Tongji University. Since October 2017, he has been the dean of the Department of Economics and Finance of the College of Economics and Management of Tongji University. Since January 2018, he has been the head of the first-level discipline of Applied Economics of the College of Economics and Management of Tongji University. Since December 2021, he has been the deputy dean of the College of Economics and Management of Tongji University. Since January 2022, he has been a chair professor appointed by the dean of Economics and Management of Tongji University. Mr. Zhong served as the short-term consultant of the World Bank and the chief expert of the international projects of the Asian Development Bank. He currently also serves as the second special supervisor of the Shanghai Municipal Supervisory Commission, the political consultant of the Chinese People's Political Consultative Conference of Shanghai, the deputy secretary general of the Shanghai Economic Association and the vice chairman of the Shanghai Financial Technology Industry Alliance. He has been an independent non-executive Director of the Company since June 2023.</p>
Lam Siu Fung	<p>Lam Siu Fung, born in 1974, a Chinese citizen with permanent residence in Hong Kong, graduated from The Chinese University of Hong Kong with a bachelor's degree in accounting in 1997 and is a Certified Public Accountant in Hong Kong. From September 1997 to February 2007, he successively served as an audit manager and a senior manager of Ernst & Young. From February 2007 to April 2009, he served as a director of the audit department of Horwath Hong Kong CPA Limited. Since May 2009, he has been a director of the audit department and a director of family office services of BDO Limited. Mr. Lam is currently a council member of the Hong Kong Institute of Certified Public Accountants, a member of the Registration Approval Committee and a member of the Small and Medium Practitioners Committee. Mr. Lam has over 25 years of experience in accounting and has extensive experience in auditing, accounting and taxation in Hong Kong and the Mainland. He has served listed companies and IPO clients in various industries, including manufacturing, retail, real estate development, real estate agency, biotechnology, natural resources industry, entertainment and media, infrastructure and information technology. He has been an independent non-executive Director of the Company since June 2023.</p>



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Feng Xiaoyun	<p>Ms. Feng Xiaoyun, born in 1962, a Chinese citizen without permanent residency abroad, graduated from Southwest Jiaotong University in 1983 with a bachelor's degree majoring in electric locomotive, and in 1988 and 2001 with a master's degree and doctorate degree, respectively, majoring in power electronics and power transmission. Ms. Feng successively served as a lecturer, assistant to the dean and deputy dean of the School of Electrical Engineering of Southwest Jiaotong University from July 1983 to February 2009, head of the laboratory and equipment management office of Southwest Jiaotong University from February 2009 to January 2020, assistant to president and executive vice president of the graduate school of Southwest Jiaotong University from January 2010 to July 2012, member of the standing committee of Party Committee and vice president of Southwest Jiaotong University from July 2012 to December 2021, and second-tier professor of the School of Electrical Engineering of Southwest Jiaotong University since December 2021. She has been an independent non-executive director of the Company since June 2024.</p>
Li Lüe	<p>Mr. Li Lüe, born in 1969, a Chinese citizen without permanent residency abroad. Mr. Li graduated from the Hunan Finance and Economics College in July 1990 majoring in accounting. From September 2000 to June 2003, he studied accounting at the Hunan University Network College. In December 2010, Mr. Li graduated from Kunming University of Science and Technology with a master's degree in business administration. He is a senior accountant. Mr. Li Lüe joined CRRC Zhuzhou in July 1990, where he held several positions including an accountant and chief accountant of the branch, an accountant and the deputy director of the finance department as well as the director of the restructuring office. From November 2005 to March 2006, Mr. Li successively served as the director of the audit department and the secretary to Party branch of CRRC Zhuzhou. From March 2006 to January 2008, he served as chief accountant of CSR Shijiazhuang Vehicle Factory. From January 2008 to December 2010, he served as deputy director general and chief financial officer of CSR Shijiazhuang Vehicle Co., Ltd. From January 2011 to August 2018, he served as deputy general manager and chief financial officer of Guangzhou Locomotive Co., Ltd. From August 2018 to May 2019, he served as deputy general manager of Guangzhou Locomotive Co., Ltd. Since May 2019, Mr. Li has been serving as deputy general manager and chief financial officer of CRRC ZELRI. Mr. Li has been the Chairman of the Supervisory Committee and a supervisor of the Company since June 2019.</p>
Geng Jianxin	<p>Mr. Geng Jianxin, born in 1954, a Chinese citizen without permanent residency abroad. In 1987, Mr. Geng graduated from Zhongnan University of Economics and Law majoring in accounting and obtained a master's degree in economics. In 1993, he graduated from Renmin University of China majoring in accounting and obtained a doctorate in management. He is entitled to the special government subsidy from the State Council. From 1993 to 2019, he served as associate professor, professor, doctoral supervisor, director of teaching and research section, executive deputy director, secretary of the Party Committee of the School of Business and chairman of the Academic Committee of the School of Business at Renmin University of China. Mr. Geng has been an independent supervisor of the Company since June 2011.</p>

Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Shen Zhulin	Mr. Shen Zhulin, born in 1973, a Chinese citizen without permanent residency abroad, graduated from Xi'an University of Technology with a bachelor's degree in automatic control in July 1995 and graduated from Hunan Normal University with a master's degree in business administration in June 2014. He is a senior engineer. Mr. Shen joined CRRC ZELRI in August 1995 and successively served as assistant engineer, engineer and project manager. From September 2005 to January 2011, he successively served as the project manager, deputy director and director of the technology development division of the safety equipment business division of the Company. From January 2011 to May 2013, he served as the technical director of the safety equipment business division of the Company. From May 2013 to July 2016, he served as the deputy general manager of the communication and signal division of the Company. From July 2016 to November 2019, he served as the secretary of the general party branch and deputy general manager of Hunan CRRC Times Signal & Communication Co., Ltd.. From November 2019 to March 2020, he served as the director of the office of the disciplinary committee of the Company. He has been the deputy secretary of the disciplinary committee and the director of the office of the disciplinary committee of the Company since March 2020. He has been an employee representative supervisor of the Company since June 2023.
Liu Shaojie	Liu Shaojie, born in 1985, with Chinese citizen without permanent residency abroad, graduated from Hunan Railway Professional Technology College with a college degree in electrical machinery and apparatus in June 2006; He graduated from Hunan University with a bachelor's degree in human resources management in June 2014; he is a high-speed rail worker. He joined the Company in August 2006 and successively served as the manufacturing team leader of power electronic business unit, the chip line leader and the supervisor of the IGBT business unit. From October 2019 to April 2021, he served as the lean production supervisor of Zhuzhou CRRC Times Semiconductor Co., Ltd., the director of the first module manufacturing department of Zhuzhou CRRC Times Semiconductor Co., Ltd. from April 2021 to March 2024 and head of the module manufacturing department of Yixing CRRC Times Semiconductor Co., Ltd. (宜興中車時代半導體有限公司) since April 2024. He has been an employee representative supervisor of the Company since June 2023.
Niu Jie	Mr. Niu Jie, born in 1968, a Chinese citizen without permanent residency abroad. Mr. Niu graduated from Central South University in June 2003 with an undergraduate certificate of graduation in machinery design, manufacturing and automation. He is an engineer. Mr. Niu was a technician and office director of the loading and unloading machinery plant of Lanzhou Railway Bureau from February 1988 to October 1994. He joined CRRC ZELRI in October 1994 and served as the director of the production department of the PCB plant, the sales director of the production and operation department and the vice general manager of the marketing centre of CRRC ZELRI. He was the deputy general manager of the marketing centre of the Company from September 2005 to December 2006 and the general manager of the locomotives business department of the marketing centre of the Company from January 2007 to December 2008. He was the general manager of the locomotives business department of the Company from January 2009 to May 2013 and was deputy chief economist of the Company from January 2010 to June 2012. Mr. Niu has been a vice general manager of the Company since June 2012 and the Party secretary of the Company since October 2018. He currently serves as the Party secretary and a deputy general manager of the Company.



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Tan Yongneng	<p>Mr. Tan Yongneng, born in 1970, a Chinese citizen without permanent residency abroad. Mr. Tan graduated from Xiangtan University majoring in Electrical Technology in 1995. He attended the on-the-job postgraduate programme in Psychology and Human Resources of Peking University in 2000, and obtained a certificate of graduation by completing the full postgraduate programme in July 2002. He attended the on-the-job MBA programme of Business School of Central South University in 2003 and obtained a certificate of graduation by completing the full postgraduate programme in July 2005. He joined CRRC ZELRI in July 1990, and has held various positions such as director of general manager's office of Times Electronics, director of department of Party and mass affairs and director of Party office of CRRC ZELRI. He was director of department of Party and mass affairs and director of department of auditing of the Company from December 2004 to December 2005, director of department of Party and mass affairs and director of Party office of CRRC ZELRI from December 2005 to December 2007, and director of administration office and director of secretary office of decision-making committee of CRRC ZELRI from January 2008 to January 2010. Mr. Tan was the chief administration officer and the chairman of the labour union of the Company from January 2010 to January 2018, and has been the secretary of Party discipline inspection commission, the chief administration officer and the chairman of the labour union of the Company since January 2018.</p>
Gong Tong	<p>Mr. Gong Tong, born in 1974, a Chinese citizen without permanent residency abroad. Mr. Gong graduated from Southwest Jiaotong University with a bachelor's degree in Electric Traction and Transmission Control in July 1996. He is a senior engineer. Mr. Gong joined CRRC ZELRI in August 1996 and has worked for the technical service department, after-sales service department and quality service department of the electrical equipment factory of CRRC ZELRI, Zhuzhou Times Fittings Technical Service Co., Ltd. and the technical service department. He has taken various positions as a marketing centre service director, director of the quality and safety department, general manager of after-sales service department and director of planning and development department of the Company from January 2005 to July 2011, a general manager of Guangzhou CRRC Times from July 2011 to April 2013, a deputy general manager of the business division for urban railway equipment of the Company from May 2013 to February 2016, a deputy chief economist, director of planning and development department, general manager of the business division for new industry of the Company from February 2016 to July 2017, and a deputy chief economist and general manager of the business division for urban railway equipment of the Company from July 2017 to March 2020. Mr. Gong has been a deputy general manager of the Company since March 2020.</p>
Yu Kang	<p>Mr. Yu Kang, born in 1978, a Chinese citizen without permanent residency abroad. Mr. Yu graduated from Nanchang Hangkong University with a bachelor's degree in Mechanical and Electrical Engineering in July 2000. He is a senior engineer. Mr. Yu joined CRRC ZELRI in August 2000 and has worked for the equipment department and engineering technology department of the manufacturing centre of CRRC ZELRI. He has taken various positions such as a director of the electronic equipment factory of the manufacturing centre and a director of the general management department of the Company from June 2005 to January 2011, a director of the general manager's office of the Company from January 2011 to February 2016, a director of the general manager's office and a general manager of the business division for automobile of the Company from February 2016 to March 2017, a general manager of the business division for automobile of the Company from March 2017 to February 2018, and a deputy chief economist and general manager of the business division for automobile of the Company from February 2018 to March 2020. Mr. Yu has been a deputy general manager of the Company since March 2020.</p>

Directors, Supervisors, Senior Management and Employees



Name	Major working experience
Hu Yunqing	Mr. Hu Yunqing, born in 1984, a Chinese citizen without permanent residency abroad, graduated from the Department of Physics and Information of Hunan Normal University with a bachelor's degree in electronical information science and technology in June 2006. He graduated from the Department of Control Science and Engineering of Zhejiang University with a doctoral degree in control science and engineering in March 2013. He is a Professor-level senior engineer. From April 2013 to April 2014, he worked at CRRC Zhuzhou Institute Co., Ltd., and from April 2014 to May 2017, he worked at the rail transit technology centre of the Company. From June 2017 to February 2021, he successively served as the director, deputy officer and officer of the intelligent control technology department of the basic platform research and development centre of the research institute of CRRC Zhuzhou Institute Co., Ltd. From February 2021 to April 2023, he served as the director of the converter and control technology centre of the Company. He has been serving as the deputy general manager and chief engineer of the Company since April 2023.
Yao Zhonghong	Mr. Yao Zhonghong, born in 1978, a Chinese citizen without permanent residency abroad, graduated from the Department of Electrical Engineering of Hunan University in July 1998 with a bachelor's degree majoring in electrical engineering. He graduated from the department of Electrical Engineering of Hunan University in July 2001 with a master's degree majoring in electric circuit and system. He is a professor-level senior engineer. From July 2001 to August 2004, he served as a designer of the automation development department of the engineering centre of CRRC Zhuzhou Institute Co., Ltd.. From August 2004 to January 2014, he successively served as the chief designer, senior director designer and project manager of the Company's technology centre. From January 2014 to March 2017, he successively served as the assistant to the general manager and deputy general manager of the Company's railway business department. From March 2017 to March 2018, he served as the deputy director of the Company's product management centre and the manager of the EMU electrical system product line. From March 2018 to December 2020, he served as the director of the Company's operation management department. From December 2020 to April 2023, he served as the director of the Company's centralised procurement centre. He has been serving as the deputy general manager of the Company since April 2023.
Gan Weiwei	Mr. Gan Weiwei, born in 1984, a Chinese citizen without permanent residency abroad, graduated from Xi'an Jiaotong University with a bachelor's degree in electrical engineering and automation in June 2007. He graduated from Xi'an Jiaotong University with a master's degree in electrical engineering in July 2010. He is a senior engineer. He worked in the comprehensive management department of the Company's technology centre in July 2010. From January 2012 to September 2017, he successively served as an engineer and head of inverter control team of the basic platform research and development centre of the research institute of CRRC Zhuzhou Institute Co., Ltd.. From September 2017 to March 2021, he successively served as the head and deputy director of the transmission control department of the rail transit technology centre of the Company. From March 2021 to March 2022, he served as the secretary to the Party General Branch and deputy director of the rail transit technology centre of the Company. From March 2022 to April 2023, he served as the secretary of the General Party Branch and deputy general manager of the railway business department of the Company. He was the director of the rail transit technology centre of the Company from April 2023 to April 2024, general manager of green energy branch since August 2024 and the deputy general manager of the Company since March 2024.



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Sun Shan	<p>Ms. Sun Shan, born in 1978, a Chinese citizen without permanent residency abroad, graduated from Hunan University with a major in accounting in December 2001 and obtained a master's degree in business administration from Central South University in May 2018. She is a senior accountant. From January 2002 to December 2007, she successively served as the general ledger accountant and assistant to the director of the safety equipment business department of the Company. From January 2008 to June 2013, she successively served as the head of the cost management team, the head of the budget management team and the director of the budget and final account of the financial assets department of the Company. From June 2013 to March 2019, she successively served as the director of the financial assets department of the power electronic business department and the semiconductor business department of the Company. From March 2019 to March 2020, she served as the financial director of CRRC Times Semiconductor. She has served as the officer of the financial centre of the Company from March 2020 to March 2024, and has been the deputy general manager and financial director of the Company since March 2024.</p>
Chai Duo	<p>Mr. Chai Duo, born in 1984, a Chinese citizen without permanent residency abroad, graduated from Northwestern Polytechnical University in 2007 with a bachelor's degree majoring in electrical engineering and automation, and from Central South University in 2018 with a master's degree majoring in business administration. He is a political engineer. Mr. Chai served as an engineer of the technology centre, discipline inspection supervisor of the party-mass working department and secretary to the league party committee of the Company from August 2007 to October 2012, secretary to the league party committee of CRRC ZELRI from November 2012 to December 2015, head of the organisation department of the party committee and secretary to the league party committee of CRRC ZELRI from December 2015 to May 2019, director of the party committee office and head of the organisation department of the party committee of CRRC ZELRI from May 2019 to March 2020, deputy director of the manufacturing centre of the Company from April 2020 to November 2020, director of the manufacturing centre of the Company from November 2020 to October 2024, and deputy general manager of the Company since October 2024.</p>
He Zhengjun	<p>Mr. He Zhengjun, born in 1986, a Chinese citizen without permanent residency abroad, graduated from Dalian Jiaotong University in 2007 with a bachelor's degree majoring in mechanical engineering and automation, and from Zhejiang University in 2015 with a master's degree majoring in engineering of the electrical engineering field. He is a professorate senior engineer. Mr. He served as the leader of the reactive power compensation system smelting group and secretary of youth league committee of Zhuzhou National Engineering Research Centre of Converters Co., Ltd. from August 2007 to May 2011, project declaration director and assistant director of the technology management department of the Company from June 2011 to March 2016, deputy director of the technology management department and director of the process and quality department of CRRC ZELRI from March 2016 to December 2018, director of the in-depth reform office under the strategy development department of CRRC ZELRI from December 2018 to November 2020, director of the strategy development department of CRRC ZELRI and general manager of the Hong Kong branch of CRRC ZELRI from November 2020 to October 2024, and deputy general manager of the Company since October 2024.</p>

Directors, Supervisors, Senior Management and Employees



Name	Major working experience
Long Furong	Ms. Long Furong, born in 1980, a Chinese citizen without permanent residency abroad, graduated from Hunan University with a bachelor's degree in accounting in June 2002 and graduated from Guilin University of Technology with a master's degree in business administration in June 2019. She is a senior Accountant. From August 2002 to May 2013, she successively served as the accountant, accounting officer and accounting director of the financial assets department of CRRC Zhuzhou Institute Co., Ltd.. From May 2013 to May 2016, she served as the financial director of Zhuzhou National Engineering Research Centre of Converters Co., Ltd.. From May 2016 to February 2018, she served as the director of the audit and risk control department of the Company. Since February 2018, she has served as the director of the securities and legal department of the Company. She has served as the secretary to the Board, general counsel and chief compliance officer of the Company since April 2023.
Wang Yeliu	Mr. Wang Yeliu, born in 1982, a Chinese citizen without permanent residency abroad. He graduated from East China Jiaotong University with a bachelor's degree in communication engineering in 2004; and from Central South University with a master's degree in business administration in 2018. Mr. Wang Yeliu is a professor-level senior engineer. From August 2004 to February 2010, he served as an engineer of the technical centre of the communication and signal division of the Company. From March 2010 to February 2011, he served as the head of the control department I of the technical centre of the communication and signal division of the Company. From March 2011 to February 2012, he served as the deputy director of the technical centre of the communication and signal division of the Company. From March 2012 to March 2016, he served as the director of the technical centre of the communication and signal division of the Company. From March 2016 to February 2017, he served as deputy chief engineer of the communication and signal division of the Company. From March 2017 to April 2020, he served as deputy chief engineer of Hunan CRRC Signal. He has served as the deputy general manager of Hunan CRRC Signal since May 2020.
Zhang Dongfang	Mr. Zhang Dongfang, born in 1980, a Chinese citizen without permanent residency abroad. He graduated from East China Jiaotong University with a bachelor's degree in electrical engineering and automation in 2003. Mr. Zhang Dongfang is a professor-level senior engineer. From August 2003 to September 2005, he served as an engineer in the R&D centre of CRRC ZELRI. From September 2005 to April 2016, he served as assistant engineer, engineer and senior engineer of the Company. From April 2016 to May 2018, he served as the head of the diesel locomotive product department of the Company's rail transit technology centre. From May 2018 to September 2018, he served as assistant director of the Company's rail transit technology centre. From September 2018 to April 2020, he served as the director of technology centre of CRRC Times Electronics. He has served as the deputy general manager of CRRC Times Electronics since April 2020.
Zhang Dinghua	Mr. Zhang Dinghua, born in 1979, a Chinese citizen without permanent residency abroad. He graduated from Hunan University of Science and Technology with a bachelor's degree in automation in 2003; from Central South University with a master's degree in control theory and control engineering in 2006; and from Central South University with a doctorate degree in control science and engineering in 2011. Mr. Zhang Dinghua is a professor-level senior engineer. From June 2006 to June 2011, he served as the control engineer of CRRC National Centre of Converters. From June 2011 to July 2015, he served as the project manager of the foundation and platform R&D centre of CRRC ZELRI. From July 2015 to February 2018, he served as deputy chief engineer of ROV Division of UK CRRC SMD. From February 2018 to July 2019, he served as the deputy director of the Company's industrial transmission technology centre. He has served as the deputy general manager of Shanghai CRRC SMD since July 2019.



Directors, Supervisors, Senior Management and Employees

Name	Major working experience
Dou Zechun	<p>Mr. Dou Zechun, born in March 1985, a Chinese citizen without permanent residency abroad, graduated from the School of Electrical Engineering of Hohai University in June 2007 with a bachelor's degree majoring in automation, and from the Business School of Central South University in May 2023 with a master's degree majoring in business administration. He is a senior engineer. Mr. Dou work in the transmission technology department of the technology centre of the Company from August 2007 to September 2009, the industrial transmission department of the technology centre of the Company from October 2009 to June 2011, and Dynex semiconductor research and development centre in the UK from June 2011 to February 2013. He served as a module design engineer and product supervisor of the semiconductor business unit of the Company from March 2013 to March 2018, deputy head of the IGBT module technology department of the semiconductor business unit of the Company from April 2018 to April 2019, deputy director of the industrial transmission technology centre of the Company from May 2019 to February 2021, deputy director of the converter and control technology centre of the Company from March 2021 to April 2024, and director of the rail transit technology centre of the Company since April 2024.</p>
Qi Yu	<p>Mr. Qi Yu, born in August 1987, a Chinese citizen without permanent residency abroad, graduated from College of Electrical and Information Engineering, Hunan University in June 2009 with a bachelor's degree majoring in electrical engineering and automation, and from the School of Electrical and Electronic Engineering of Huazhong University of Science and Technology in December 2014 with a doctorate degree majoring in electrical engineering (power electronics). He is a senior engineer. Mr. Qi served as a module electrical engineer of the converter module platform department of the foundations and platform research and development centre of CRRC ZELRI Institute from December 2014 to July 2017, power electronic transformer system engineer of the energy Internet technology centre of the foundations and platform research and development centre of CRRC ZELRI Institute from July 2017 to September 2019, head of the rail transit converter technology department of the UK research and development centre (dispatching) of the Company from September 2019 to January 2022, deputy head of the converter basic technology department of the rail transit technology centre of the Company from December 2019 to January 2022, head of the converter basic technology department of the rail transit technology centre of the Company from January 2022 to April 2024, and director of the UK research and development centre of the Company since April 2024.</p>
Wu Qingli	<p>Mr. Wu Qingli, born in September 1982, a Chinese citizen without permanent residency abroad, graduated from Henan University of Science and Technology in June 2005 with a bachelor's degree majoring in electromechanical integration engineering, and from Lanzhou Jiaotong University in July 2008 with a master's degree majoring in mechanical and electronic engineering. He is a senior engineer. Mr. Wu successively served as a technology development staff, head of the technology development department, deputy director of the technology development department and executive deputy director of the technology centre of Zhuzhou Times Electronic Technology Co., Ltd. (株洲時代電子技術有限公司) from August 2008 to May 2019, director of the technology centre of Baoji CRRC Times from May 2019 to May 2020, deputy chief engineer and director of the technology centre of Baoji CRRC Times and assistant to general manager of Taiyuan CRRC Times from May 2020 to March 2021, deputy general manager of Taiyuan CRRC Times from March 2021 to January 2025, and deputy general manager and chief engineer of Baoji CRRC Times since February 2025.</p>

Directors, Supervisors, Senior Management and Employees



Name	Major working experience
Zheng Huaxiong	Mr. Zheng Huaxiong, born in September 1983, a Chinese citizen without permanent residency abroad, graduated from Sichuan University in June 2010 with a master's degree majoring in materials. He is an engineer. Mr. Zheng served as a trainee in the integrated management department of Ningbo CRRC Times from July 2010 to January 2011, an engineer of the technology centre and head of the research and development department of electric quantity sensor of Ningbo CRRC Times from February 2011 to February 2015, deputy director of the technology centre of Ningbo CRRC Times from March 2015 to January 2022, director of the technology centre of Ningbo CRRC Times from February 2022 to August 2023, and deputy general manager of Ningbo CRRC Times since September 2023.
Cheng Zhenglin	Mr. Cheng Zhenglin, born in October 1983, a Chinese citizen without permanent residency abroad, graduated from the School of Electricity of Hunan University in June 2008 with a bachelor's degree in engineering majoring in electronic and information engineering, and obtained his master's degree in engineering from the School of Electricity of Zhejiang University majoring in electrical engineering through on-the-job study. He is a senior engineer. He successively served as an engineer of the rail transit technology centre, leader of the system group of the transmission control department and leader of locomotive application of the Company from July 2008 to August 2016, head of the industrial control department of the industrial transmission technology centre of the Company from September 2016 to July 2020, assistant to general manager of Zhuzhou CRRC Times Software Technology Co., Ltd. from August 2020 to October 2024, and deputy general manager of Chongqing CRRC Times Electric Technology Co., Ltd. since November 2024.
Li Cheng	Mr. Li Cheng, born in June 1987, a Chinese citizen without permanent residency abroad, graduated from Shanghai University in July 2009 with a bachelor's degree majoring in mathematics and applied mathematics, and from Zhejiang University in June 2011 with a master's degree majoring in mathematics. He is a senior engineer. Mr. Li successively served as a software development engineer, software design supervisor and platform software development group leader, and head of the electric drive control technology and platform department of the foundations and platform research and development centre of CRRC ZELRI Institute from July 2011 to March 2021, deputy director of the converter and control technology centre of the Company from March 2021 to December 2024, and director of the data and intelligent technology centre of the Company since December 2024.

Other explanations

☐ Applicable ☒ Not Applicable



Directors, Supervisors, Senior Management and Employees

II. POSITIONS HELD BY CURRENT AND RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

(I) Positions Held in Shareholder Entities

✓ Applicable ☐ Not Applicable

Name	Name of Shareholder entity	Position(s) held in the Shareholder entity	Commencement date of term of office	Termination date of term of office
Li Donglin	CRRC ZELRI	Chairman of the board and secretary to the party committee	May 2018	–
Liu Ke'an	CRRC Group	Member of the standing committee of the party committee	January 2024	–
Liu Ke'an	CRRC	Member of the standing committee of the party committee, vice president	February 2024	–
Liu Ke'an	CRRC ZELRI	Director, general manager	August 2020	February 2024
Shang Jing	CRRC ZELRI	Director, general manager	May 2024	–
Shang Jing	Zhuzhou Guochuang Railway Technology Co., Ltd.	Vice chairman of the board	June 2020	February 2025
Xu Shaolong	Zhuzhou Guochuang Railway Technology Co., Ltd.	Director	February 2025	–
Zhang Xinning	CRRC	Chief engineer	June 2015	March 2024
Zhang Xinning	CRRC	Chief scientist	March 2024	–
Li Lue	CRRC ZELRI	Deputy general manager, financial controller	May 2019	–
Li Lue	Zhuzhou Times New Materials Technology Co., Ltd. (listed on the SSE, stock code: 600458)	Director	July 2019	April 2023
Tan Yongneng	Shanghai CRRC Han'ge Shipping and Marine Engineering Co., Ltd.	Chairman of the board	July 2021	–
Hu Yunqing	China Railway Inspection and Certification Zhuzhou Traction Electrical Equipment Inspection Station Co., Ltd.	Director	June 2023	–
Yu Kang	Xicheng CRRC (Wuxi) Urban Transit Transport Engineering Co., Ltd.	Director	May 2024	–
Explanation on positions held in Shareholder entities	None			

Directors, Supervisors, Senior Management and Employees



(II) Positions Held in Other Entities

✓ Applicable □ Not Applicable

Name	Name of other entities	Position(s) held in other entities	Commencement date of term of office	Termination date of term of office
Li Donglin	Hunan Rail Transit Equipment Industry Association	Rotating president	June 2022	–
Shang Jing	Management Committee of the National Key Laboratories of New Power Semiconductor Devices	Deputy director	February 2016	–
Gao Feng	Energy Internet Innovative Research Institute of Tsinghua University	Vice president	April 2015	–
Shang Jing	Hunan Rail Transit Equipment Industry Association	Member, chairman of the supervisory committee	July 2020	–
Shang Jing	Zhuzhou CPPCC Population, Resources and Environment Committee	Deputy director (part-time)	May 2023	–
Xu Shaolong	Hunan Rail Transit Equipment Industry Association	Vice president, chairman of the supervisory committee	January 2025	–
Li Kaiguo	China General Technology (Group) Holding Co Ltd	Head of automobile inspection and testing technology committee	May 2022	
Li Kaiguo	National Gas Vehicle Engineering and Research Centre	Head	April 2003	
Li Kaiguo	China Society of Automotive Engineers	Vice president	2016	
Li Kaiguo	China Automotive Talents Society	Vice president	2016	
Li Kaiguo	Gas Fuel Automobile Branch of the China Association of Automobile Manufacturers	President	2017	–
Li Kaiguo	China Association of Automobile Manufactures	Vice president	2020	–
Li Kaiguo	National Technical Committee of Auto Standardisation	Committee member	2020	–
Li Kaiguo	Gas Vehicle Standards Committee	Chairman	2020	–
Li Kaiguo	Qingling Motors (Group) Co., Ltd.	Independent director	June 2022	–
Li Kaiguo	SERES Co., Ltd. (listed on the SSE, stock code: 601127)	Independent director	November 2022	–
Li Kaiguo	Bethel Automotive Safety Systems Co., Ltd. (stock code: 603596)	Independent director	September 2024	–
Zhong Ninghua	Department of Economics and Finance in School of Economics and Management of Tongji University	Head	October 2017	–
Zhong Ninghua	School of Economics and Management of Tongji University	Deputy dean	December 2021	–
Lam Siu Fung	Messrs. BDO Limited	Director of Audit Department and Director of Family Office Services	May 2009	–
Feng Xiaoyun	School of Electrical Engineering of Southwest Jiaotong University	Second-level professor	December 2021	–



Directors, Supervisors, Senior Management and Employees

Name	Name of other entities	Position(s) held in other entities	Commencement date of term of office	Termination date of term of office
Geng Jianxin	China Audit Society	Advisor	July 2019	July 2023
Geng Jianxin	Accounting Society of China	Deputy director	September 2016	February 2024
Geng Jianxin	Capitalonline Data Service Co., Ltd (listed on the Shenzhen Stock Exchange, stock code: 300846)	Independent director	September 2018	September 2024
Geng Jianxin	New China Life Insurance Company Ltd. (listed on the SSE, stock code: 601336; and the Stock Exchange, stock code: 01336)	Independent director	September 2017	September 2023
Geng Jianxin	Suzhou QingYue Optoelectronics Technology Co Ltd.	Independent director	October 2020	–
Geng Jianxin	Norinco International Cooperation Ltd. (listed on the Shenzhen Stock Exchange, stock code: 000065)	Independent director	August 2020	October 2023
Yan Changqi	Zhuzhou Shiling Transportation Equipment Co., Ltd.	Director	December 2014	–
Yan Changqi	Zhuzhou Shiling Transportation Equipment Co., Ltd.	Chairman of the board	October 2022	October 2024
Yan Changqi	Siemens Traction Equipment Ltd., Zhuzhou	Director	December 2018	–
Gong Tong	Foshan Zhongshi Zhihui Communications Technology Co., Ltd.	Vice chairman of the board	June 2021	January 2025
Yu Kang	Foshan Zhongshi Zhihui Communications Technology Co., Ltd.	Chairman of the board	January 2025	
Yu Kang	Wuxi Times Intelligent Transportation Research Institute Co., Ltd.	Chairman of the board	June 2024	–
Yi Weihua	Zhuzhou Shiling Transportation Equipment Co., Ltd.	Director	April 2021	October 2024
Yi Weihua	Hunan Green Industry Federation	President	18 January 2021	August 2024
Yi Weihua	Zhuzhou Intelligent Manufacturing Association	President	March 2023	August 2024
Sun Shan	Zhixin Semiconductor Co., Ltd.	Supervisor	September 2022	August 2024
Sun Shan	Zhengzhou Times Transportation Electrical Equipment Co., Ltd.	Supervisor	December 2020	August 2024
Sun Shan	Foshan Zhongshi Zhihui Communications Technology Co., Ltd.	Supervisor	June 2021	January 2025
Sun Shan	Guangzhou Qinglan Semiconductor Co., Ltd.	Supervisor	February 2022	March 2024
Chai Duo	Zhuzhou Shiling Transportation Equipment Co., Ltd.	Chairman of the board	October 2024	–
Long Furong	Zhuzhou Shiling Transportation Equipment Co., Ltd.	Supervisor	December 2018	–

Explanation on positions held in other entities

None

Directors, Supervisors, Senior Management and Employees



(III) Positions Held in Controlling Subsidiaries

Name	Name of controlling subsidiaries	Positions held in controlling subsidiaries
Xu Shaolong	Zhuzhou CRRC Times Semiconductor Co., Ltd.	Chairman of the board
	Hunan CRRC Times Electric Drive Technology Co., Ltd.	Chairman of the board
Niu Jie	CRRC Times Electric USA, LLC	Director
	CRRC Times Electric Australia Pty Ltd.	Director
	CRRC Times Electric Brasil Ltda.	Director
	Specialist Machine Developments (SMD) Limited	Director
	Zhuzhou Times Electronic Technology Co., Ltd.	Executive director
Tan Yongneng	Qingdao CRRC Electric Equipment Co., Ltd.	Director
Gong Tong	Hunan CRRC Times Signal & Communication Co., Ltd.	Executive director
Yu Kang	Guangzhou CRRC Times Electric Technology Co., Ltd.	Chairman of the board
	Hangzhou CRRC Times Electric Equipment Co., Ltd.	Director
Chai Duo	Lanzhou CRRC Times Rail Transit Technology Co., Ltd.	Director
	Qingdao CRRC Electric Equipment Co., Ltd.	Chairman of the board
	Chongqing CRRC Times Electric Technology Co., Ltd.	Chairman of the board
	Shanghai CRRC Rail Transit Technology Co., Ltd.	Director
He Zhengjun	Specialist Machine Developments (Shanghai) Co., Ltd.	Executive director
	Specialist Machine Developments (SMD) Limited	Director
	Ningbo CRRC Times Electric Equipment Co., Ltd.	Chairman of the board
Sun Shan	Specialist Machine Developments (SMD) Limited	Director
	Zhuzhou CRRC Times Semiconductor Co., Ltd.	Chairlady of the supervisory committee
	Wuxi CRRC Times Electric Drive Technology Co., Ltd.	Chairlady of the supervisory committee
Long Furong	Hunan CRRC Times Electric Drive Technology Co., Ltd.	Supervisor
	Zhuzhou National Engineering Research Centre of Converters Co., Ltd.	Supervisor
	Guangzhou CRRC Times Electric Technology Co., Ltd.	Supervisor
	CRRC Times Electric (Hong Kong) Co., Limited	General manager



Directors, Supervisors, Senior Management and Employees

III. REMUNERATION OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICAL PERSONNEL

✓ Applicable ☐ Not Applicable

Unit: 0'000 Currency: RMB

The decision-making procedure for the remunerations of Directors, Supervisors and senior management	The Remuneration Committee of the Board of Directors formulates and reviews the remuneration policies and plans of Directors and senior management personnel of the Company, and develops the assessment standards of Directors and senior management personnel of the Company and conducts the assessment
Whether the Director should refrain from participating when the Board discusses his/her remuneration matters	Yes
Specific situation in which the Remuneration Committee or special meetings of independent directors made recommendations on the remuneration of Directors, Supervisors and senior management	Approve the relevant resolutions on the remuneration proposals for senior management, refrain from voting on the remuneration proposals for Directors and submit to the general meeting for consideration
The basis for determining remunerations of Directors, Supervisors and senior management	Determine the remunerations of Directors, Supervisors and senior management personnel of the Company according to the Articles of Association and relevant regulations.
Actual payment of remunerations of Directors, Supervisors and senior management	Mr. Li Donglin, Mr. Liu Ke'an (resigned in June 2024), Mr. Shang Jing (resigned as the general manager in May 2024), Mr. Zhang Xinning (resigned in March 2024) and Mr. Li Lue do not receive remuneration from the Company, and other Directors, Supervisors and senior management are paid by the Company according to relevant regulations.
Total actual remunerations received by all Directors, Supervisors and senior management at the end of the reporting period	1,523.14
Total actual compensations received by core technical personnel at the end of the reporting period	781.96

Directors, Supervisors, Senior Management and Employees



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

✓ Applicable □ Not Applicable

Name	Position(s) held	Changes	Reason for changes
Zhang Xinning	Non-executive Director	Resignation	Work rearrangement
Yan Changqi	Deputy general manager	Resignation	Work rearrangement
Liu Zehua	Deputy general manager, financial controller	Resignation	Work rearrangement
Gan Weiwei	Deputy general manager	Appointment	Appointment
Gan Weiwei	Core technician	Resignation	Job redeployment
Sun Shan	Deputy general manager, financial controller	Appointment	Appointment
Liu Yong	Core technician	Resignation	Work post adjustment
Dou Zechun	Core technician	Appointment	Appointment
Qi Yu	Core technician	Appointment	Appointment
Shang Jing	General manager	Resignation	Job redeployment
Liu Ke'an	Vice chairman of the Board, executive Director	Resignation	Job redeployment
Shang Jing	Vice chairman of the Board, executive Director	Election	Election
Xu Shaolong	General manager	Appointment	Appointment
Xu Shaolong	Executive Director	Election	Election
Feng Xiaoyun	Independent Director	Election	Election
Gao Feng	Independent Director	Resignation	Almost reaching the maximum term of six years stipulated for being an independent director
Yi Weihua	Deputy general manager	Resignation	Job redeployment
Li Peng	Deputy general manager	Resignation	Job redeployment
Liu Yongjiang	Core technician	Resignation	Job redeployment
Chai Duo	Deputy general manager	Appointment	Appointment
He Zhengjun	Deputy general manager	Appointment	Appointment
Zhu Hongjun	Core technician	Resignation	Work post adjustment
Lv Yang	Core technician	Resignation	Work post adjustment
Liu Liangjie	Core technician	Resignation	Work post adjustment
Zhang Min	Core technician	Resignation	Work post adjustment
Wu Qingli	Core technician	Appointment	Appointment
Zheng Huaxiong	Core technician	Appointment	Appointment
Cheng Zhenglin	Core technician	Appointment	Appointment
Li Cheng	Core technician	Appointment	Appointment



Directors, Supervisors, Senior Management and Employees

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

On 28 March 2024, Mr. Yan Changqi resigned as a deputy general manager of the Company due to work rearrangement, and Mr. Liu Zehua resigned as a deputy general manager and financial director of the Company due to work rearrangement. On the same day, 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 of the Company.

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 centre 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 centre 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 centre to director of the Company's data and intelligent technology centre; Mr. Dou Zechun served as director of the Company's rail transit technology centre; and Mr. Qi Yu served as director of the Company's UK research and development centre. 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 redeployment.

On 12 June 2024, due to work redeployment, Mr. Liu Ke'an resigned as the vice chairman of the Board 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 Board, 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 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 Director and taken into consideration of his primary business commitment, resigned as an independent 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.

Directors, Supervisors, Senior Management and Employees



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

On 28 September 2024, Mr. Liu Yongjiang resigned due to job redeployment and ceased to be a core technician of the Company.

On 15 October 2024, Mr. Chai Duo and Mr. He Zhengjun were appointed as deputy general managers of the Company.

On 3 March 2025, Mr. Zhu Hongjun, Mr. Lv Yang, Mr. Liu Liangjie and Mr. Zhang Min were no longer recognised as core technicians of the Company due to work post adjustment and division of duties. Meanwhile, Mr. Wu Qingli, Mr. Zheng Huaxiong, Mr. Cheng Zhenglin and Mr. Li Cheng were newly recognised as core technicians of the Company.

V. EXPLANATION ON PENALTIES IMPOSED BY SECURITIES REGULATORY AUTHORITIES IN THE RECENT THREE YEARS

☐ Applicable ☒ Not Applicable

VI. EMPLOYEES OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD

(I) Employees

Number of in-service employees of the parent company	4,318
Number of in-service employees of major subsidiaries	5,692
Total number of in-service employees	10,010
Number of resigned and retired employees with expenses borne by the parent company and major subsidiaries	0

Profession composition

Category	Number
Production personnel	2,165
Sales personnel	566
Technical personnel	6,115
Including: R&D personnel	4,025
Financial personnel	160
Other personnel	1,004
Total	10,010

Educational background

Category	Number (individual)
Master degree and above	2,828
Bachelor degree	5,611
College and junior college and below	1,571
Total	10,010

Note: information of employees in 2024 is collected based on the consolidated financial statements of Times Electric, which includes information of overseas branches.



Directors, Supervisors, Senior Management and Employees

(II) Remuneration Policy

✓ Applicable ☐ Not Applicable

The Company made constant efforts to improve the remuneration management system. It focused on the “Talent Empower” strategy, and forged the talent motivation mechanism from aspects including strengthening positive incentive, refining the talent incentive mechanism, reinforcing overall remuneration management, earnestly promoting mid-to-long-term incentive, optimising internal allocation management, and improving staff benefits. Meanwhile, the Company stepped up performance management to effectively achieve the incentive effect.

Adhering to the guiding principle of “value creation – value appraisal – value allocation”, the Company devised, optimised and effectively linked value appraisal to value allocation, in a bid to stimulate value creation. The Company adopted the following key measures: designing and implementing the value-based remuneration mechanism for obtaining increment of total wages of industrial units, minimising internal friction on business objective balancing, and aligning with the external incremental output; designing and implementing the tenure incentive model for professional managers featured with “two systems and one contract” for professional managers, and connecting with the tenure system evaluation of professional managers; designing a performance-driven salary mechanism for employees, and highlighting the leading role of “position” and “performance” in employee salary distribution; linking responsibilities to salaries, and conducting earnest analysis into remuneration incentive, including external competition and internal fairness, and identifying potential improvements in value allocation; carrying out the core employee stock ownership plan by means of new capital contribution and equity disposal in emerging equipment (such as CRRC Times Semiconductor and Hunan CRRC Times Electric Drive Technology Co., Ltd.).

(III) Training Plan

✓ Applicable ☐ Not Applicable

According to the Company’s human resources strategic planning and talent development requirements in the “14th Five-Year” period, the human resources department of the Company investigated into and formulated training plans in light of the general requirements. Based on the analysis of the Company’s development strategy, business lines and demand of employees for trainings in career development, it closely aligned courseware, lectures and other resources with post requirements, made effective use of resources, and launched trainings at different levels, in multiple means and of various aspects through engaging internal and external lecturers, dispatching staff to external enterprises for further study and inviting professionals to the Company for lecturing. The Company also made innovations in training management and construction of the training system. Through enhancing the monitoring and benchmarking of training plans, the Company ensured implementation of training projects from the organisational level. It independently designed learning map based on three levels including post, competence and career development, and integrated internal and external curriculum resources to facilitate employees to improve their learning motivation, capability and perseverance, and help them to learn in a more specific and targeted manner. In order to meet the requirements of the Company’s strategic human resource management, realise the common development of employees and the Company, and standardise and coordinate the training management within the Company.

Directors, Supervisors, Senior Management and Employees



Talent pool is the core competitiveness of the Company and plays an extremely important role in the development of the Company. The Company has been committed to the cultivation of talents and the construction of talent teams, and has cultivated a number of core talent teams, such as reserve talent team, technological talent team, professional talent team (in marketing, project management, professional management etc.), and internal lecturer team. In 2024, the Company explored business weaknesses, developed high-quality resources and focused on marketing capacity improvement and enhancement of product competitiveness. The Company, mainly focusing on various areas, such as organisational operation analysis, process, strategy, supply chain, marketing, human resources, business and finance integration as the entry point, and guided by the resolution of practical problems in the new energy product line, CRRC Times Semiconductor, Hunan CRRC Times Electric Drive Technology Co., Ltd. and Zhuzhou National Engineering Research Centre of Converters Co., Ltd. and other industries, introduced the idea of benchmark industry management, methods and tools, benchmarking gaps, and implementation practises, with over 10 training sessions throughout the year and involving more than 2,000 people from management, middle-level and core personnel of the Company. In terms of cadre empowerment, we advocated to march ahead towards being an industry leader and localise Huawei's experience in the Company, and organised theme workshop for industrial general managers, and launched multiple strategy planning and discussions on IPD management across the subsidiaries to align thoughts in an in-depth manner. The smooth rollout of talent training and development built an empowerment platform for the high-quality development of various industries, and cultivated a group of core talent teams with passion from the front line and businesses who can understand the market and lead the teams and, are good at accounting, so as to continuously improve the Company's core competitiveness, and provide a solid human resource guarantee for the Company's high-quality development and the accomplishment of the 14th Five-Year plan.

(IV) Labour Outsourcing

✓ Applicable ☐ Not Applicable

Total number of working hours of outsourced labour	12,060,288
Total remuneration paid to outsourced labour (RMB0'000)	58,380.94



Corporate Governance Report

I. RELEVANT EXPLANATIONS ON CORPORATE GOVERNANCE OF THE COMPANY

☒ Applicable ☐ Not Applicable

During the reporting period, the Company was committed to the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, made unremitting efforts to implement the new development concept, aligned itself with the spirit of the Opinions of the State Council on Further Improving the Quality of Listed Companies (《國務院關於進一步提高上市公司質量的意見》) and other documents, and upheld compliance corporate governance to ensure sustainable and sound development in strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules for Corporate Governance of Listed Companies and other applicable laws, regulations as well as requirements of the SSE and the Stock Exchange. Besides, Directors, Supervisors and senior management of the Company diligently fulfilled their responsibilities according to law to safeguard the interests of the Company and its Shareholders as a whole. Over the year, the Company achieved an improvement in corporate governance mechanism and witnessed a constant increase in governance capability.

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.

The Company has established a corporate governance system in accordance with the Corporate Governance Code (the "CG Code" or "Code") as set out in Appendix C1 to the Hong Kong Listing Rules. In certain aspects, the CG Code adopted by the Company is more stringent than the code provisions set out in the Code. Having reviewed the documents in relation to corporate governance adopted by the Company, the Board considers that the Company has met the principles, code provisions and certain recommended best practices set out in the Code during the year, except for the following.

Pursuant to code provision F2.2 of the Code, chairman of the board of directors is required to attend annual general meetings. Mr. Li Donglin, chairman of the Board, was unable to attend the annual general meeting of the Company held on 27 June 2024 due to other important business engagements. However, there were sufficient Directors (including executive Directors and independent non-executive Directors) present to ensure that the Board had a comprehensive and balanced understanding of the views of the shareholders of the Company.

The Board and the management of the Company make every effort to comply with the CG Code in order to protect and enhance the interests of the Shareholders. As the Company continues to grow, the Company will monitor and revise its corporate governance policy on an ongoing basis in order to ensure the relevant policy will be in compliance with the requirements of the relevant laws and regulations and the general standards expected from the Shareholders.

In accordance with the relevant laws and regulations, the Company has set up a structure with general meetings, the Board, committees of the Board, the Supervisory Committee and the management to act as check and balance against one another. The division of responsibilities among the general meetings, the Board, committees of the Board, the Supervisory Committee and the management are distinct, and each of them is assigned with clearly defined responsibilities. The Board has delegated the execution and daily operations of the Group's business to the management. However, clear directions are given to the management as to the matters that must be approved by the Board before decisions are made on behalf of the Group. The Company will continue to improve its corporate governance mechanism, exercise discipline in the fulfilment of corporate duties, and enhance the disclosure of information.

Reasons for significant difference, if any, between corporate governance of the Company and relevant requirements of laws, administrative regulations and stipulations of the CSRC on corporate governance of listed companies

☐ Applicable ☒ Not Applicable

Corporate Governance Report

II. EXPLANATION OF THE COMPANY ON LOSING INDEPENDENCE OR INDEPENDENT MANAGEMENT ABILITY WITH RESPECT TO ISSUES CONCERNING BUSINESS, PERSONNEL, ASSETS, INSTITUTIONS, FINANCE, ETC. WITH ITS CONTROLLING SHAREHOLDERS

☐ Applicable ☒ Not Applicable

Information on controlling shareholders, actual controllers and other entities under their control engaging in the same or similar business activities of the Company, corresponding impact on the Company due to horizontal competition or a material change in horizontal competition, measures adopted to address the impact, progress and follow-up countermeasures

☐ Applicable ☒ Not Applicable

Horizontal competition due to business activities engaged in by controlling shareholders, actual controllers and other entities under their control which have a material negative impact on the Company

☐ Applicable ☒ Not Applicable

III. 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
2024 first extraordinary general meeting	13 December 2024	www.sse.com.cn www.hkexnews.hk	14 December 2024	Announcement on Resolutions Passed at the 2024 First Extraordinary General Meeting of Zhuzhou CRRC Times Electric Co., Ltd. (Ann No. 2024-056) and Poll Results of the 2024 First Extraordinary General Meeting Held on 13 December 2024 of Zhuzhou CRRC Times Electric Co., Ltd. published on the website of the Hong Kong Stock Exchange



Corporate Governance Report

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.

IV. IMPLEMENTATION AND CHANGES OF VOTING RIGHTS DIFFERENCE ARRANGEMENT DURING THE REPORTING PERIOD

☐ Applicable ☒ Not Applicable

V. CORPORATE GOVERNANCE OF RED-CHIP STRUCTURE

☐ Applicable ☒ Not Applicable

VI. SHAREHOLDERS' RIGHTS

1. Convening extraordinary general meetings

According to the Articles of Association, where Shareholders request to hold an extraordinary general meeting or class meeting, the following procedures shall be followed:

Any Shareholder(s) individually or in aggregate holding more than 10% of the Company's shares carrying the right to vote at the meeting proposed to be held may sign one or more written request(s) of identical form and substance requesting the board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The above Shareholders shall ensure that the contents of the proposal comply with the provisions of the laws, regulations and the Articles of Association. The board shall, in accordance with the laws, regulations and the Articles of Association, furnish a written reply on whether or not to convene the extraordinary general meeting or class meeting within 10 days after receiving such request. The aforesaid number of shares shall be calculated at the market close on the date which the Shareholder(s) propose such written request (if it falls on a non-trading date, the trading date immediately prior to the date which the Shareholder(s) propose such written request).

Corporate Governance Report

If the Board agrees to convene an extraordinary general meeting or a class meeting, it shall serve the notice of such meeting within five days after the resolution is passed by the Board. Consent of the relevant Shareholder(s) shall be obtained in the event of any changes made to the original proposal in the notice.

If the Board does not agree to convene an extraordinary general meeting or a class meeting or fails to furnish a written reply within 10 days after receiving such proposal, any Shareholder(s) individually or in aggregate holding more than 10% of the Company's Shares carrying the right to vote at the meeting proposed to be held is/are entitled to propose to the Supervisory Committee for convening an extraordinary general meeting or a class meeting and such proposal shall be made in writing.

If the Supervisory Committee agrees to convene an extraordinary general meeting or a class meeting, it shall serve the notice of such meeting within five days after receiving such proposal. Consent of such Shareholder(s) shall be obtained in the event of any changes made to the original proposal in the notice.

If the Supervisory Committee fails to serve any notice of an extraordinary general meeting or a class meeting within the prescribed period after receiving such proposal, the Supervisory Committee is deemed not to convene and preside over such meeting, in which case the Shareholder(s) individually or in aggregate holding more than 10% of the Company's Shares carrying the right to vote at the meeting proposed to be held for more than 90 consecutive days may convene and preside over such a meeting on his or their own accordingly.

The Board of Directors shall not, after the notice of the meeting is served, raise any new proposal. Unless agreed by the proposing Shareholder(s), the date of the general meeting shall not be changed or postponed.

2. Enquiries to the Board

To ensure effective communication between the Board and the Shareholders, the Company adopted a Shareholders' communication policy (the "Policy") on 29 March 2012. Under the Policy, the Company's information shall be communicated to the Shareholders mainly through general meetings (including annual general meetings), the Company's financial reports (interim reports and annual reports), and its corporate communications posted on the Company's website and the Hong Kong Stock Exchange's HKExnews website.

Shareholders may at any time make a request for the Company's information which is publicly available. For holders of H Shares, any relevant enquiries shall be first directed to the company secretary at the Company's principal place of business in Hong Kong at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or, for holders of the A Shares, any relevant enquiries shall be directed to the registered office address of the Company at Times Road, Shifeng District, Zhuzhou, Hunan Province, 412001, the PRC.



Corporate Governance Report

3. Putting proposals to general meetings

When the Company convenes a general meeting, the Board of Directors, the Supervisory Committee, or Shareholder(s) individually or in aggregate holding more than 1% of the Shares of the Company shall have the right to propose new proposals in writing.

Shareholder(s) individually or in aggregate holding more than 1% of the Shares of the Company may submit their provisional proposals in writing to the convener 10 days before the convening of the general meeting. The convener shall issue a supplementary notice of the general meeting within two days after receiving the proposals to notify the content of the provisional proposals, and shall submit such provisional proposals to the general meeting for consideration. The content of the provisional proposals shall fall within the scope of power of the general meeting, the subject issues for discussion and the specific matters to be resolved shall be clearly stated therein.

Save as the circumstances provided in the preceding paragraphs, after the issue of the notice of the general meeting by the convener, no changes shall be made to the proposals stated in the notice of the general meeting nor shall new proposals be added.

Proposals not stated in the notice of the general meeting or which do not meet the requirements in Article 78 and paragraph 2 of Article 78 of the Articles of Association, shall not be voted or resolved at the general meeting.

4. Communication with Shareholders and investors/investors relations

The Company places great emphasis on communication with investors and employs a variety of ways to deepen investors' understanding about the Company. The Company has established a department and arranged full-time staff to handle affairs regarding investor relation. When investors come to visit the Company, reception and site visit will be arranged by designated staff. The Company actively participates in various meetings concerning investor relations.

During the reporting period, the Company has disclosed all necessary information to the Shareholders in compliance with the SEHK Listing Rules, SSE STAR Market Listing Rules and the Articles of Association, and has reported to Shareholders and investors through various formal channels, which include (1) publishing quarterly reports, interim reports and annual reports; (2) holding annual general meetings and extraordinary general meetings to provide a platform for Shareholders to express their opinions and to communicate with the Board; (3) holding press conference and investors conferences from time to time; (4) organising the management to conduct roadshows; (5) publishing corporate communications such as announcements and circulars on the websites of the Stock Exchange, SSE and the Company; and (6) responding to the queries from Shareholders and investors in a timely manner.

The Company has reviewed its shareholder communication policy, and considered that such policy has been effectively implemented during the year.

The Company will continue to improve its relationship with investors, establish platforms to facilitate effective communication with investors through diverse means, so as to further enhance the Company's transparency.

VII. PERFORMANCE OF DUTIES OF DIRECTORS

(I) Directors and Board of Directors

1. *Composition of the Board*

As at 31 December 2024, the Board consists of 7 Directors, among whom Mr. Li Donglin is the Chairman of the Board and an executive Director; Mr. Shang Jing is the vice chairman of the Board and an executive Director, Mr. Xu Shaolong is other executive Director, Mr. Li Kaiguo, Mr. Zhong Ninghua, Mr. Lam Siu Fung and Ms. Feng Xiaoyun are independent non-executive Directors.

The Company has entered into a service contract with each of the Directors which sets out, among other things, the term of office and remuneration. Each session of the Board has a term of three years. Directors elected as the members of any new session of the Board will have a term of office commencing from the date on which he/she is elected up to the date on which members of the next session of the Board are elected or for a shorter period as may be decided upon at the general meeting. Directors appointed to fill casual vacancy will have a term of office commencing from the date of his/her appointment up to the next general meeting or for a shorter period as may be decided upon at the general meeting. Notice shall be given by either party not less than three months prior to termination of the service contract.

The Directors of the Company have strictly complied with their undertakings, and have been honest, trust-worthy and diligent in the performance of their duties. The number of Board members and the composition of the Board have complied with the relevant laws and regulatory requirements, as well as the Articles of Association. Other than working relationship, there is no other relationship among the members of the Board (especially the Chairman and the general manager), including any financial, business, family or other material or relevant relationship.

The Directors have distinguished themselves in their respective fields of expertise, and have demonstrated high standards of personal and professional ethics and integrity. All Directors have devoted sufficient time and attention to the Company's affairs. The Board believes that the ratio of executive Directors to non-executive Directors is reasonable and adequate to provide checks and balances that safeguard the interests of the Shareholders and the Company as a whole.

2. *Independent non-executive Directors and their independence*

The Company currently has four independent non-executive Directors, and the majority of the members of the audit committee, the nomination committee and the remuneration committee of the Board are independent non-executive Directors. The chairmen of the audit committee, nomination committee and remuneration committee of the Board are all independent non-executive Directors.

The independent non-executive Directors of the Company have a wide range of skills and experience. Mr. Lam Siu Fung, an independent non-executive Director, is an accounting professional in accordance with the Hong Kong Listing Rules. The independent non-executive Directors of the Company have submitted their written confirmation of independence pursuant to Rule 3.13 of the Hong Kong Listing Rules and the Company considers each of the independent non-executive Directors to be independent.



Corporate Governance Report

3. Chairman of the Board and general manager

The offices of the Chairman and the general manager (equivalent to the role of a chief executive officer) of the Company are held by different persons. Currently, Mr. Li Donglin, being an executive Director, is the Chairman, and Mr. Xu Shaolong, being an executive Director, is the general manager. The division of responsibilities between the Chairman and the general manager of the Company has been clearly established and set out in the Articles. The Chairman is responsible for leadership of the Board and chairing Board meetings, while the general manager is responsible for the Company's day-to-day operations.

According to the Articles, the Chairman mainly exercises the following powers:

- (1) to preside at the general meetings, and to convene, preside the meetings of the Board;
- (2) to urge, supervise and check the implementations of the Board resolutions;
- (3) to urge, supervise and check the work of special committees;
- (4) to listen to the regular or irregular work reports of the Company's general manager and other senior management personnel, and to provide guidance on the implementation of the resolutions of the board of directors;
- (5) in case of force majeure, major crisis or material impact on production and operation, and in case of an emergency where a Board meeting cannot be held in time, exercise the special rights to deal with the Company's affairs in accordance with the law and in the interest of the Company, and report to the Board of Directors or the general meeting afterwards;
- (6) to nominate the secretary to the Board of Directors of the Company;
- (7) to sign the shares, corporate bonds and other marketable securities of the Company;
- (8) to sign important documents of the Board of Directors and sign important legally binding documents on behalf of the Company;
- (9) to organise the formulation of various rules and regulations for the operation of the Board of Directors and coordinate the work of the Board of Directors;

Corporate Governance Report

- (10) to approve the plan for the use of the working funds of the board of directors of the Company;
- (11) to exercise other functions and powers that shall be exercised by the chairman and granted by the board of directors in accordance with the relevant laws, administrative regulations and rules;
- (12) other powers and duties stipulated by laws and regulations, securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association and given by the board.

The general manager is responsible to the Board of Directors. The general manager and the management team under his leadership mainly exercise the following powers as delegated by the Board:

- (1) to be in charge of the Company's production, operation and management and to organise the implementation of the resolutions of the board and report his/her work to the board;
- (2) to organise the implementation of the Company's annual business plan and investment plan;
- (3) to draw up the Company's proposed annual financial budgets and final budgetary reports;
- (4) to draft plans for the establishment of the Company's internal management structure;
- (5) to draft the Company's basic management system;
- (6) to formulate the basic rules and regulations for the Company;
- (7) to propose the appointment or removal of other senior management personnel;
- (8) to appoint or remove management personnel other than those required to be appointed or removed by the board;
- (9) to determine the wages, benefits, incentives and punishments of the employees, the appointment and removal, promotion and demotion, salary increment and decrement, appointment, employment, removal or resignation of the employees;
- (10) to propose the convening of the extraordinary meeting of the board;
- (11) other powers and duties conferred by the laws, regulations, regulatory documents and the securities regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association or the board.



Corporate Governance Report

4. Non-executive Directors

According to the Articles, non-executive Directors of the Company are elected at general meetings for a term of three years. Upon expiry of terms of office, non-executive Directors are eligible for re-election.

5. Nomination of Directors

In accordance with the Articles, Directors are elected at general meetings. Written notice of intention to nominate a candidate for appointment as director and the candidate's consent to be nominated must be given to the Company after the notice of the general meeting has been issued at least seven days prior to the holding of the general meeting. Nomination policy took effect on 1 January 2019 which was approved by the Board on 26 March 2019 and was posted on the Company's website and the Hong Kong Stock Exchange's HKExnews website.

6. Operation of the Board

The Board of Directors is responsible to the general meetings of the Shareholders in relation to the leadership and supervision of the Company. The Board is responsible for formulating the Group's overall development strategies, reviewing and monitoring the Group's business performance, and preparing and reviewing its financial statements. The Board delegates the day-to-day management, administration and operation of the Group to the management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group. Please refer to the subsection headed "Chairman of the Board and general manager" in this section for the specific powers exercised by the management.

The Board convenes regular and ad hoc meetings in accordance with legal procedures and complies strictly with the relevant laws and regulations and the Articles in the exercise of its authorities with an emphasis on protecting the interests of the Company and the Shareholders as a whole.

All Directors are given no less than 14 days' notice of regular Board meetings and are generally given reasonable prior notice of Board meetings other than regular meetings.

The secretary to the Board records and prepares documents concerning matters that are discussed during the Board meetings. The minutes of every Board meeting are circulated to all Directors for their review. After the Board minutes have been finalized, the minutes will be signed by all Directors who have attended the meeting, the secretary to the Board and the person(s) recording the meeting and will be permanently kept as an important record of the Company at the Company's registered office.

7. Responsibilities of the Board of Directors

The Board of Directors is responsible to the general meeting. According to the Articles, the Board of Directors exercises the following powers:

- (1) to be responsible for convening general meetings and to report on its works to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company's business plans, investment plans and annual financing plans;
- (4) to approve the Company's proposed annual financial budgets and final budgetary reports;

Corporate Governance Report

- (5) to draw up the Company's profit distribution plan and plan for making up losses;
- (6) to draw up proposals for increases or reductions of the Company's registered capital and the issue of debentures or other securities and listing plan;
- (7) to draw up plans for the material acquisitions, repurchase of its shares or merger, split, reorganisation and dissolution of the Company and change of company type;
- (8) to decide on appointment or removal of the Company's general manager, secretary to the board and other senior management, and to determine the matters relating to their remuneration, incentives and punishments; to decide on appointment or removal of deputy general manager, financial controller and other senior management personnel of the Company based on the nominations by the general manager, and to determine the matters relating to their remuneration, incentives and punishments;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to decide on the establishment of the special committees of the board and consider and approve the proposals put forward by the special committees of the board;
- (11) to draw up the Company's basic management system;
- (12) to draw up proposals for any modifications to the Articles of Association, the Rules of Procedures for the General Meetings and the Rules of Procedures for the Board of Directors;
- (13) within the scope as authorised by the general meeting, to decide on matters relating to investment, financing and borrowing and to decide on the investment, acquisition and disposal of assets, asset pledge, external guarantee, entrusted wealth management, entrusted loans, related party transactions, external donation and other matters; as well as to organise the general manager to exercise its right under certain circumstances pursuant to this provision;
- (14) to propose to the general meeting to engage, dismiss or not to reappoint the auditors of the Company;
- (15) to listen to the work report of the Company's general manager and inspect the work of the general manager and other senior management personnel;
- (16) to formulate the Company's equity incentive plan;
- (17) to manage information disclosure of the Company;
- (18) to decide on other major affairs and administrative matters of the Company subject to the compliance with the relevant laws, regulations and the requirements of the Articles of Association, save for matters to be resolved at general meetings as required by relevant laws, regulations, and the Articles of Association;
- (19) other powers and functions conferred by the Articles of Association, the securities regulatory rules of the place(s) where the shares of the Company are listed or the general meetings.



Corporate Governance Report

Except the resolutions of the Board in respect of the matters specified in paragraphs (6), (7) and (12) above which shall be passed by more than two-thirds of the Directors, the guarantee-related matters within the scope of authority of the Board shall be approved by more than half of all Directors and more than two-thirds of the Directors present at the Board meeting, and the resolutions of the Board in respect of all other matters may be passed by more than half of all Directors.

Where the above matters within the powers of the board of directors or any transaction or arrangement of the Company are subject to consideration by the general meeting or go beyond the scope as authorised by the general meeting according to the securities regulatory rules of the place(s) where the Company's Shares are listed, such matters shall be submitted to the general meeting for consideration. The Board shall act in strict accordance with the authorisation of the general meeting and the Articles of Association and shall not reach resolutions that go beyond such scope of authorisation.

All Directors have access to the advice and services of the company secretary. The Company provides all Directors with the necessary information and data to enable them to make scientific, timely and prudent decisions. Any Director can make requests to the general manager, or through the general manager, to request the Company's relevant department to provide him/her with any necessary information and explanation to enable him/her to make scientific, timely and prudent decisions. If any Director considers necessary, an independent institution can be engaged to provide independent opinions to assist his/her in decision-making. The Company is responsible for arranging the engagement of independent institution at the Company's costs.

When voting on any connected transaction of the Company, Director(s) with interest in such connected transaction shall abstain from voting. If a resolution cannot be passed due to the concerned Director(s) abstaining from voting, the resolution will be submitted directly to the Shareholders at a general meeting for consideration and approval.

The Company has arranged appropriate liability insurance policies for Directors, supervisors and senior management members, for the purpose of covering their liability arising out of the Group's corporate activities.

The Board is responsible for the following corporate governance functions:

1. to formulate and review, and make recommendations to the Company's corporate governance policy and practices;
2. to review and monitor the trainings and continuing professional development of the Directors and senior management members;
3. to review and monitor the Company's policies and practices on compliance with laws and regulations;
4. to formulate, review and monitor any code of conduct and compliance manual, where available, applicable to Directors and employees; and
5. to review the Company's compliance with the CG Code and the disclosure in the corporate governance report as set out in the annual report of the Company.

Corporate Governance Report

VIII. BOARD MEETINGS CONVENED DURING THE REPORTING PERIOD

Session	Date of meeting	Resolutions approved at the meeting
6th meeting of the seventh session of the Board	28 March 2024	46 resolutions were considered and approved, including, among other things, Resolution on the Company's 2023 Annual Report and its Abstract, Resolution on the Company's 2023 Final Financial Report, Resolution on the Company's 2023 Profit Distribution Plan, Resolution on the Company's External Guarantee Plan in 2024, Resolution on the Company's Investment Budget in 2024, Resolution on Introducing Strategic Investors and Employee Stock Ownership Platform Through Capital Increase by Zhuzhou CRRC Times Semiconductor and Resolution on the "Quality Improvement, Efficiency Enhancement and Return Maximisation" Action Plan of the Company for 2024
7th meeting of the seventh session of the Board	25 April 2024	10 resolutions were considered and approved, including, among other things, Resolution on the Company's 2024 First Quarterly Report, Resolution on Engagement of Auditors of the Company for 2024 and Resolution on Amendments to the Articles of Association of the Company
8th meeting of the seventh session of the Board	3 June 2024	1 resolution was considered and approved, i.e. Resolution on Nomination of Ms. Feng Xiaoyun as Candidate to Independent Directors of the Seventh Session of the Board of Directors of the Company
9th meeting of the seventh session of the Board	12 June 2024	3 resolutions were considered and approved, i.e. Resolution on Nomination of Mr. Xu Shaolong as Candidate to Executive Directors of the Seventh Session of the Board of Directors of the Company, Resolution on Appointment of Mr. Xu Shaolong as General Manager of the Company and Resolution on Election of Mr. Shang Jing as Vice Chairman of the Board of the Company



Corporate Governance Report

Session	Date of meeting	Resolutions approved at the meeting
10th meeting of the seventh session of the Board	23 August 2024	20 resolutions were considered and approved, including, among other things, Resolution on the Company's 2024 Interim Report and its Abstract, Resolution on the Special Report Regarding Deposit and Actual Utilisation of Raised Proceeds in the First Half of 2024, Resolution on Cash management against Part of Idle Proceeds and Resolution on Medium and Low Voltage Power Components Capacity Building (Yixing) Project of CRRC Times Semiconductor
11th meeting of the seventh session of the Board	27 September 2024	1 resolution was considered and approved, i.e. Resolution on Cash Management Against Idle Self-owned Funds
12th meeting of the seventh session of the Board	15 October 2024	2 resolutions were considered and approved, i.e. Resolution on Appointment of Mr. Chai Duo as Deputy General Manager of the Company and Resolution on Appointment of Mr. He Zhengjun as Deputy General Manager of the Company
13th meeting of the seventh session of the Board	30 October 2024	6 resolutions were considered and approved, including, among other things, Resolution on 2024 Third Quarterly Report of the Company, Resolution on Change of Company Type and Resolution on Entering into the 2024-2027 Financial Services Framework Agreement between the Company and CRRC Finance Co., Ltd. and Estimation of Routine Related Party Transactions
14th meeting of the seventh session of the Board	6 December 2024	1 resolution was considered and approved, i.e. Resolution on Further Repurchase of H Shares of the Company
15th meeting of the seventh session of the Board	13 December 2024	6 resolutions were considered and approved, including, among other things, Resolution on Acquisition of 100% Equity Interests in Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and the Related Party Transaction and Resolution on Amendments to Administrative Measures Relating to Compliance of the Company

Corporate Governance Report

IX. PERFORMANCE OF DUTIES OF DIRECTORS

(I) Attendance of the Board Meetings and General Meetings by the Directors

Name of Director	Independent Director or not	Number of required attendance at Board meetings during the year	Attendance at Board meetings				Attendance at general meetings	
			Number of attendance in person	Number of attendance by means of telecommunications	Number of attendance by proxy	Number of absence	Failure to attend in person for two consecutive times	Number of attendance at the general meetings
Li Donglin	No	10	10	0	0	0	No	1
Shang Jing	No	10	10	0	0	0	No	4
Xu Shaolong	No	6	6	0	0	0	No	1
Li Kaiguo	Yes	10	10	0	0	0	No	4
Zhong Ninghua	Yes	10	10	0	0	0	No	4
Lam Siu Fung	Yes	10	10	0	0	0	No	4
Feng Xiaoyun	Yes	6	6	0	0	0	No	1
Zhang Xinning	No	0	0	0	0	0	No	0
Liu Ke'an	No	3	3	0	0	0	No	0
Gao Feng	Yes	4	4	0	0	0	No	3

The Explanation of Failure to Attend Meetings of the Board in Person for Two Consecutive Times

☐ Applicable ☒ Not Applicable

Number of the Board meetings held for the year	10
Including: number of meetings held onsite	2
Number of meetings held by means of telecommunications	0
Number of meetings held onsite and by means of telecommunications simultaneously	8



Corporate Governance Report

(II) Objections Raised by Directors against Relevant Matters of the Company

☐ Applicable ☒ Not Applicable

(III) Others

☐ Applicable ☒ Not Applicable

(IV) Directors' Continuous Training and Development Program

Pursuant to the CG Code, all Directors should participate in continuous professional development program to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains fully informed and relevant.

Xu Shaolong and Feng Xiaoyun were appointed as Directors during the reporting period. They have obtained the legal opinions as set out in Rule 3.09D of the SEHK Listing Rules on 24 June 2024 and confirmed that they recognised the responsibilities required as Directors of the Company.

All Directors of the Company have received regular briefings and updates on the Group's business, operations, risk management and corporate governance matters, and have been provided with material information on new laws and ordinances or changes to important laws and ordinances applicable to the Group. All Directors are required to provide the Company with their respective training records pursuant to the CG Code.

During the reporting period, the Company has provided the Directors with appropriate and continuous training, and professional development courses, the Directors attended the relevant training, and some of the independent non-executive Directors attended relevant trainings arranged by other organizers. The Company has received from each of the Directors the confirmation on attending continuous professional trainings. The trainings received by each Director in 2024 are as follows:

Executive Directors

Li Donglin	A, B, C
Liu Ke'an (resigned)	A, B, C
Shang Jing	A, B, C
Xu Shaolong	A, B, C

Non-executive Director

Zhang Xinning (resigned)	A, B, C
--------------------------	---------

Corporate Governance Report

Independent non-executive Directors

Gao Feng (resigned)	A, B, C, D
Li Kaiguo	A, B, C, D
Zhong Ninghua	A, B, C, D
Lam Siu Fung	A, B, C, D
Feng Xiaoyun	

Note: A, B, C, D in the above table represent trainings of the following types respectively:

- A Attending trainings on corporate governance provided by the Company.
- B Attending trainings provided by regulatory authorities and industry associations.
- C Studying and reading updates and amendments to the SEHK Listing Rules and relevant laws and regulations.
- D Attending trainings for independent directors organised by the SSE.

X. SPECIAL COMMITTEES UNDER THE BOARD

✓ Applicable ☐ Not Applicable

(1) Members of the special committees under the Board

Committee	Name of members
Strategy and ESG committee	Li Donglin (chairman), Shang Jing, Xu Shaolong, Li Kaiguo, Zhong Ninghua and Feng Xiaoyun
Audit committee	Lam Siu Fung (chairman), Li Kaiguo, Zhong Ninghua and Feng Xiaoyun
Risk control committee	Shang Jing (chairman), Zhong Ninghua and Lam Siu Fung
Remuneration committee	Lam Siu Fung (chairman), Li Kaiguo and Feng Xiaoyun
Nomination committee	Li Kaiguo (chairman), Li Donglin and Zhong Ninghua
Science and Technology Innovation Committee	Xu Shaolong (chairman), Li Donglin, Shang Jing, Li Kaiguo and Feng Xiaoyun



Corporate Governance Report

(2) The strategy and ESG committee held 3 meetings during the reporting period

During the reporting period, the strategy and ESG committee acted in strict accordance with the Implementation Rules and Regulations of the Strategy and ESG Committee of the Board and performed its duties independently and objectively. The strategy and ESG committee is responsible to the Board, and its major responsibilities include conducting studies and making recommendations on the Company's long-term development strategy, major investment decisions, sustainable development plans and ESG efforts.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2024	6 resolutions were considered, including, among other things, Resolution on 2023 Work Report of the Strategy and ESG Committee of the Board of the Company, Resolution on Investment Budget of the Company for 2024, Resolution on the Company's 2023 Annual Social Responsibility and Environmental, Social and Governance (ESG) Report and Resolution on Enhancing the Company's Social Responsibility and Environmental, Social and Governance (ESG) Management	The strategy and ESG committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	None
23 August 2024	4 resolutions were considered, including, among other things, Resolution on Execution of the Company's Investment Budget in the First Half of 2024 and Resolution on Medium and Low Voltage Power Components Capacity Building (Yixing) Project of CRRC Times Semiconductor	The strategy and ESG committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	None
13 December 2024	Resolution on Acquisition of 100% Equity Interests in Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and the Related Party Transaction was considered	The strategy and ESG committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None

Corporate Governance Report

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Li Donglin	3/3	100%
Liu Ke'an ^{Note 1}	1/1	100%
Shang Jing	3/3	100%
Xu Shaolong ^{Note 2}	2/2	100%
Li Kaiguo	2/2	100%
Zhong Ninghua	3/3	100%
Feng Xiaoyun ^{Note 2}	2/2	100%
Zhang Xinning ^{Note 3}	N/A	N/A

Note 1: Ceased to be a member of the strategy and ESG committee of the Board with effect from 12 June 2024.

Note 2: Served as a member of the strategy and ESG committee of the Board with effect from 27 June 2024.

Note 3: Ceased to be a member of the strategy and ESG committee of the Board with effect from 7 March 2024.

(3) The audit committee held 5 meetings during the reporting period

During the reporting period, the audit committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Audit Committee of the Board and performed its duties independently and objectively. The audit committee is responsible to the Board, and its major responsibilities include auditing the Company's financial information and relevant disclosure, monitoring and evaluating internal and external audits and internal controls.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2024	13 resolutions were considered, including, among other things, Resolution on the Company's 2023 Annual Report and its Abstract, Resolution on the Final Financial Report of the Company for 2023, Resolution on the 2023 Work Report of the Audit Committee of the Board of the Company and Resolution on Report of the Audit Committee of the Board Regarding Supervision of Duty Performance by the Accounting Firm of the Company in 2023	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	Members of the audit committee communicated separately with the auditors on the Company's 2023 audit report.
25 April 2024	2 resolutions were considered, i.e. Resolution on the Company's 2024 First Quarterly Report and Resolution on Engagement of the Company's Auditors for 2024	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	



Corporate Governance Report

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
23 August 2024	7 resolutions were considered, including, among other things, Resolution on the Company's 2024 Interim Report and its Abstract and Resolution on Entering into the 2024-2025 Financial Services Framework Agreement between the Company and CRRC Finance Co., Ltd. and Estimation of Routine Related Party Transactions	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	Members of the audit committee communicated with the auditors on the impact of the 2024 interim financial performance on the audit, the scope of audit for the 2024 annual report, the audit plan, independence, the structure of audit team and other relevant matters.
30 October 2024	4 resolutions were considered, including, among other things, Resolution on the Company's 2024 Third Quarterly Report and Resolution on Entering into the 2024-2027 Financial Services Framework Agreement between the Company and CRRC Finance Co., Ltd. and Estimation of Routine Related Party Transactions	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	
13 December 2024	5 resolutions were considered, including, among other things, Resolution on the Company's 2024 Audit Plan and Resolution on Acquisition of 100% Equity Interests in Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and the Related Party Transaction	The audit committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	Members of the audit committee communicated separately with the auditors on the Company's 2024 audit plan.

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Lam Siu Fung	5/5	100%
Gao Feng ^{Note 1}	2/2	100%
Li Kaiguo	5/5	100%
Zhong Ninghua	5/5	100%
Feng Xiaoyun ^{Note 2}	3/3	100%

Note 1: Ceased to be a member of the audit committee with effect from 31 July 2024.

Note 2: Served as a member of the audit committee with effect from 27 June 2024.

Corporate Governance Report

(4) The risk control committee held 3 meetings during the reporting period

During the reporting period, the risk control committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Risk Control Committee of the Board and performed its duties independently and objectively. The risk control committee is responsible to the Board, and its major responsibilities include overseeing the Company's compliance management and risk management; reviewing the Company's risk identification, assessment and control mechanisms, systems and processes; and assessing the risk profile of the Company's major operational matters.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2024	5 resolutions were considered, including, among other things, Resolution on the Company's 2023 Internal Control Assessment Report and Internal Control Audit Report, Resolution on the Risk Assessment Report of the Company for 2023 and Resolution on the Compliance Self-inspection Report of the Company for 2023	The risk control committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	None
23 August 2024	2 resolutions were considered, including, among other things, Resolution on Risk Assessment Report of the Company for the First Half of 2024	The risk control committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	None
12 December 2024	1 resolution was considered, i.e. Resolution on Amendments to Administrative Measures Relating to Compliance of the Company	The risk control committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Liu Ke'an ^{Note 1}	1/1	100%
Shang Jing ^{Note 2}	2/2	100%
Zhong Ninghua	3/3	100%
Lam Siu Fung	3/3	100%

Note 1: Ceased to be a member of the risk control committee with effect from 12 June 2024.

Note 2: Served as a member and chairman of the risk control committee with effect from 12 June 2024.



Corporate Governance Report

(5) The remuneration committee held 5 meetings during the reporting period

During the reporting period, the remuneration committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Remuneration Committee of the Board and performed its duties independently and objectively. The remuneration committee is responsible to the Board, and its major responsibilities include formulating the assessment criteria and conducting assessment for the Directors and senior management members and formulating and reviewing the remuneration policy and proposal for the Directors and senior management members.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2024	6 resolutions were considered, including, among other things, Resolution on the Work Report of the Remuneration Committee of the Board in 2023, and Resolution on Annual Remunerations of the Directors of the Company in 2023	The remuneration committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted other resolutions except for abstaining from voting on the resolution in relation to the remuneration of Directors in 2023 after earnest discussion.	None
3 June 2024	1 resolution was considered, i.e. Resolution on Remuneration of Ms. Feng Xiaoyun Following Being Nominated as Candidate to Independent Directors of the Seventh Session of the Board of the Company	The remuneration committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None
12 June 2024	2 resolutions were considered, including, among other things, Resolution on Remuneration of Mr. Xu Shaolong Following Being Nominated as Candidate to Executive Directors of the Seventh Session of the Board of the Company	The remuneration committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	None
15 October 2024	2 resolutions were considered, i.e. Resolution on Emolument of Mr. Chai Duo Following Being Proposed to be Appointed as Deputy General Manager of the Company and Resolution on Emolument of Mr. He Zhengjun Following Being Proposed to be Appointed as Deputy General Manager of the Company	The remuneration committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	None
12 December 2024	2 resolutions were considered, including, among other things, Resolution on Budget for Total Remunerations of the Company for 2024	The remuneration committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	None

Corporate Governance Report

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Gao Feng ^{Note 1}	3/3	100%
Lam Siu Fung	5/5	100%
Li Kaiguo	5/5	100%
Feng Xiaoyun ^{Note 2}	2/2	100%

Note 1: Ceased to be a member of the remuneration committee with effect from 31 July 2024.

Note 2: Served as a member of the remuneration committee with effect from 27 June 2024.

(6) The nomination committee held 4 meetings during the reporting period

During the reporting period, the nomination committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Nomination Committee of the Board and performed its duties independently and objectively. The nomination committee is responsible to the Board, and its major responsibilities include formulating the selection criteria and procedures for Directors and senior management members, selecting and reviewing the candidates for Directors and senior management members and their qualifications, and make relevant recommendations to the Board of Directors.

Pursuant to the nomination policy, the nomination committee is responsible for, among other things, identifying suitably qualified candidates to become Board members and senior management members, and selecting and nominating the relevant person for appointment as a Director (and senior management member) or make recommendations to the Board on such matter. When identifying suitable candidates, the nomination committee shall comply with the principle of meritocracy, consider the strengths of the relevant candidate, the contributions they can make to the Board and give due consideration to the benefits of membership diversity in terms of objective conditions. When making recommendations to the Board on the appointment of independent non-executive Directors, the nomination committee shall take into account the process used for identifying that person, the reasons for the person to be independent and to be able to devote sufficient time to perform the duties of a director, the perspectives, skills and experience that the person can bring to the Board, and how the person would contribute to the diversity of Board members.

The Board has adopted a board diversity policy effective on 11 October 2013, which was subsequently amended by the Board on 26 March 2019 to take effect on 1 January 2019. When determining the composition of the Board, the Company seeks to achieve board diversity through the consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and any other factors that the Board may consider relevant and applicable from time to time. All appointments of the Board will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives as mentioned above. The ultimate decision will be based on merits of the candidates and the contribution that they may bring to the Board, having due appropriate regard to the benefits of diversity to the Board and also the needs of the Board without focusing on a single diversity aspect.



Corporate Governance Report

The Board has set measurable objectives (including the aforesaid measurable objectives) to implement the policy and the nomination committee is responsible for reviewing such objectives from time to time to ensure their appropriateness and monitoring the progress made towards achieving those objectives, and reviewing the policy, as appropriate, to ensure its continued effectiveness from time to time.

For the purpose of implementing the board diversity policy, the Company has adopted the following measurable objectives:

1. At least 1 female member in the Board;
2. At least 1 independent non-executive Director in the Board is ordinarily resident in Hong Kong;
3. At least 1 financial expert in the Board with professional qualifications and experience in finance and auditing recognised by regulatory authorities;
4. The non-executive Directors (including independent non-executive Directors) in the Board shall account for more than half of the total number of the Board, and independent non-executive directors shall account for one-third of the total number of the Board;
5. The age composition of the Directors is reasonable. The existing 7 Directors range from 41 years old to 63 years old, of which 5 are under 60 years old and 2 are above 60 years old;
6. Directors are engaged in diversified professions. The existing 7 Directors have a balanced mix of experience, including operation and management, rail transit, automobile, finance and accounting.

During the reporting period, in order to further enhance corporate governance, satisfy the board diversity requirements and strengthen the scientific decision-making capabilities of the Board, the nomination committee nominated Ms. Feng Xiaoyun as a candidate to independent Directors of the seventh session of the Board having taken into account the importance of gender diversity, and nominated Mr. Xu Shaolong as a candidate to executive Directors of the seventh session of the Board having taken into account factors such as corporate governance, which were considered and approved at the general meeting following consideration and approval by the Board, and the corporate governance was further regulated. The nomination committee has considered the board diversity policy and whether the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance. For the year ended 31 December 2024, the Company has achieved the measurable objectives in the board diversity policy. When selecting and recommending suitable candidates for Board members, the Company will take the opportunity to increase the proportion of female members on the Board and enhance the level of gender diversity in accordance with Shareholders' expectations and recommended best practices.

Corporate Governance Report

As at 31 December 2024, the senior management of the Company comprises a total of 12 members, two of whom are female. In March 2024, the nomination committee of the Company proposed the appointment of Ms. Sun Shan as a deputy general manager and financial director of the Company, which was considered and approved by the Board. In selecting and recommending suitable candidates to serve as senior management members, the Company will take appropriate opportunities to increase female representation. As at the end of the reporting period, the proportion of domestic female employees in the total number of domestic employees of the Company was approximately 19.67%. In order to protect women's employment rights, the Company always adheres to the employment principle of equality between male and female, eliminates gender discrimination, arranges practical positions for female employees based on their merits, and ensures that the proportion of female employees remains at a reasonable level.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2024	4 resolutions were considered, including, among other things, Resolution on the Work Report of the Nomination Committee of the Board in 2024	The nomination committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	None
3 June 2024	1 resolution was considered, i.e. Resolution on Nomination of Ms. Feng Xiaoyun as Candidate to Independent Directors of the Seventh Session of the Board of the Company	The nomination committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None
12 June 2024	3 resolutions were considered, including, among other things, Resolution on Nomination of Mr. Xu Shaolong as Candidate to Executive Directors of the Seventh Session of the Board of the Company	The nomination committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted all resolutions after earnest discussion.	None
15 October 2024	Resolution on Proposing the Appointment of Mr. Chai Duo as Deputy General Manager of the Company and Resolution on Proposing the Appointment of Mr. He Zhengjun as Deputy General Manager of the Company were considered	The nomination committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	None



Corporate Governance Report

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Li Kaiguo	4/4	100%
Li Donglin	4/4	100%
Gao Feng ^{Note 1}	3/3	100%
Feng Xiaoyun ^{Note 2}	1/1	100%

Note 1: Ceased to be a member of the nomination committee with effect from 31 July 2024.

Note 2: Served as a member of the nomination committee with effect from 27 June 2024.

(7) The science and technology innovation committee held 2 meetings during the reporting period

During the reporting period, the science and technology innovation committee under the Board acted in strict accordance with the Implementation Rules and Regulations of the Science and Technology Innovation Committee of the Board and performed its duties independently and objectively. The science and technology innovation committee is responsible to the Board, and its major responsibilities include studying and making recommendations to the Board of Directors regarding mid- and long-term strategic planning for technological development, annual scientific research plan and major technological innovation projects of the Company.

Date of meeting	Subject	Major opinions and suggestions	Other duties performed
27 March 2024	2 resolutions were considered, i.e. Resolution on Summary of the Company's Scientific Research in 2023 and Resolution on the Company's Scientific Research Plan in 2024	The science and technology innovation committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted both resolutions after earnest discussion.	None
13 December 2024	Resolution on Declaration and Establishment of Hunan Engineering Research Centre was considered	The science and technology innovation committee faithfully performed its duties in strict accordance with relevant laws, administrative regulations and departmental rules, and unanimously adopted the resolution after earnest discussion.	None

Corporate Governance Report

Set out below is the attendance of each member Director:

Name	Number of attendance/ meeting	Attendance
Xu Shaolong ^{Note 1}	1/1	100%
Shang Jing	2/2	100%
Li Donglin	2/2	100%
Liu Ke'an ^{Note 2}	1/1	100%
Li Kaiguo	2/2	100%
Gao Feng ^{Note 3}	1/1	100%
Feng Xiaoyun ^{Note 1}	1/1	100%

Note 1: Served as a member of the science and technology innovation committee with effect from 27 June 2024.

Note 2: Ceased to serve as a member of the science and technology innovation committee with effect from 12 June 2024.

Note 3: Ceased to serve as a member of the science and technology innovation committee with effect from 31 July 2024.

(8) Details of Matters to which Objections have been Raised

☐ Applicable ☒ Not Applicable

XI. SUPERVISORY COMMITTEE

As at the date of this report, the Supervisory Committee comprises four Supervisors. Mr. Li Lue is the Chairman of the Supervisory Committee, Mr. Geng Jianxin is an independent Supervisor, Messrs. Shen Zhulin and Liu Shaojie are the employee representative Supervisors.

During the reporting period, pursuant to the Company Law of the PRC, the Articles, the SEHK Listing Rules, the SSE STAR Market Listing Rules and the Rules of Meetings of the Supervisory Committee, members of the Supervisory Committee performed their duties prudently and effectively with respect to the supervision of the Company's operations and business activities in accordance with the applicable rules and regulations in order to safeguard the Company's and Shareholders' interests.

The Supervisory Committee is accountable to the general meeting and exercises the following powers in accordance with law:

- (1) to review the Company's periodic reports prepared by the Board and provide written review opinions;
- (2) to examine the Company's financial condition;



Corporate Governance Report

- (3) to monitor whether the Directors, general managers, deputy general managers and other senior management of the Company act in contradiction with the laws, administrative regulations or the Articles of Association; to make suggestions on the removal of directors or senior management personnel who violate laws and regulations, the Articles of Association or the resolutions of the general meeting, and where the Supervisory Committee identifies violation of laws and regulations, the relevant provisions of the stock exchange(s) where the Company's shares are listed and the Articles of Association by the directors or senior management personnel, it shall notify the board or report to the general meeting and disclose the same in a timely manner;
- (4) to demand rectification from a Director, the general manager, deputy general managers or other members of the senior management of the Company when the acts of such persons are prejudicial to the Company's interests;
- (5) to conduct investigations into any irregularities identified in the operation of the Company and, if necessary, may engage the professional institutions, including accounting firms and law firms to assist its work and the expenses so incurred shall be borne by the Company;
- (6) to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting when the Board of Directors fails to perform its duty of convening and presiding over the general meeting as prescribed by law;
- (7) to put forward proposals to the general meeting;
- (8) to represent the Company in negotiation with Directors and senior management personnel or to institute an action against the Directors and senior management personnel; and
- (9) other powers specified in the laws, regulations, departmental rules, and relevant provisions of the securities regulatory authorities where the Company's shares are listed, the Articles of Association and granted by the general meeting.

XII. EXPLANATION OF THE SUPERVISORY COMMITTEE ON DISCOVERY OF THE COMPANY'S RISKS

☐ Applicable ☒ Not Applicable

The Supervisory Committee has no objection to the supervisory matters during the reporting period.

XIII. PLAN FOR DISTRIBUTION OF PROFITS OR TRANSFER OF CAPITAL RESERVE FUND

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

☒ Applicable ☐ Not Applicable

1. Formulation of cash dividend policy

While pursuing sustainable and healthy business development, the Company attaches great importance to generating reasonable investment returns to the Shareholders. In accordance with the requirements of the CSRC, the Company has made specific stipulations regarding the consideration process of cash dividends and profit distribution. The profit distribution policy of the Company complies with the requirements as set out in the Articles of Association and is designated with defined and clear distribution standards and proportion, subject to complete and sound decision-making mechanism and procedures.

2. Implementation of the cash dividend policy in 2023

At the 6th meeting of the seventh session of the Board held on 28 March 2024, the Resolution on the Profit Distribution Plan of the Company for 2023 was considered and approved, pursuant to which, the Company proposes to distribute cash dividends to the Shareholders based on the total number of Shares determined on the record date fixed for the equity distribution which will be specified in the equity distribution implementation announcement. The Company proposes to distribute cash dividends of RMB7.8 (tax inclusive) for every ten Shares held by Shareholders, totaling RMB1,101,001,287.36 based on the total share capital of the Company of 1,416,236,912 as at 31 December 2023 (deducting the repurchased H shares to be canceled of 4,696,800 shares, that is calculated based on 1,411,540,112 shares), accounting for 35.45% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for 2023. The above profit distribution plan has been considered and approval at the 2023 annual general meeting of the Company. The 2023 annual profit distribution plan was implemented on 8 August 2024.

3. Information of 2024 annual profit distribution plan

At the 16th meeting of the seventh session of the Board held on 28 March 2025, the Resolution on the Profit Distribution Plan of the Company for 2024 was considered and approved, pursuant to which, the Company proposes to distribute cash dividends to the Shareholders based on the total number of Shares determined on the record date fixed for the equity distribution which will be specified in the equity distribution implementation announcement. The Company proposes to distribute cash dividends of RMB10.00 (tax inclusive) for every ten Shares held by Shareholders, totaling RMB1,369,339,712.00 (tax inclusive) based on the total share capital of the Company of 1,369,339,712 as at 26 February 2025 (including 868,907,512 A Shares and 500,432,200 H Shares), accounting for 36.98% of the net profit attributable to Shareholders of the Company as contained in the consolidated financial statements for 2024. In case of any change in the total share capital of the Company from the date of the profit distribution announcement to the record date for implementation of the equity distribution, the Company proposes to maintain the payout ratio per Share unchanged, make corresponding adjustments to the total payout amount, and will publish separate announcement(s) on the specific adjustments. The above profit distribution plan is subject to consideration and approval at the 2024 annual general meeting of the Company. The independent non-executive Directors performed due diligence and earnestly reviewed and issued independent opinions on the proposal regarding cash dividend policy.



Corporate Governance Report

(II) Special explanations on the cash dividend policy

☒ Applicable ☐ Not Applicable

Whether in compliance with the Articles of Association or resolutions passed at the general meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether with established and clear cash dividend standards and ratio	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether determined with sound decision-making procedures and mechanism	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent Directors fulfill due diligence obligations and exercise the prescribed functions	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether opportunities are available to minority shareholders for full and adequate expression of opinions and demands, and whether their legitimate rights and interests are fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

(III) Detailed reasons for not distributing cash dividends when the Company is profit-making during the reporting period and the parent company achieves positive distributable profits, and utilisation and purpose of the undistributed profits

☐ Applicable ☒ Not Applicable

(IV) Profit distribution and transfer of capital reserve fund into share capital during the reporting period

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Bonus shares for every 10 shares (share)	–
Profit declared for every 10 shares (RMB) (tax inclusive)	10
Transfer of capital reserve fund into share capital for every 10 shares (share)	–
Cash dividend amount (tax inclusive)	1,369,339,712
Net profit attributable to the ordinary Shareholders of the Company as shown in the consolidated statements	3,702,585,914
Cash dividend as a percentage of net profit attributable to the ordinary Shareholders of the Company as shown in the consolidated statements (%)	36.98
Cash repurchase of shares included in cash dividend	–
Total profit distribution (tax inclusive)	1,369,339,712
Total profit distribution as a percentage of net profit attributable to the ordinary Shareholders of the Company as shown in the consolidated statements (%)	36.98

Corporate Governance Report

(V) Cash dividend for the latest three accounting years

☒ Applicable ☐ Not Applicable

Unit: Yuan Currency: RMB

Net profit attributable to the ordinary Shareholders of the Company as shown in the consolidated statements for the latest accounting year	3,702,585,914
Year-end undistributed profit as shown in the parent's statements for the latest accounting year	23,185,968,452
Accumulated cash dividend for the latest three accounting years (tax inclusive) (1)	3,249,271,300.96
Accumulated repurchased and cancelled amount for the latest three accounting years (2)	–
Sum of cash dividend and repurchased and cancelled amount for the latest three accounting years (3)=(1)+(2)	3,249,271,300.96
Average net profit per annum for the latest three accounting years (4)	3,096,266,485
Proportion of cash dividend for the latest three accounting years (%) (5)=(3)/(4)	104.94
Accumulated R&D investment for the latest three accounting years	6,887,520,368
Accumulated R&D investment as a percentage of accumulated revenue for the latest three accounting years (%)	10.60

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

(I) General information of share incentive plan

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

Other explanations

☐ Applicable ☒ Not Applicable

Employee stock ownership plan

☐ Applicable ☒ Not Applicable

Other incentive measures

☐ Applicable ☒ Not Applicable



Corporate Governance Report

(III) The equity incentives granted to the Directors, senior management and core technicians during the reporting period

1. Stock option

☐ Applicable ☒ Not Applicable

2. The first type of restricted stocks

☐ Applicable ☒ Not Applicable

3. The second type of restricted stocks

☐ Applicable ☒ Not Applicable

(IV) Establishment and implementation of evaluation and incentive mechanisms for senior management during the reporting period

☒ Applicable ☐ Not Applicable

According to the relevant requirements of the annual assessment system for management members, the principal positions of the Company's management team are assessed from two aspects: corporate asset management responsibility system, key acts and organisational construction, and the deputy positions of the management team are assessed from three aspects: corporate asset management responsibility system, annual major work objectives, key acts and organisational construction, so as to complete the inspection of the duty performance of the Company's executives and annual performance appraisal, and determine the annual remunerations of the Company's senior management according to the assessment results.

The annual remuneration of senior management is composed of basic annual salary and performance annual salary. The basic annual salary is mainly determined based on factors such as financial contribution, strategic contribution, industry position and market targets, and the performance annual salary is determined based on the organisational performance and individual performance evaluation. In accordance with the relevant requirements of the tenure assessment system for business managers, the senior management of the Company shall be assessed during their tenure from the two aspects of tenure operation targets and key work, and the tenure incentives of the senior management of the Company shall be determined based on the results of the tenure assessment.

(V) Directors' and supervisors' securities transactions

The Company has adopted a code of conduct not inferior to that stipulated in the Model Code as the code of conduct for all Directors and Supervisors to conduct securities transactions of the Company (the "Code of Conduct"). After making specific inquiries to all Directors and Supervisors, all of them have confirmed that they have complied with the standards stipulated in the Code of Conduct during the year ended 31 December 2024.

XV. DEVELOPMENT OF INTERNAL CONTROL SYSTEMS AND IMPLEMENTATION DURING THE REPORTING PERIOD

☒ Applicable ☐ Not Applicable

During the reporting period, the Company launched internal control supervision and assessment into itself and its subsidiaries in strict accordance with the requirements of the CSRC, SSE, Stock Exchange, the Company Law and the Articles of Association, based on industry characteristics and actual operating condition of the Company from significant supervision aspects including finance supervision, operation supervision, compliance supervision, overseas business supervision and risk prevention. The Company supervised the prompt rectifications of internal control deficiencies to ensure the effectiveness and sound operation of the internal control system, and effectively control operating risks.

Corporate Governance Report

During the reporting period, with a primary focus on internal control and driven by risks, the Company made constant efforts to improve management system, enhance execution and supervision and strengthen risk control capabilities. The Company revised and optimised the internal control system covering the full business process from finance management, budget management, purchase management, production management, R&D management to sales management, in order to align with national policies, industry norms and the Company's development strategy. Through the multi-level supervision mechanism ranging from internal audit, special inspection to external audit, the Company maintained close track of the implementation of internal control policies, and made timely rectifications to any issue identified, so as to guarantee the effective materialisation of internal control measures. Besides, the Company launched information-based audit, developed rules and logics for audit warning indicators, and realised real-time supervision over audit warning and billboards and statements display of each segment via electrical digitisation. Besides, the Company exercised full-spectrum inspection over the audit of overseas subsidiaries, endeavouring to enhance internal control management and regulate overseas business operations. Furthermore, the Company exposed agents in collective purchase centre to discipline committee authorities for special audit supervision, promoted the grid-based management featuring comprehensive supervision, compliance and risk control via resource collaboration. The Company secured remarkable results in terms of internal control during the reporting period, thus further optimising its management and control efficiency, improving the internal control environment, bolstering its overall internal control capacity and laying a solid foundation for achieving quality and healthy development.

Explanation of any significant defects in internal control during the reporting period

☐ Applicable ☒ Not Applicable

XVI. INFORMATION OF MANAGEMENT AND CONTROL OVER SUBSIDIARIES DURING THE REPORTING PERIOD

☒ Applicable ☐ Not Applicable

During the reporting period, in strict accordance with the Company Law, the Articles of Association and relevant laws, regulations and the Company's internal management systems and rules, the Company rendered constant efforts to enhance standardised management risk control over subsidiaries, aiming to guarantee that business operation and development of subsidiaries are aligned with Company's overall strategic goals. The Company despatched directors, supervisors and senior management members to its major subsidiaries, and provided guidance to its subsidiaries in establishment of board of directors, which helped to improve the corporate governance structure and governance capabilities of subsidiaries. Through strengthening the execution and routine supervision and management of the Three Major and One Significant Management System by the subsidiaries, the Company guaranteed effective implementation of control requirements. The Company leveraged strategic planning, overall budget, performance appraisal and other approaches to direct and motivate subsidiaries in business operations, and via regular and irregular strategy and management enquiry and review, the Company urged its subsidiaries to execute strategies and achieve compliance operation, in a drive to enhance the risk resistance capabilities of its subsidiaries, and press ahead with efficiency operation and quality development with earnest efforts.



Corporate Governance Report

XVII. RELEVANT INFORMATION ABOUT AUDIT REPORT ON INTERNAL CONTROL

✓ Applicable ☐ Not Applicable

The Company engaged KPMG Huazhen LLP to audit the effectiveness of the internal control relating to financial reporting, and KPMG Huazhen LLP has issued a standard unqualified audited report.

For details, please refer to the 2024 Internal Control Audit Report of Zhuzhou CRRC Times Electric Co., Ltd. issued by KPMG Huazhen LLP which is published on the website of the SSE on the same date.

Whether to disclose the audit report on internal control: Yes

Opinion type of internal control audit report: standard unqualified opinion

XVIII. RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledged that it is responsible for the establishment, improvement and effective implementation of risk management and internal control systems as well as carrying out supervision on the effectiveness of the risk management and internal control systems of the Company and its subsidiaries. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has a sound organisation system of internal control and has established the audit and risk control department in charge of internal audit. Guided by the Board, the audit committee and the risk control committee, the audit and risk control department carries out supervision and evaluation for internal controls of the Company and its branches and subsidiaries in respect of important control functions such as financial monitoring, operation monitoring, compliance monitoring, overseas business monitoring and risk prevention and management, and supervises and timely rectifies internal control deficiencies, so as to guarantee the effectiveness and sound operation of the internal control system, and effectively control operating risks.

Corporate Governance Report

With a primary focus on internal control and driven by risks, the Company made constant efforts to improve management system, enhance execution and supervision and strengthen risk control capabilities. The Company revised and optimised the internal control system covering the full business process to align with national policies, industry norms and the Company's development strategy. Through the multi-level supervision mechanism ranging from internal audit, special inspection to external audit, the Company maintained close track of the implementation of internal control policies, and made timely rectifications to any issue identified, so as to guarantee the effective materialisation of internal control measures. Besides, the Company exercised full-spectrum inspection over the audit of overseas subsidiaries, endeavouring to enhance internal control management and regulate overseas business operations. Furthermore, the Company exposed agents in collective purchase centre to discipline committee authorities for special audit supervision, and promoted the grid-based management featuring comprehensive supervision, compliance and risk control via resource collaboration. During the reporting period, the Company controlled the risks within tolerable bounds through various controlling measures such as authorisation approval, process governance, comprehensive budgeting, cost control, asset management, lean management, information security control. Through annual internal monitoring and evaluation, the Company ensured the reasonable design, effective operation and appropriate implementation of internal monitoring systems. In terms of risk management, the Company improved its comprehensive risk management system, and conducted risk identification, assessments and countermeasures on a regular basis with a key focus on financial risk, market risk, operational risk and compliance risk. The Company also established a risk warning mechanism to ensure risks are controllable. During the reporting period, the Company had no material internal control defects and monitoring failure, and had effective procedures in relation to financial reporting and compliance with requirements of the listing rules of the places where the Company is listed.

The Board has conducted one review of the effectiveness of risk management and the internal control system of the Company and its subsidiaries during the year and considered that the risk management and internal control systems are effective and adequate to allow the continuing protection and improvement of the Company's internal control activities and ensure the Company's ability to meet the internal business requirements and external environment changes from financial, operational, compliance, overseas operation and risk control perspectives, so as to safeguard the Company's asset and interests of Shareholders.

XIX. DIVIDEND POLICY

The Board adopted a dividend policy on 26 March 2019 to take effect on 1 January 2019, which aims to provide the Shareholders with stable dividends and sets out the principles and guidelines for declaring, paying and distributing the profits of the Company as dividends.

In deciding whether to propose a dividend and determining the amount of dividend, the Board takes into account (i) the Company's actual and expected financial performance; (ii) retained earnings and distributable reserves of the Company and each of the members of the Group; (iii) the debts to equity ratio, return on equity and relevant financial covenants of the Group; (iv) the Group's expected working capital requirements and future strategic plans; (v) the general economic conditions, the Group's financial conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and status of the Group; and (vi) other factors that the Board deems appropriate.

The Company does not have any pre-determined dividend distribution ratio. The declaration and payment of dividends is subject to the absolute discretion of the Board, and any restrictions under the Articles, the Company Law of the PRC, the Corporate Income Tax Law of the PRC and any other applicable laws and regulations. The Board will periodically review the dividend policy and reserves the right in its sole and absolute discretion to amend the policy at any time.



Corporate Governance Report

XX. REMUNERATION OF THE AUDITOR

KPMG Huazhen LLP ("KPMG Huazhen") is the auditor of the Company. For the year ended 31 December 2024, the services provided by KPMG Huazhen and the remuneration are as follows:

	(RMB'000)
Service provided:	
Audit Service	4,600,000
Non-audit Services (Note)	—
Total	<u>4,600,000</u>

Note: Non-audit services include tax service of related party transactions and contemporaneous documentation and tax advisory.

XXI. DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for the preparation of financial statements, and to give a true and fair view of the Group's financial status and operating results for the financial year ended 31 December 2024. The statement by the external auditors of the Company regarding its reporting responsibilities on the consolidated financial statements of the Group is set out in the "Auditors' Report" on pages 253 to 258 of this annual report.

The Directors also confirmed that there were no material uncertainties which may materially affect the ability of the Company to carry on as a going-concern.

XXII. COMPANY SECRETARY

Ms. Cheung Lai Ha ("Ms. Cheung"), assistant vice president of Governance Services of Computershare Hong Kong Investor Services Limited ("Computershare"), is an external service provider and has been appointed as (i) the company secretary, (ii) the authorised representative under Rule 3.05 of the SEHK Listing Rules (the "Authorised Representative"); and (iii) the Authorised Representative to accept service of process and notices on behalf of the Company in Hong Kong under Rule 19A.13(2) of the SEHK Listing Rules and Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Process Agent") of the Company with effect from 27 June 2023. Her primary contact person is Ms. Long Furong ("Ms. Long"), the Secretary to the Board, general legal counsel and chief compliance officer of the Company. Ms. Cheung tendered her resignation from the aforesaid positions with effect from 28 March 2025.

Ms. Cheung took no less than 15 hours of relevant professional training during the financial year ended 31 December 2024 as required under Rule 3.29 of the SEHK Listing Rules.

Ms. Long and Ms. Leung Hoi Yan ("Ms. Leung"), assistant to business entity solutions of Computershare who is an external service provider, have been appointed as joint company secretaries of the Company with effect from 28 March 2025. Ms. Leung has also been appointed as the Authorised Representative and Process Agent, and her primary contact in the Company is Ms. Long.

For the major work experience of Ms. Long, please refer to the section headed "Directors, Supervisors, Senior Management and Employees" contained in this report.

Corporate Governance Report

Ms. Leung has over 14 years of experience in acting as company secretary for entities listed in Hong Kong and corporate governance issues. She holds a Bachelor of Commerce (Hons) degree in Accounting from Hong Kong Shue Yan University and is also an associate of The Hong Kong Chartered Governance Institute and the Chartered Governance Institute.

XXIII. CONSTITUTION

During the reporting period, the Articles of Association passed by way of special resolution at the Company's 2023 annual general meeting held on 27 June 2024 came into effect on 27 June 2024. The Articles of Association currently in force are available for inspection on the websites of the Stock Exchange, SSE and the Company.

XXIV. OTHERS

✓ Applicable ☐ Not Applicable

(I) Corporate Culture

Since its establishment in 2005, Times Electric has been upholding the profound cultural heritage of CRRC, and is committed to becoming the global preferred supplier and the world's first-class professional and leading exemplary enterprise providing electrical system comprehensive solutions in the traffic and energy fields. As a joint-stock entity under CRRC, the Company not only carried forward the innovation pursuit and industry leading position of its parent, CRRC Zhuzhou Institute Co., Ltd., since 1959, but also made further gallops in promoting and upgrading corporate culture against the backdrop of a new era.

With the mission of "Connecting the World through Better Mobility", the core value of "Walking the Righteous Path with the Righteous Mind and Doing Good Deeds with Good Intention", and the corporate spirit of "Realistic, Respectful, Innovative and Fruitful", the Company has forged a unique corporate culture system, which not only provided powerful spiritual impetus and cultural support underpinning the development of the Company, but also developed a common value and code of conduct among employees.

In terms of sustainable development, the Company proactively responded to national strategies, and propelled technological advancement and industrial growth via reasonable resource allocation and efficient resource utilisation. We are devoted to providing the public with safe, intelligent, green and comfortable products and services to promote emotional communications, facility connectivity, unimpeded trade and financing, thus facilitating social development and helping the public to live a better life.

The Company is well aware that a healthy corporate culture is the source of internal growth for corporate development. Accordingly, all Directors are required to act properly and lead by example. They proactively promote corporate culture and guide all employees to practise the concept of "acting in compliance with laws, ethics and responsibilities". Meanwhile, the Company continued to carry out the "Six Ones" cultural inheritance project of CRRC, and vigorously implemented the cultural "BI climbing project" to make lean, compliant, quality, safety and responsibility a common goal.

We are committed to assigning all management and employees to perceive, understand, and practise corporate culture, launching corporate culture activities at multiple frequencies, and require all employees to keep the same in mind and to put into practice. Through joint creation of value, we endeavour to benefit our customers, partners, investors and suppliers and share the achievements of our development.

(II) Anti-corruption Policy and Whistle-blowing Policy

For details, please refer to "Operation of Anti-Commercial Bribery and Anti-Corruption Mechanisms" as set out in the section headed "Environmental, Social Responsibilities and Other Corporate Governance Issues".



Environmental, Social Responsibilities and Other Corporate Governance Issues

I. BOARD STATEMENT ON ESG GOVERNANCE

Times Electric has integrated sustainable development concepts into its corporate strategy, and committed itself to constantly driving innovation in business, technology and management. The Company aspires to create “Smart Electric and Dual-Carbon Electric”, along its march towards providing the public with intelligent, safe, green, and comfortable high-end equipment, and becoming the global preferred supplier of comprehensive electrical system solutions in the transportation and energy sectors.

As the highest decision-making body, the Board of Times Electric is responsible for making decisions on significant ESG issues. In 2024, the Company discussed and resolved on ESG-related matters during Board meetings as follows: in March 2024, the sustainability/ESG Report of the previous year was approved; and in June 2024, independent Directors and independent Supervisors participated in discussions on the 2024 ESG enhancement action plan.

Times Electric places great importance on communication and engagement with its stakeholders. Taking into account the characteristics of the industry where the Company operates and its business operations, the Company conducts materiality analysis and prioritisation of issues through identifying whether the issues are expected to have a significant impact on the Company’s business model, operations, development strategy, financial condition, operating results, cash flow, financing methods and costs in the short, medium, and long term (i.e., financial materiality). Additionally, it assesses whether the Company’s performance on such issues could have a significant impact on the economy, society, and environment (i.e., impact materiality).

II. OVERALL ESG ACHIEVEMENTS

✓ Applicable ☐ Not Applicable

(I) Industry-specific ESG Practices During the Year

✓ Applicable ☐ Not Applicable

During the reporting period, the Company adhered to green and low-carbon development, integrating energy conservation and carbon reduction into its corporate strategy to build a green, low-carbon, and circular development system. In energy management, we established clear energy conservation goals and comprehensively promoted integrated energy technologies combining photovoltaic energy storage, charging, cooling, and heating. Regarding technological innovation, we focused on R&D and production of green, low-carbon high-end equipment to drive the green transformation of transportation and energy sectors. In green rail transit: we supported Guangzhou Metro’s launch of new-generation green intelligent urban rail vehicles; completed trial operations of China’s first hydrogen-powered overhead line maintenance vehicle, reducing CO₂ emissions by over 75 tons annually per vehicle; officially launched the self-developed TACS system, an advanced “smart brain” for trains, providing robust support for intelligent rail transit development. In clean energy: we developed a 1+X modular centralised photovoltaic inverter, becoming a core solution for cost reduction and efficiency improvement in ground power stations; completed planning and R&D of an IGBT-based hydrogen production power platform, already deployed in 15 market projects to boost green hydrogen industry growth; pioneered China’s first photovoltaic inverter fault data collection technology, ensuring stable operation of renewable energy equipment. For supply chain development, we collaborated with industry partners to build a more resilient industrial ecosystem. We implemented responsible procurement, embedded sustainability into supply chain management, guided suppliers in adopting green processes and lean manufacturing, and established them as industry benchmarks for green practices.

Environmental, Social Responsibilities and Other Corporate Governance Issues



(II) Performance of ESG Rating During the Year

✓ Applicable ☐ Not Applicable

ESG rating system	ESG rating agency	Rating granted to the Company during the year
Wind ESG rating system	Wind	A
Sino-Securities ESG rating system	Sino-Securities	A
CCXI Green Finance ESG rating system	CCXI Green Finance	AA-

Explanations on changes, if any, from the previous year:

Wind ESG: In 2024, the Company achieved an “A” rating in the Wind ESG assessment. In 2023, it was rated “BBB”.

Sino-Securities ESG: In 2024, the Company achieved an “A” rating in the Sino-Securities ESG assessment. In 2023, it was rated “BBB”.

CCXI Green Finance ESG: In 2024, the Company achieved an “AA-” rating in the CCXI Green Finance ESG assessment. In 2023, it was rated “A”.

Overall, the Company’s performance in the ratings by various agencies for the current and previous year demonstrates its steady progress on the path toward sustainable development.

(III) Tracking Status by ESG-Themed Index Funds for the Current Year

✓ Applicable ☐ Not Applicable

In 2024, the Company was successfully included in multiple major ESG index benchmarks, including the SSE STAR Market ESG Index, Chengtong Central SOEs ESG Index, 300 ESG Value Index, 380 ESG Index, ESG Benchmark Index, 800 ESG Value Index, 380 ESG Leadership Index, and ESG Leadership Index, thanks to its high-quality ESG performance. Such achievement has strengthened international investors’ recognition of the Company’s ESG commitments and supported its expansion into overseas markets.

III. ENVIRONMENTAL INFORMATION

Whether an environmental protection mechanism has been established	Yes
Environmental protection expenditure during the reporting period (Unit: RMB0’000)	950

(I) Whether Classified as the Key Pollutant Discharging Units Announced by the Environmental Protection Department

✓ Yes ☐ No

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, was 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 according discharge standards, and hazardous wastes are disposed of in accordance with laws and regulations. Its pollution prevention and control facilities are under normal operation.



Environmental, Social Responsibilities and Other Corporate Governance Issues

1. Sewage discharge information

✓ Applicable ☐ Not Applicable

In 2024, Zhuzhou CRRC Times Semiconductor Co., Ltd. engaged a third-party institution with testing qualification to conduct environmental pollution factor testing every month, and all testing results met the national emission standards and achieved 100% compliance with emission standards. Hazardous waste was disposed of in compliance with laws and regulations, and the declaration was completed on the Hunan Solid Waste Management Information Platform and the corresponding forms were generated. It fully paid the environmental protection tax in 2024.

Holder of sewage discharge permit	Issuer of sewage discharge permit	Sewage discharge permit management category	Total sewage generated from January to December 2024 (0'000 tons)	Reclaimed water reused from January to December 2024 (0'000 tons)	Sewage disposed of from January to December 2024 (0'000 tons)	Sewage discharged from January to December 2024 (0'000 tons)	Hazardous waste disposed of from January to December 2024 (tons)
Zhuzhou CRRC Times Semiconductor Co., Ltd.	Zhuzhou Ecological Environment Bureau	Management focus	114.63	22.99	114.63	114.63	1,966.159

2. Construction and operation of pollution prevention and control facilities

✓ Applicable ☐ Not Applicable

In 2024, Zhuzhou CRRC Times Semiconductor Co., Ltd. completed the construction project for enhancing the technical capabilities of its silicon carbide chip production line, including the addition of an acidic exhaust gas scrubber and one alkaline exhaust gas vent to the fifth production line, thus enabling the separate collection and treatment of acidic and alkaline exhaust gases. In accordance with the requirements of the National Pollution Prevention and Control Technology Guidance Catalog (2024, Restricted and Obsolete Categories), the organic exhaust gas treatment system in the fifth production line's exhaust gas treatment room was upgraded from a photocatalytic + activated carbon adsorption process to a two-stage activated carbon adsorption treatment. Additionally, five sets of "combustion + water washing" point of use (POU) devices were added to the special and exhaust gas treatment system. During the reporting period, the pollution prevention equipment and facilities at the its key pollutant discharge units were constructed in compliance with standards, fully equipped, and operated normally, ensuring that pollutants were treated and discharged stably and in accordance with regulations.

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

✓ Applicable ☐ Not Applicable

In April 2024, Zhuzhou CRRC Times Semiconductor Co., Ltd. completed the environmental impact assessment for the industrialisation construction project of medium and low-voltage power devices (Zhuzhou). In May 2024, it completed the environmental impact assessment for the capacity expansion project of power component substrates and supporting components. Additionally, in 2024, Zhuzhou CRRC Times Semiconductor Co., Ltd. successfully updated information on its pollutant discharge permit. For details, please refer to the public information on the National Pollutant Discharge Permit Management Information Platform.

Environmental, Social Responsibilities and Other Corporate Governance Issues



4. Environmental emergencies during the reporting period

☐ Applicable ☒ Not Applicable

5. Contingency plans for unexpected environment-related issues

☒ Applicable ☐ Not Applicable

In accordance with relevant documents such as the National Emergency Response Plan for Environmental Incidents, and based on its actual conditions, the Company has formulated an emergency response plan for environmental incidents, which has been filed with the local ecological environment authorities. Furthermore, the Company has developed an annual environmental emergency drill plan as required, and regularly conducted emergency drills and drill evaluations to enhance its emergency response capabilities for environmental incidents.

6. Self-monitoring environmental program

☒ Applicable ☐ Not Applicable

In line with environmental regulations and the actual conditions of its production and operations, the Company has established an environmental self-monitoring plan. It has installed automatic monitoring equipment or engaged qualified third-party monitoring agencies to conduct self-monitoring under stable operating conditions. The monitoring results consistently meet the relevant emission standards.

7. Other discloseable environmental information

☒ 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 four 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 in 2024 (0'000 tons)	Sewage disposed of in 2024 (0'000 tons)	Sewage discharged in 2024 (0'000 tons)
Zhuzhou CRRC Times Electric Co., Ltd.	Zhuzhou Ecological Environment Bureau	Registered management	18.6	18.6	18.6
Baoji CRRC Times Engineering Machinery Co., Ltd.	Baoji Ecological Environment Bureau Jintai Branch Bureau	Simplified management	3.6	3.6	3.6



Environmental, Social Responsibilities and Other Corporate Governance Issues

(II) Administrative Penalties Due to Environmental Issues During the Reporting Period

During the reporting period, the Company did not incur any administrative penalties due to environmental issues.

(III) Information on Consumption of Resources and Energy and Emission

✓ Applicable ☐ Not Applicable

The Company is deeply committed to the development philosophy that “lucid waters and lush mountains are invaluable assets”. It has established a comprehensive environmental management system, upheld environmental compliance management and proactively promoted the cultivation of green production practices, dedicating to building a resource-efficient and environmentally-friendly enterprise, and setting up a benchmark for green development among peers.

The Company deeply recognises the severe challenges posed by climate change and regards addressing climate change as a critical strategic task for achieving sustainable development. By establishing a robust governance framework, the Company actively identifies and manages climate change risks and opportunities, refines response measures, and enhances its capacity to address climate risks, so as to ensure the climate resilience of its production and operational activities.

1. Greenhouse gas emissions

✓ Applicable ☐ Not Applicable

The Company calculated the annual greenhouse gas carbon emissions of Times Electric¹ in 2024 in accordance with ISO14064-1: 2018 standards. The Company's total market-based operational carbon emissions for 2024 were confirmed to be 170,217.54 metric tons of CO₂ equivalent (tCO₂e), of which emissions in Scope 1² were 22,838.63 tCO₂e and emissions in Scope 2³ were 147,378.91 tCO₂e. In addition, in 2024, the Company conducted carbon footprint accounting for six products in accordance with the ISO14067 standard.

1. Including wholly-owned subsidiaries, branches and holding subsidiaries (Excluding overseas companies).
2. Scope 1 emissions include those from the combustion of fossil fuels such as natural gas and gasoline, fugitive emissions from sources like septic tanks and refrigerants, and emissions from semiconductor production processes. The calculation of Scope 1 emissions utilises calorific value data for fossil fuels sourced from GB/T 2589-2020, and emission factors are derived from IPCC 2006 and IPCC 2021.
3. Scope 2 refers to emissions from purchased electricity. The electricity emission factor for Scope 2 is sourced from the Announcement on the Release of the 2022 Carbon Dioxide Emission Factors for Electricity (Announcement No. 33 of 2024) jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics.

Environmental, Social Responsibilities and Other Corporate Governance Issues



2. Energy and resources consumption

✓ Applicable ☐ Not Applicable

Reducing Energy Consumption. The Company has formulated the Key Points of Energy Conservation and Ecological Environmental Protection Management, which clarify the principles, goals, and specific measures for energy conservation and ecological environmental protection. The Company continues to strengthen its energy management system, effectively implemented its primary responsibility for enterprise energy management, and has currently obtained ISO 50001 Energy Management System certification. Energy management is integrated into the Company's daily operations and management performance evaluation indicators, with specific evaluation targets and energy-saving plans established. In 2024, the Company actively promoted the implementation of energy-saving and consumption-reduction policies, as well as the low-carbon transformation of its energy consumption structure, through a series of measures such as equipment optimisation, intelligent upgrades, the introduction of rooftop photovoltaic systems, and the purchase of green electricity. During the reporting period, the Company's comprehensive energy consumption per RMB10,000 of output value was 0.016 tons of standard coal, which is lower than the energy utilisation target of 0.025 tons of standard coal per RMB10,000 of output value.

Water resource conservation and efficient utilisation. The Company primarily sources water from municipal water supply, which was mainly consumed for industrial cooling, cleaning, and domestic use during research and development, production, and operations. The Company has established a comprehensive water resource management system and implemented corresponding standard operating procedures for water management at its major operational bases to regulate water consumption in production and operations, avoiding unnecessary water waste. During the reporting period, the Company continued to optimise water consumption processes in production by upgrading circulating water systems and reusing reclaimed water, therefore effectively reducing water resource consumption.

3. Waste and pollutant discharge

✓ Applicable ☐ Not Applicable

The Company has issued internal regulations such as the Environmental Protection Management Measures and the Detailed Rules for Hazardous Waste Management, which specify the management requirements for the prevention and control of water pollution, air pollution, environmental noise pollution, solid waste pollution, and radioactive pollution, and clarify the Company's safety management of hazardous waste, as well as the identification, storage, transfer and disposal of hazardous waste. All hazardous waste must be entrusted to units with hazardous waste operation licenses for disposal, so as to ensure 100% legal and compliant handling of hazardous waste. Through measures such as upgrading environmental protection equipment and optimising production processes, combined with meticulous pollutant management, the Company is committed to reducing pollutant emissions at the source, guarantees that all emission indicators consistently exceed national standards and strives to minimise environmental impact during production, aiming to achieve sustainable low-carbon development goals.

Table: Waste and pollutant emissions

Name of indicator	Unit	2024
Total exhaust gas emissions	cubic metre	3,783,254,746
Total wastewater discharge	ton	1,286,797
Total recyclable waste	ton	722.79
Total amount of general solid waste	ton	2,196.74
Total hazardous waste	ton	2,162.77



Environmental, Social Responsibilities and Other Corporate Governance Issues

4. Environmental protection management system of the Company

☒ Applicable ☐ Not Applicable

The Company adheres to the concept of “people-oriented, continuous improvement, green environmental protection, health and safety”, implements the policy of “safety first, prevention oriented and comprehensive governance”, strictly implements green and safe production, ensures that environmental pollutants meet the emission standards and achieve full coverage of ISO 14001 Environmental Management System certification across all production units. In order to prevent and control water pollution, air pollution, solid waste pollution and environmental noise pollution, and protect and improve the environment, the Company has prepared the Environmental Protection Management Measures in accordance with the Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Water Pollution, the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People’s Republic of China on the Prevention and Control of Environmental Noise Pollution, the Law of the People’s Republic of China on Environmental Impact Assessment and the Environmental Protection Tax Law of the People’s Republic of China, so as to better fulfill its social responsibility and enhance its corporate image and sustainable development.

The Company has established the Management Measures for Environmental Factors and Hazards (Q/TEQ 1601) to effectively identify the environmental factors and hazards in all products, services, activities, personnel and equipment of the Company, and clarify the risk types of hazards the responsibilities of hazard source identification, and the hazard source identification procedures of the Company. In this way, the Company efficiently carries out risk management and control, and provides a basis for the Company to formulate relevant environmental safety management goals and plans.

(IV) 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.)	Use clean energy for power generation; Carry out energy conservation and consumption reduction projects; Formulate carbon emission calculation and management standards for key raw materials, components and suppliers; Carry out carbon inventory and carbon footprint of enterprises
---	---

Description

☒ Applicable ☐ Not Applicable

- Utilising clean energy. In 2024, the Company continued to expand its rooftop photovoltaic capacity by 3 MW, with an annual power generation capacity of approximately 3 million kWh. Additionally, the Company extended the intelligent “photovoltaic-storage-charging” integrated power supply system model to newly built parks, such as the CRRC Electric Drive Dual-Carbon Industrial Park and the Yixing Semiconductor Park. To fulfill its social responsibility and collaborate with upstream and downstream partners to build a green and low-carbon industrial chain, the Company purchased 20 million kWh of green electricity throughout the year, reducing carbon emissions by over 10,000 tons.

Environmental, Social Responsibilities and Other Corporate Governance Issues



2. Advancing energy-conservation technological upgrades. The Company has adjusted the cycle times and other metrics of bottleneck equipment in its electric drive production lines to enhance overall production efficiency. It has optimised the operation and standby processes of high-temperature equipment, such as curing ovens in coating lines, high-temperature testing tunnel furnaces, and soldering furnaces, reducing electricity consumption of key energy-intensive equipment and saving electricity of approximately 1.2 million kWh annually. For auxiliary office energy consumption, particularly from air conditioning and lighting, the Company has initiated pilot projects for smart air conditioning and lighting system upgrades. By integrating smart air conditioning and lighting panels with motion sensors and implementing remote timed controls, the Company expects to achieve a 30% reduction in energy consumption.
3. Carbon emission management. The Company continues to conduct carbon inventory assessments and plans to further expand its product carbon footprint spectrum, which will cover various core products, including new energy solutions. It is also identifying key suppliers contributing to carbon emissions in raw materials, laying a solid foundation for future green and low-carbon supply chain management.

(V) New Technologies, Products and Services for Carbon Emission Reduction

✓ Applicable ☐ Not Applicable

Development and production of new products. The Company actively responds to the national “dual-carbon” strategy, serves the global transportation and energy industries, and is always committed to developing and producing “intelligent, safe, green and comfortable” high-end equipment, so as to continuously provide sufficient resources for the research and development of new products and new technologies. Technological breakthroughs are made in high-efficiency converter devices, new power devices, energy management, wind power generation, photovoltaic and other fields to help improve the level of energy conservation and carbon reduction.

In the urban rail transit sector: Shenzhen Metro Line 1 has adopted an independent SiC-based asynchronous traction system, while Guangzhou Metro Lines 11/12 utilise a SiC-based permanent magnet traction system, both of which have been applied in vehicles. These systems have overcome key technical challenges from independent chip design and device development to system application, boasting advantages such as high efficiency, low noise, and lightweight design. The product weight has been reduced by over 20%, and on-track energy savings exceed 15%, contributing to green and low-carbon development in urban rail transit sector. Guangzhou Metro Lines 11/12 have implemented SiC-based high-frequency auxiliary converters, achieving vehicle installation and leveraging the high-frequency and low-loss characteristics of SiC to achieve high efficiency and lightweight design. Real-world testing shows a 2% improvement in efficiency and a weight reduction of over 30%, spurring the efficient and lightweight trend in urban rail transit auxiliary systems. On Ningbo Metro Line 8, the Company completed field verification of fully automated and integrated control functions. By building a unified train integration control platform encompassing communication, control, drive, sensing, interaction, and information security, the system achieves train integration and information sharing. This has increased travel speed by 1 km/h and reduced energy consumption of the traction system by 5% per locomotive.

In the rail engineering machinery sector, the Company has successfully developed and delivered China’s first dual-power-source (overhead line + battery) electric transmission rail grinding vehicle, rail flaw detection vehicle, and comprehensive inspection vehicle for urban rail transit, promoting the application of clean energy and electrification in urban rail engineering vehicles, and leveraging their model and technological advantages to lead the market. The vehicles feature zero emissions, low noise, low maintenance, and high efficiency. Each model is estimated to reduce greenhouse gas emissions by approximately 120 tons annually.



Environmental, Social Responsibilities and Other Corporate Governance Issues

In the new energy power generation and converter sector: the Company has achieved wide applications of the 320 kW high-power string inverter across multiple scenarios and developed the 1+X modular centralised photovoltaic inverter, significantly enhancing system efficiency, compatibility, grid-friendliness and safety. With higher single-unit power and energy density, these inverters reduce investment and maintenance costs and have become a core tool for cost reduction and efficiency improvement in ground power stations. The Company has developed the first centralised grid-forming photovoltaic inverter in the industry and achieved wide installation and application. The development of the 1,250 kW grid-forming energy storage converter has been completed, with leading industry standards in technical indicators such as inertia response, primary frequency regulation, active/reactive power response, and charge/discharge transition time. The converter has been delivered for the Shufu full-capacity grid-forming project in Xinjiang, supporting stable grid operation under high penetration of new energy. Besides, the Company has developed a 20 MW full-power and 12 MW doubly-fed converter for offshore applications, filling a gap in the market and achieving advanced industry standards. The release of the AC-coupled hydrogen production power supply 1.0 platform, certified by CGC and CE, has set industry-leading technical benchmarks. The Company has also completed the deployment of China's first off-grid hydrogen production power supply system integrating photovoltaic and energy storage.

In the industrial converter sector: the hydrogen hybrid electric drive system has passed mining field tests. Based on a hybrid power main-auxiliary integrated topology, the system has overcome adaptive energy flow fuzzy control technology for multi-source power under random road and working conditions. Field tests demonstrated a 25% improvement in fuel efficiency for a 240-ton mining truck, contributing to energy conservation and emission reduction in mining operations.

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

✓ Applicable ☐ Not Applicable

In 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.

(VII) Measures and Results in Addressing Global Climate Change

✓ Applicable ☐ Not Applicable

The Company adheres to China's 30·60 dual-carbon strategic goals and is committed to comprehensive low-carbon practices, with the core objectives of mitigating and adapting to climate change. In line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we actively engage in climate-related information disclosure, conduct in-depth analysis of the risks and opportunities posed by climate change, and systematically identify and prioritise them. Building on this foundation, the Company will continue to advance research and innovation in renewable energy while implementing management strategies such as carbon emission accounting and target setting. Such measures aim to effectively manage climate risks, seize climate-related opportunities, and minimise carbon emissions across the entire business process, ultimately achieving green and sustainable development.

For details, please refer to the 2024 Environmental, Social, and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. disclosed on the same date on the websites of the SSE and the Hong Kong Stock Exchange.

Environmental, Social Responsibilities and Other Corporate Governance Issues



IV. PERFORMANCE OF SOCIAL RESPONSIBILITIES

(I) Social Contribution of Principal Business and Key Indicators of Industry

The Company actively engages in public welfare and charitable activities upholding the principle of “team-oriented, individual-supported, serving the enterprise, and radiating to society”, fulfilling its social responsibility through diverse initiatives. In 2024, leveraging the “Youth Volunteer Service Day” as an opportunity, the Company normalised volunteer services, organised multiple activities to learn the spirit of Lei Feng, and carried out a series of practical activities centered on themes such as free medical consultations, public welfare tree planting and voluntary blood donation. These activities not only conveyed the Company’s values but also enhanced employees’ sense of social responsibility, demonstrating the Company’s proactive role in the field of public welfare. In 2024, the Company conducted 20 volunteer service activities, involving a total of 500 participants and accumulating 485 hours of volunteer service.

(II) Promoting Technological Innovation

The Company consistently adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, actively responds to national policies on technological innovation, upholds the innovation-driven development strategy, and continuously advances its technological innovation efforts. Rooted in the fields of transportation and energy, the Company aims for first-class and high-quality development, persistently driving innovation and concentric diversification, and is committed to providing society with safe, intelligent, green, and comfortable high-end equipment. The Company maintains high levels of R&D investment, continuously optimises its technological innovation mechanisms, and ensures the orderly progress of innovation initiatives. It actively engages with renowned domestic universities and research institutions, deepens industry-academia-research collaboration, gathers innovative resources, and promotes the transformation of scientific and technological achievements. The Company actively promotes the application and selection for national/provincial technological innovation platforms, national specialised and sophisticated little giants, and national manufacturing single champions, and continuously expanding its technological platform capabilities. The Company actively participates in national and provincial-level scientific and technological programs, tackles major technical challenges, enhances core competitiveness, and fully advances the development of products such as rail transit equipment, new energy power generation equipment, semiconductor devices, new energy vehicle electric drives, marine equipment, and industrial power converter equipment. In 2024, the core equipment development for the CR450 high-speed EMU achieved milestone progress, further polishing the “China-made nameplate”. The global launch of the new energy locomotive (with the Company developing its core components), the successful operation of unmanned heavy-haul trains, the continuous refinement of semiconductor power device technology, and the successful 6,000-meter sea trial of the first deep-sea heavy-duty ROV were notable achievements. New energy products such as wind-solar-hydrogen storage and new energy vehicle electric drives were continuously unveiled. The Company achieved a “bloom” in technological breakthroughs and product development, while also driving the collaborative development of the upstream and downstream industrial chains, and actively promoting the healthy and sustainable development of the industry.



Environmental, Social Responsibilities and Other Corporate Governance Issues

(III) Compliance with Scientific and Technological Ethics

The Company upholds CRRC's great mission of "Connecting the World through Better Mobility" and practices the core values of "Walking the Righteous Path with the Righteous Mind and Doing Good Deeds with Good Intention". It promotes the corporate spirit of "Realistic, Respectful, Innovative and Fruitful", demonstrating a high level of self-awareness and responsibility in adhering to scientific and technological ethics. Always mindful of the significant impact of the transportation and energy sectors on national livelihoods, the Company prioritises user interests and social welfare, strictly complies with relevant national laws and regulations, and ensures that technological innovation activities are conducted above ethical boundaries. Internally, the Company diligently manages scientific and technological ethics, fostering a positive, open, and inclusive technological culture. It integrates scientific and technological ethics principles into technology research, product development, and other technological activities, adhering to principles of transparency, fairness and integrity. The Company emphasises the importance of data processing, privacy protection and related tasks, continuously enhances awareness of scientific and technological ethics, and contributes to building a harmonious and sustainable environment for technological development.

(IV) Data Security and Privacy Protection

Times Electric places great emphasis on information security and protection, and strictly adheres to laws and regulations such as the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China to ensure information security and privacy protection. The Company has issued and implemented internal regulatory documents such as the Information Security Management Measures and the Information System Lifecycle Security Management Measures, establishing a comprehensive information security management system. Additionally, the Company has established a dedicated information security and cybersecurity management organisation, and employed security monitoring measures such as a cybersecurity supervision platform to enhance the overall data security level of the company. Furthermore, the Company has conducted multiple targeted training activities aimed at improving employees' information security awareness and skills, and ensuring the Company can effectively address various cybersecurity challenges during its digital transformation process.

Environmental, Social Responsibilities and Other Corporate Governance Issues



(V) Types and Contributions of Charitable Activities

Type	Quantity	Note
Donations		
Including: Cash (RMB0'000)	–	/
Value of goods (RMB0'000)	–	/
Public welfare projects		
Including: Cash (RMB0'000)	–	/
Number of people aided (persons)	–	/
Rural revitalisation		
Including: Cash (RMB0'000)	–	/
Value of goods (RMB0'000)	–	/
Number of individuals assisted for employment (persons)	–	/

1. Detailed information on engagement in charitable activities

☒ Applicable ☐ Not Applicable

In promoting equitable education, the Company relies on its “Yuexing” Volunteer Association to continuously operate three major platforms: corporate services, social welfare, and caring for education. It has normalised volunteer services, extending its assistance to rural schools such as Sanmen Central Primary School in Tianyuan District, Zhuzhou City and Azha Wan Primary School in Shannan City, Tibet. The Company has donated over 300 books, benefiting more than 100 underprivileged students.

In caring for the health of community residents, the Company organised more than four voluntary blood donation activities simultaneously in Zhuzhou, Changsha and Ningbo throughout 2024, with over 100 people successfully donating blood, making the red ribbon of life shine brightly. The Company also conducted large-scale community service activities near its premises, focusing on practical public welfare projects such as routine health check-ups. Through community volunteer services, more people experienced the warmth of society, which further promoted harmony and civilisational progress in the community.

In strengthening environmental protection, Times Electric actively responds to the “Dual Carbon” strategy, focusing on enhancing young employees’ awareness of resource conservation and environmental protection. Youth League organisations at all levels actively carried out public welfare environmental protection activities such as tree planting, low-carbon travel and waste recycling, and integrated the concept of green, low-carbon and environmental protection into market development, product research and development, and production manufacturing processes. The Youth League General Branch of Times Semiconductor and CRRC Electric Drive, and Youth League Branch of the after-sales service center and railway division collaborated with Jinglong Sub-district Office, Guojiatang Village Committee and local governments to organise the “Learning from Lei Feng’s Good Example, Youth Volunteer Service in Action”. volunteer tree-planting activity.



Environmental, Social Responsibilities and Other Corporate Governance Issues

2. Details on consolidation and expansion of achievements of poverty alleviation and information about rural revitalisation

✓ Applicable ☐ Not Applicable

Poverty alleviation and rural revitalisation projects	Quantity/content	Note
Total investment (RMB0'000) Including: Cash (RMB0'000)	15.02	The Company purchased approximately RMB130,200 worth of agricultural fruits and vegetables for the benefit of farmers from the planting industries in Zhuzhou city and county (district), and invested RMB20,000 to support the construction of rural transportation infrastructure
Value of goods (RMB0'000)		
People benefited (person)		
Assistance methods (e.g., industrial poverty alleviation, employment poverty alleviation, educational poverty alleviation, etc.)		

Explanation

✓ Applicable ☐ Not Applicable

In 2024, the Company focused on the comprehensive advancement of rural revitalisation goals and actively participated in the selection and dispatch of resident assistance teams for rural revitalisation. Through practical actions, the Company contributed to the implementation of the strategy. The Company's investment in rural revitalisation reached RMB150,200, supporting key areas such as rural transportation infrastructure construction and consumption assistance to boost industrial development. These efforts provided strong support for the comprehensive revitalisation of rural areas.

Environmental, Social Responsibilities and Other Corporate Governance Issues



(VI) Protection of the Rights and Interests of Shareholders and Creditors

The Board of the Company is comprised of seven directors with different industry backgrounds and expertise. The Board has clearly defined duties and the convening procedures of Board meetings comply with the Articles of Association and other relevant laws, regulations and systems. It formulates the Company's development strategy and monitors the implementation of management and finance within the terms of reference as required in the Articles of Association and in accordance with the procedures set out in the Rules of Procedures of the Board, and takes long-term performance and returns as its priority. Six specific committees, namely strategy and ESG committee, audit committee, risk management committee, nomination committee, remuneration committee and technological innovation committee are established under the Board, which has further improved the Company's governance structure, internal control system, and its standardised, steady and sustainable development. During the reporting period, the Company has 4 independent directors, representing more than half of the total number of directors. Independent non-executive directors focus on the improvement of corporate governance and major decisions of the Company, express fair and objective advice on major matters and connected transactions of the Company, and employ scientific approaches in the decision-making of the Board so as to safeguard the interests of the Company and minority shareholders. In 2024, a total of 10 Board meetings were held.

The Supervisory Committee is comprised of 4 Supervisors, including 1 independent Supervisor, 1 shareholder representative Supervisor and 2 employee representative Supervisors. The Supervisory Committee exercises supervision rights independently according to the law and supervises the legitimacy and compliance of the Company's Directors and senior management in performing their duties, so as to safeguard the legal rights and interests of shareholders, the Company and its employees. In 2024, a total of 7 meetings of the Supervisory Committee were held.

The Company disclosed the 2024 Internal Control Evaluation Report to shareholders according to the corporate internal control standard system. It is the responsibility of the Board of Directors of the Company to establish, improve and effectively implement internal control, evaluate its effectiveness and truthfully disclose the internal control evaluation report. The supervisory committee shall oversee the establishment and implementation of internal control by the Board of Directors. The management is responsible for organising and leading the daily operation of the internal control. The goal of the Company's internal control is to reasonably ensure the legitimacy and compliance of business management, asset security, truthfulness and completeness of financial reports and relevant information, improve business efficiency and performance, and promote the realisation of development strategies.

The Company always attaches importance to the protection of the rights and interests of its shareholders and creditors, earnestly fulfils the responsibilities of listed companies, and proactively protects the legitimate rights and interests of shareholders such as their right to return, governance right and right to know.

(VII) Protection of Employees' Rights and Interests

1. *Compliant employment*

The Company strictly complies with laws and regulations such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law on the Protection of Minors of the People's Republic of China, and the Law on the Protection of Women's Rights and Interests of the People's Republic of China. It has formulated the Labour Employment Management Measures and updated and revised institutional documents such as the Employee Attendance Management Measures, the Management Measures for the Performance Packages and Business Expenses of Professional Managers, the Employee Internal Retirement Management Measures, and the Employee Standby Management Measures, which further improved the policy system for compliant employment and protection of employee rights and interests. Additionally, the Company has established the Detailed Rules for the Management of Outsourced Service Labour, clarifying the entry and exit processes and related requirements for outsourced labour, and setting up training and humanistic care requirements for contractors.



Environmental, Social Responsibilities and Other Corporate Governance Issues

2. Diversity and inclusiveness

The Company extensively attracts outstanding talents and provides employment opportunities for individuals from different regions, ethnicities, cultures, and those with disabilities. Each year, in accordance with the requirements of CRRC Group and CRRC ZELRI, the Company establishes recruitment needs for veterans and individuals with disabilities, and implements recruitment plans through two-way matching. In 2024, the Company submitted two veteran recruitment vacancies, with its subsidiary Times Semiconductor successfully recruiting one veteran.

The Company places great emphasis on the career development of female employees, actively facilitates them to exert an impact on society, encourages mutual support and experience sharing among female employees, and provides comprehensive support for their continuous development.

3. Employee communication and care

The Company strictly adheres to laws and regulations such as the Trade Union Law of the People's Republic of China, respects employees' rights to freedom of association and collective bargaining, actively promotes the protection of employee rights through democratic management measures, and ensures efficient communication channels. Times Electric obtains an understanding of employee demands through diverse communication methods such as employee congress, employee satisfaction surveys and grassroots visits, encouraging them to fully exercise their rights to participation, information, expression, and supervision.

The Company is committed to building a regular care platform and continuously innovating diverse attention platforms. In 2024, the Company fully implemented employee care policies through an array of measures to enhance employees' sense of belonging, happiness and cohesion. Times Electric encourages employees to balance work and life by organising rich and diverse employee activities and inviting their families to participate, thereby creating a secure and happy workplace environment.

4. Improvement of remuneration and benefits

In accordance with national and local laws and regulations, the Company provides employees with statutory benefits such as basic pension insurance, basic medical insurance (including critical illness medical mutual aid), work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. Additionally, it offers non-compensatory benefits to all employees, including enterprise annuities, supplementary medical insurance, meal subsidies, heat and cold weather allowances, health allowances, medical check-ups, recuperation, mutual aid and commercial insurance. Apart from enjoying weekends, statutory holidays, marriage and bereavement leave, and maternity leave, employees also have access to an annual leave system consistent with the Regulations on Paid Annual Leave for Employees and the Implementation Measures for Paid Annual Leave for Enterprise Employees.

5. Attaching importance to talent development

The Company has established a multi-dimensional “乔 (Qiao)” career development system, dedicated to providing employees with fair and equitable promotion paths. It has formulated management measures such as the Career Development Channels and Grade Management Measures and the Hierarchical Development System, creating a dual-channel promotion mechanism for management and professional career development, and helping employees achieve career growth in different fields.

Environmental, Social Responsibilities and Other Corporate Governance Issues

The Company has established a spectrum of management systems, including the Training System Management Measures, Employee Education and Training Fund Management Measures, Internal Training Course Management Measures and Internal Trainer Management Measures, thus providing institutional support for training initiatives. Following a categorized, layered, and graded model, the Company presses ahead with the integration of training, assessment, and practical application, and systematically advances training programs across eight major business areas: R&D, marketing, finance, quality, manufacturing and after-sales service. The Company places great emphasis on talent development and team building. In 2024, it launched over a hundred internal training courses and developed instructor resources to maximise the value of training and talent resources.

For details, please refer to the 2024 Environmental, Social, and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. disclosed on the same date on the websites of the SSE and the Hong Kong Stock Exchange.

Information on employee shareholding

Number of employees holding shares (person)	—
Number of employees holding shares as a percentage of total workforce of the Company (%)	—
Number of shares held by employees (0'000 shares)	—
Number of shares held by employees as a percentage of total share capital of the Company (%)	—

(VIII) Protection of Rights and Interests of Suppliers, Customers and Consumers

The Company upholds the quality philosophy of “Quality-Driven, Customer Satisfaction” and has established a comprehensive quality management system. Such system includes 142 quality management documents, comprehensively covering all key processes such as demand management, project management, technical development, external provision, production processes and maintenance services, and ensures precise alignment of documents, processes, standards, and responsible personnel. During the reporting period, the Company has fully obtained ISO 9000 Quality Management System certification. By continuously optimising systems and processes, it has further enhanced the quality management of products and services, providing customers with higher-quality solutions.

The Company adheres to the customer service philosophy of “Fast and Efficient Personal Services”, committed to providing professional and precise support to customers. By establishing an efficient service response mechanism and actively optimising service processes, the Company ensures that customer needs are understood and addressed promptly. Additionally, the Company continuously conducts customer satisfaction surveys, and enhances the professional capabilities of its service team to meet customer expectations in an efficient and convenient manner, ensuring continuous improvement in customer experience.

The Company constantly improves full lifecycle management of the supply chain, strengthens supply chain quality and safety management, and advances transparent procurement initiatives, fostering supplier capability co-development and value sharing through communication and collaboration. The Company has deepened supplier management by formulating and refining a series of internal supplier management policies, including the Supplier Admission Management Process, Supplier Performance Evaluation Management Process, Supplier Annual Review Management Process, Supplier Classification Management Process and Supplier Exit Process. By establishing a unified supplier resource management platform, the Company achieves full lifecycle management of suppliers, covering development and certification, classification and relationship management, quality control, price and cost management, delivery management, performance management and exit management. Additionally, the Company focuses on core strategic suppliers, and builds up a cohesive management system to deepen long-term partnerships. It has developed a unified Code of Conduct for Suppliers and created a unique supply chain ecological culture, effectively promoting supply chain collaboration and mutual benefit.



Environmental, Social Responsibilities and Other Corporate Governance Issues

(IX) Product Safety Guarantee

Standardisation of production processes. The Company comprehensively advances quality and safety management across product development, supply, and delivery processes. In terms of R&D, the Company conducts proactive fire prevention experimental research and fire-resistant material research, and compiles the Design Guidelines for Anti-Detachment of Converter Products to enhance product safety from the source. In terms of supply, quality and safety risk inspections are performed on key outsourced materials, focusing on welding defects, stress points and critical interface dimensions, and suppliers are urged to implement risk interception measures. Throughout the year, quality and safety risk inspections were completed for 49 materials. In terms of delivery, potential risks in delivered products will be explored and addressed, such as liquid leakage in HX locomotive quick connectors and a comprehensive inspection of the condition of EMU 3C cover glass, ensuring product quality and safety.

Quality assurance system. Times Electric has formulated and strictly adheres to the Product Quality Defects Management Measures, continuously improving management and advancing digitalisation efforts to enhance the quality of its core products and ensure the consistent and stable performance of locomotives, EMUs, urban rail vehicles, and new energy products in field operations. The Company has established a quality assurance system that covers the entire product process. By strengthening quality technical capability development, it continuously improves reliability screening capabilities and enhances the reliability and lifespan research of key electrical materials and electronic boards. New testing resources have been introduced and put into use, effectively intercepting early failures in materials and products. Additionally, based on system control theory, the Company has built a trinity manufacturing process quality assurance system consisting of power systems, monitoring systems and control systems, which achieves coordination, self-adjustment, and automatic closed-loop control. Furthermore, the Company has established clear quality gates to strengthen mass production evaluation of suppliers and conduct reviews and inspections at key milestones in the product realisation process, in a bid to ensure that quality issues are effectively contained and avoided during the development phase, providing a solid foundation for product quality.

(X) Intellectual Property Protection

The Company strictly complies with relevant laws and regulations such as the Patent Law of the People's Republic of China, the Infringement Liability Law of the People's Republic of China and the Intellectual Property Management Standards for Enterprises. It has formulated and continuously improved a series of management systems and guiding documents, including the Intellectual Property Management Measures, to prevent the loss of intangible intellectual property assets, safeguard intellectual property rights, and encourage employee innovation. During the R&D phase, the Company requires intellectual property risk assessments. In procurement, production, and sales, it focuses on avoiding infringement risks. For major economic and technological activities, it implements intellectual property evaluations. By fully leveraging the positive role of intellectual property in promoting innovation and protecting markets, the Company strictly evaluates the necessity and rationality of intellectual property applications, and further standardising its intellectual property management practices.

(XI) Other Circumstances in Undertaking Social Responsibilities

✓ Applicable ☐ Not Applicable

For details, please refer to the 2024 Environmental, Social, and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. disclosed on the same date on the websites of the SSE and the Hong Kong Stock Exchange.

Environmental, Social Responsibilities and Other Corporate Governance Issues



V. OTHER CORPORATE GOVERNANCE ISSUES

(I) Party Building

✓ Applicable ☐ Not Applicable

In 2024, the Party Committee of Times Electric, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, closely aligned with the Company's industrial layout strategy, and strengthened Party spirit cultivation through rigorous Party discipline education. It implemented the "Seven Focuses" project to enhance the quality and efficiency of grassroots Party building to solidify its foundation, and advanced the high-quality Party building project of the "Flying Flag" to add luster to its golden nameplate of Party building. By deepening the deep integration of Party building and production operations, the Company demonstrated tangible results, continuously enhancing the political function and organisational function of the Party organisation, and effectively ensuring that high-quality Party building leads and safeguards high-quality development.

1. *Emphasising "Deep Learning and Earnest Practice" to advance the depth and substance of political theory study.*

The Company consistently upholds the political identity of a central enterprise, listened to the instructions and followed the path of the Party. In 2024, the Party Committee of Times Electric conducted high-quality Party discipline education, integrating thematic education with the implementation of the spirit of the 20th National Congress of the Communist Party of China and the accelerated advancement of the "Marching Toward the Top" annual theme. It continuously educated and guided Party members and cadres to study, understand, clarify, and uphold discipline. High-frequency political theory study was conducted, with the study and implementation of the General Secretary Xi Jinping's latest important speeches and directives as the Party Committee's "first agenda" and the central group's "first topic". The Company deeply comprehended the General Secretary Xi Jinping's important discourses on state-owned enterprise reform and held 24 thematic discussions on topics such as the artificial intelligence industry, new energy power generation industry development, and electromechanical general contracting development strategies, ensuring the practical implementation of these requirements. The Party Committee played a high-standard leadership role, implementing the spirit of the National State-owned Enterprise Party Building Work Conference. Party building requirements were incorporated into the Articles, pre-procedures were integrated into the rules, and the Party Committee's role in setting direction, managing the overall situation, and ensuring implementation was fully demonstrated. The Company dynamically adjusted and optimised the list of "three major and one significant" matters and the list of pre-research matters for the Party Committee for over 30 enterprises at all levels, clarifying the boundaries of authority and responsibility between the Party Committee and other governance bodies.



Environmental, Social Responsibilities and Other Corporate Governance Issues

2. *Emphasising “Strengthening the Foundation” to enhance the quality and empowerment of the “Seven Focuses” project.*

The Company consistently adheres to the principle of strengthening grassroots efforts and laying a solid foundation, ensuring the implementation of the “Four Synchronisations and Four Alignments” requirements. In 2024, the Party Committee of Times Electric deepened the implementation of the “Seven Focuses” project to enhance the quality and efficiency of grassroots Party building, focusing on seven key areas: organisation, secretaries, Party members, activities, systems, training and support. This accelerated the achievement of new breakthroughs in building the golden nameplate of Party building. Aligning with the Company’s rapid development needs and the characteristics of the Party member contingent, the Company implemented the “Four Synchronisations” and “Four Alignments”, ensuring that organisational setups were established where needed, leadership transitions were conducted on schedule, Party affairs cadres were fully staffed, and Party building systems were comprehensive. The Company organised at all levels the signing of responsibility agreements for Party building and clean governance, providing institutional support to ensure accountability. Mechanisms such as Party building support groups, Party building training grounds, and Party building benchmarking tours were established to enhance the professional quality and capabilities of Party affairs specialists. A five-in-one Party building assessment system was implemented, combining Party building interviews, quarterly supervision of daily work, biannual benchmarking of key projects, annual evaluation of characteristic work, and Party branch secretaries’ work reporting. The assessment results were directly linked to the annual performance of each business unit, further solidifying and tightening Party building responsibilities. The Company established a “Three Clarifications and One Display” mechanism for Party members’ contributions, organising thematic Party day activities such as “Marching Toward the Top, Contributing with Me”. By creating 21 Party member vanguard teams, 6 Party member responsibility zones, and 5 Party member empowerment stations, the Company called on Party members to achieve new accomplishments in their roles.

3. *Emphasising “Brilliance and Enhancement” to advance the breakthrough and elevation of the “Flying Flag” party building brand.*

The Company consistently adheres to upholding integrity while innovating and deepening value creation. In 2024, the Party Committee of Times Electric firmly established the awareness that “strengthening Party building is the greatest political achievement”, promoting the deep integration of Party building with production and operations, and continuously consolidating the construction of the “golden nameplate” of Party building. Through joint Party building initiatives, the Company supported business development by deepening university-enterprise, enterprise-enterprise, and enterprise-government collaborations. Throughout the year, it conducted 38 joint Party building activities with 32 universities and enterprises, continuously expanding its “red circle of friends”. The Company steadily implemented the “1+N” mass and Party building brand construction of CRRC ZELRI, continuously developing Party building projects such as “Green Shade Network, Gathering Strength and Empowerment” for non-local Party member management and “Rushing to Mountains and Seas, Driving the Future” as lighthouses of Party building. These initiatives deeply integrated production and operations with Party building, leveraging “Party building strength” to boost “business strength”. The Company further advanced the high-quality Party building project of the “Flying Flag”, operating six major stations: Benben Energy Station, Public Sentiment Liaison Station, Party Member Learning Promotion Station, Branch Quality Improvement Station, Party Member Achievement Station, and Branch Breakthrough Station, so as to establish a co-creation and sharing platform for the deep integration of Party building and business operations.

Environmental, Social Responsibilities and Other Corporate Governance Issues



4. *Emphasising “Clean and Upright Practices” to advance the in-depth development of Party conduct and clean governance.*

The Company consistently adheres to the principle that the Party must govern itself with strict discipline. In 2024, the Party Committee of Times Electric deeply promoted the construction of a “comprehensive supervision” working mechanism, coordinating 15 projects throughout the year, covering areas such as fund control, procurement agency, and disposal of waste materials. The Company actively explored and practiced digital supervision, developing and implementing two new assessment tools for “business entertainment” and “official vehicle use”. It conducted on-site evaluations of integrity risk prevention and control in key business areas of non-local subsidiaries, achieving precise detection and quality and efficiency improvement in integrity risk management. The Company raised high the sword of inspection and supervision, continuously implemented rectification work as required by the State-owned Assets Supervision and Administration Commission (SASAC), and promoted the solidification of rectification results and the establishment of long-term mechanisms to ensure the effectiveness of supervision. It advanced with high quality the full coverage of inspections, conducting internal inspections in four units, including the manufacturing center, centralised procurement center, and rail transit technology center. The Company deepened the construction of a four-dimensional integrity culture education system, organising annual integrity talks at different levels, and regularly conducting integrity culture “micro-lectures”, on-site warning education activities, and the third Integrity Culture Week series of activities. These efforts created a strong atmosphere of “respecting and upholding integrity” within the Company.

5. *Emphasising “Cultivating Roots and Fostering Souls” to advance the deep integration of cultural development into souls and minds.*

The Company consistently adheres to the correct direction, and vigorously strengthens soft power development. In 2024, the Party Committee of Times Electric deeply advanced and implemented the corporate spirit of “Realistic, Respectful, Innovative and Fruitful”. It organised the second “CRRC in Stories” Youth Storytelling Session under the theme “Love for the Motherland in CRRC”, and a series of activities to celebrate the 19th anniversary of Times Electric titled “Walking Together for 19 Years”, to enhance cultural strength development. Focusing on the two major fields of “transportation and energy”, the Company actively carried out news publicity and communication, empowering its development. Throughout the year, it garnered nearly 30 reports in national-level media, over 30 in provincial and ministerial-level media, and more than 50 in municipal and industry media. Notably, special features on intelligent driving technology for rail freight trains, urban rail transit line upgrades, and the release of the TACS signal system were featured on CCTV. The Company operated the corporate WeChat account “CRRC Times Electric”, the Party building self-media account “Flying Flag”, and the video account “Youth CRRC”. Through a variety of channels including news dissemination, science education, short videos, long graphics and Douyin, it built a diversified integrated media matrix. Throughout the year, the Company completed 36 exhibitions, 28 industry exchanges, 8 overseas exhibitions, and 4 base inaugurations, expediting its expansion efforts. In 2024, Times Electric’s brand building was awarded the “First Batch of Outstanding Corporate Brand Awards in the SASAC Central Enterprise Brand Leadership Initiative” in 2024. The cultural story “Growth” won the outstanding work award at the Fifth Central Enterprise Core Socialist Values Themed Microfilm Festival.



Environmental, Social Responsibilities and Other Corporate Governance Issues

6. *Emphasising “Achieving Merits and Creating Efficiency” to advance the collective efforts of mass and youth work.*

The Company consistently adheres to the principle of “Party building leading mass organisation building”, continuously strengthening mass and youth work and advancing democratic management. In 2024, Times Electric fully leveraged the role of its vanguard force and commando, comprehensively enhancing the effectiveness of mass and youth organisations. It organised labor competitions, lean marketing competitions, R&D design and modeling competitions, youth market development skills competitions, and model worker studio creation initiatives, deepening the efforts to achieve merits and create efficiency. The Company regularly conducted activities such as “Six Deliveries and Three Focuses”, union chairpersons visiting grassroots levels, and overtime energy packages, reaching out to grassroots levels, understanding public sentiment, listening to people’s voices, and expressing public opinions. It also offered 8-hour + club series classes, summer parent-child classes, and childcare classes. The Youth League Committee leveraged the “Trendy Fun Circle” platform to organise featured activities such as outdoor cycling, urban camping, and national trend experiences, continuously strengthening employees’ sense of gain, happiness, and security. The Company regularly advanced volunteer services, including free medical consultations, public welfare tree planting and voluntary blood donation, fulfilling social responsibilities. In 2024, the subsidiary Times Semiconductor IGTB chip manufacturing team was awarded the National “Youth Safety Production Demonstration Post”. The Company also received various levels of honors such as “Labour Medals”, “Youth Civilisation Awards”, and “May Fourth Red Flag Grassroots Youth League Organisations” in 2024.

(II) Investor Relations and Protection

Type	Times	Relevant information
Results briefing	3	<p>The 2023 annual results briefing was held on 15 April 2024.</p> <p>On 6 September 2024, the interim collective results briefing session focusing on the STAR Market’s aerospace and advanced rail transit sectors was held.</p> <p>On 13 December 2024, the third-quarter results briefing was held.</p>

Environmental, Social Responsibilities and Other Corporate Governance Issues



Type	Times	Relevant information
Developing investor relations management activities leveraging new media		<p>On 10 July 2024, Niu Jie, the Party Committee Secretary and deputy general manager of the Company, was invited to participate in the ninth episode titled “Leading the Entire Rail Transit Manufacturing Chain” of the program “Hard Tech, Hard Talk” under the flagship column “SSE Narratives” jointly produced by the SSE and CNR.cn.</p> <p>On 10 October 2024, the Company participated in the “2024 Hunan Region Online Investor Collective Reception Day” event, jointly organised by the Hunan Securities Regulatory Bureau, the Hunan Province Listed Companies Association and Shenzhen Panorama Network Co., Ltd.</p> <p>The Company operates an official WeChat account dedicated to providing timely updates on recent important developments and conveying the core intrinsic value of the Company to investors and the market. Following the release of annual, quarterly and interim results, the Company promptly releases Understanding at a Glance summaries, to help investors quickly grasp the Company’s operational overview through concise data and visuals.</p>
Setting up investor relations column on official website	✓ Yes <input type="checkbox"/> No	

Detailed information on investor relations management and protection

✓ Applicable ☐ Not Applicable

In 2024, the Company communicated with investors and analysts via performance briefings, conference calls, roadshows, reverse roadshows, shareholders’ general meetings, strategy meetings held by securities companies and other channels, to expand the Company’s influence in the capital market.

The Company holds conference calls for analysts and a performance briefing after releasing quarterly report, interim report and annual report, at which senior management will present the Company’s performance and latest development, and answer questions from investors and analysts.

On 9 April 2024, the Company held its 2023 annual results presentation in Hong Kong, attracting investors and senior analysts from major global financial institutions. The Chairman and other Board members, along with senior management, attended the meeting to present the performance achievements and industry development status for 2023, and provided detailed responses to questions from attendees.

On 10 September 2024, the Company held a reverse roadshow themed “Walking with the Times, Building Dreams with Rail Transit” in Zhuzhou city, Hunan Province. The event aimed to strengthen communication between the Company and investors, enhance investors’ understanding of the listed company and the industry, increase market recognition and value realisation of the listed company, and improve the quality of the listed company.

The Company designated special personnel to answer phone calls and receive e-mails from investors, and record and answer their questions patiently.



Environmental, Social Responsibilities and Other Corporate Governance Issues

Explanation of other channels to communicate with investors

✓ Applicable ☐ Not Applicable

The Company replied to investors' questions on SSE E-Interaction from time to time.

(III) Transparency of Information Disclosure

✓ Applicable ☐ Not Applicable

The Company strictly adheres to the regulatory requirements of laws, regulations, and normative documents such as the Company Law, the Securities Law, the SSE STAR Market Listing Rules, and the SEHK Listing Rules. It fulfills its information disclosure obligations, guarantees that the disclosed information is true, accurate, complete, timely, and fair, ensures equal access to information for all shareholders and safeguards the interests of all shareholders, particularly minority shareholders. The Company systematically carries out information disclosure, establishes a smooth internal information reporting system, a comprehensive regulatory working mechanism, and a coordinated disclosure process. From the Board of Directors to each subsidiary, the Company has built a network of information disclosure associates comprising the primary responsible persons and key business personnel from various departments (units) and subsidiaries. Through internal communication, the Company reinforces the information disclosure obligations and insider information confidentiality awareness of these associates.

The Company timely discloses annual reports, ESG reports and other reports, and simultaneously creates visual interpretations of annual reports, interim reports and quarterly reports in the form of "Understanding at a Glance". These are shared through platforms such as the official WeChat account to help investors more easily understand the Company's operational status. Additionally, the Company releases announcements to showcase its highlights in improving corporate governance, advancing research and development, expanding business, fulfilling social responsibilities, and maintaining investor relations to the capital market. The Company's information disclosure has consistently received an "A" rating in the SSE's evaluation of listed companies' information disclosure for year 2023-2024.

(IV) Institutional Investors' Participation in Corporate Governance

✓ Applicable ☐ Not Applicable

The Company places great emphasis on building long-term, stable, and positive relationships with institutional investors, encouraging them to participate in corporate governance through methods such as voting at shareholder general meetings. During the reporting period, the Company held four general meetings. Additionally, the Company continuously improves the ways institutional investors can engage in corporate governance, helping them gain a deeper understanding of the Company's business and value through roadshows, reverse roadshows, strategy meetings, conference calls, and on-site research visits.

Environmental, Social Responsibilities and Other Corporate Governance Issues



(V) Operation of Anti-Commercial Bribery and Anti-Corruption Mechanisms

☒ Applicable ☐ Not Applicable

The Company strictly adheres to national laws and regulations, upholds the core values of “Walking the Righteous Path with the Righteous Mind and Doing Good Deeds with Good Intention”, and comprehensively implements principles of business ethics such as anti-bribery, anti-corruption, and fair competition in both internal management and external cooperation. It maintains a zero-tolerance policy toward corruption issues. The Company regularly holds Party conduct and clean governance and anti-corruption work meetings, clarifying work requirements for key areas and critical processes, and standardising procedures for case reporting, investigation, handling, reporting, and accountability. It continuously strengthens its anti-corruption efforts. The Company has established diverse reporting channels, including petition reporting and compliance reporting, clarifying reporting handling discipline, and implementing whistleblower protection measures.

The Company operates in strict accordance with the Integrity in Professional Conduct Management Measures of Times Electric, Anti-Commercial Bribery Management Measures of Times Electric, and Overseas Anti-Bribery and Anti-Money Laundering Compliance Guidelines. Through regular integrity education and compliance training, the Company enhances the awareness of integrity in professional conduct among leaders at all levels and personnel in key positions, fostering a positive corporate culture. In supplier management, the Company emphasises integrity-based cooperation and anti-corruption initiatives. It requires suppliers to sign the Code of Conduct for Suppliers, implements integrity self-discipline commitments, and conducts daily anti-corruption awareness campaigns through integrity culture brochures, so as to guide suppliers to adhere to ethical standards and legal regulations, promoting the establishment of sound business ethics. During the reporting period, the Company experienced no incidents of corruption, commercial bribery, or material violations of anti-unfair competition laws and regulations.

(VI) Other Corporate Governance Issues

☐ Applicable ☒ Not Applicable



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
----------------------------	--------------------------	------------------------------	--------------------------	----------------------	---------------------------------	------	--	--	---

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	-	-
--	-------------------	------------	--	------------------	-----	--	-----	---	---

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 Investment & Leasing	CRRC ZELRI, CRRC Zhuzhou, CRRC Investment & Leasing	CRRC ZELRI, CRRC Zhuzhou and CRRC Investment & Leasing 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		



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 Investment & Leasing	<p>CRRC ZELRI, CRRC Zhuzhou and CRRC Investment & Leasing 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	-	-
						long-term effective		

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, CRRZ ZELRI and the Company's Directors	The Company, CRRZ 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	-	-
			<p>I. Conditions for Activation and Cessation of the Share Price Stabilisation Measures</p> <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, regulations 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>					



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
----------------------------	--------------------------	------------------------------	--------------------------	----------------------	---------------------------------	--	--	---

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.

1. Share Price Stabilisation Measures by the Controlling Shareholders of the Company
 - (1) 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 《上市公司股东及其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.
 - (2) 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.



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
----------------------------	--------------------------	------------------------------	--------------------------	----------------------	---------------------------------	--	--	---

2. Share Price Stabilisation Measures by the Company
 - (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.
 - (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.



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. Share Price Stabilisation Measures by the Directors and Senior Management of the Company</p> <p>(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 (《上市公司收購管理辦法》) 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、監事和高級管理人員所持本公司股份及其變動管理規則》), 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 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.</p>					

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) 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.



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>								

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>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	-	-



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>(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>					

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	<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	Yes	-	-



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 Group	<p>CRRC Group has given the following undertakings in respect of share repurchase and share buy-back:</p> <ol style="list-style-type: none"> 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. 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. 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. <p>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.</p>	28 December 2020	Yes	Yes	-	-

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		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	long-term effective	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	long-term effective	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	long-term effective	Yes	-	-



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		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	long-term effective	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: 1. 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. 2. 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. 3. 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 (《關於首次發行及再融資、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	long-term effective	Yes	-	-

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 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、重大資產重組籌資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	-	-



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 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	Yes	-	-
								long-term effective

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
	Profit distribution	The Company	The Company has given the following undertakings in respect of profit distribution policies: The Company will distribute profits to shareholders in strict accordance with the profit distribution policies stipulated by relevant laws and regulations, the Articles of Association of 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.	28 December 2020	Yes	long-term effective	Yes	-	-
	Others	The Company	The Company 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 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. 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. 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.	28 December 2020	Yes	long-term effective	Yes	-	-



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	<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	-

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 Group | CRRC Group has given the following undertakings in respect of compensation under the law or compensation liabilities: | 28 December 2020 | Yes | long-term effective | Yes | - | - |
|--------|------------|---|------------------|-----|---------------------|-----|---|---|
- 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.
 - 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.
 - 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.



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		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	Yes	-	-
						long-term effective		

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	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	Yes	-	-



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	<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	Yes	-	-

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 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	-	-



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		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	-	-

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 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	Yes	-	-



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 Group	CRRC Group	<p>CRRC Group has given the following undertakings in respect of avoiding appropriation of funds:</p> <ol style="list-style-type: none"> 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. 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. 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	-

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
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	-	-



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	<p>CRRC Group has given the undertakings in respect of regulating related party transactions, details of which are as follows:</p> <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	long-term effective	-	-

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	Non-competition undertakings	CRRC Group	CRRC Group has given the undertakings in respect of non-competition, details of which are as follows:	20 December 2020	Yes	Yes	-	-
			<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>					
					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.		



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.					

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 ZELRI	CRRC ZELRI	CRRC ZELRI has given the undertakings in respect of non-competition, details of which are as follows: 1. 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. 2. 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.	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 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.		

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.



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>	5 August 2015	Yes	Yes	-	-
Other Undertakings	Non-competition undertakings	CRRC	<p>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.</p>	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.

- (II) The Company's assets or projects involve profit forecast and were still in the profit forecast period during the reporting period, the Company's explanation on whether the assets or projects have met the original profit forecast and the reasons therefor

☐ Reached ☐ Not reached ☒ Not applicable

- (III) Completion process of performance commitment and its effect on goodwill impairment test

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

III. ILLEGAL GUARANTEES

☐ Applicable ☒ Not applicable

IV. EXPLANATION GIVEN BY THE BOARD OF THE COMPANY ON THE "NON-STANDARD AUDITOR'S REPORT" ISSUED BY THE AUDITORS

☐ Applicable ☒ Not applicable

V. EXPLANATION AND ANALYSIS OF THE COMPANY ON THE REASONS FOR AND EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES OR THE CORRECTION OF MAJOR ACCOUNTING ERRORS

- (1) Explanation and analysis of the Company on the reasons for and effects of the changes in accounting policies and accounting estimates

☒ Applicable ☐ Not Applicable

For details, please refer to "V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES – 36. Changes in significant accounting policies and accounting estimates" in the financial report.

- (2) Explanation and analysis of the Company on the reasons for and effects of the correction of major accounting errors

☐ Applicable ☒ Not Applicable



Significant Events

(3) Communications with former accounting firm

☐Applicable ☒Not applicable

(4) Approval procedures and other explanations

☐Applicable ☒Not Applicable

VI. APPOINTMENT OR DISMISSAL IN EMPLOYMENT OF AUDITORS

Unit: Yuan Currency: RMB

Current auditors	
Name of domestic Certified Public Accountants	KPMG Huazhen LLP
Total remuneration of domestic Certified Public Accountants	4,600,000
Audit term of domestic Certified Public Accountants	3
Name of the certified public accountant of domestic Certified Public Accountants	Lin Ying, Lei Jiang
Cumulative years of audit services provided by the certified public accountant of domestic Certified Public Accountants	3
Name of overseas Certified Public Accountants	/
Total remuneration of overseas Certified Public Accountants	/
Audit term of overseas Certified Public Accountants	/
Name of the certified public accountant of overseas Certified Public Accountants	/
Auditor term of the certified public accountant of overseas Certified Public Accountants	/

Significant Events

	Name	Remuneration
Internal control audit Certified Public Accountants	KPMG Huazhen LLP	600,000
Financial advisor	/	/
Sponsor	China International Capital Corporation Limited	/

Explanation on the appointment and dismissal of auditors

☒Applicable ☐Not applicable

On 27 June 2024, the 2023 annual general meeting of the Company considered and approved the Proposal on Appointment of Auditor of the Company for 2024, pursuant to which, KPMG Huazhen LLP was appointed as the auditor for the Company's financial reporting audit and internal control audit in 2024.

Explanation on the change in the employment of auditors during the audit period

☐Applicable ☒Not applicable

Explanation on the decrease in the audit fees by more than 20% (including 20%) as compared with the previous year

☐Applicable ☒Not applicable

VII. RISK OF DELISTING

(1) Reasons leading to the risk warning of delisting

☐Applicable ☒Not applicable

(2) The response measures intended to be taken

☐Applicable ☒Not applicable

(3) The situation and reasons for facing delisting

☐Applicable ☒Not applicable



Significant Events

VIII. MATTERS RELEVANT TO WINDING UP AND SCHEME OF ARRANGEMENT

☐ Applicable ☒ Not applicable

IX. MATERIAL LITIGATION AND ARBITRATION MATTERS

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

X. INFORMATION ON BREACH OF LAW 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

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

☐ Applicable ☒ Not applicable

XII. CONNECTED TRANSACTIONS AND MATERIAL RELATED PARTY TRANSACTIONS

(I) Non-exempt continuing connected transactions (disclosure pursuant to the SEHK Listing Rules)

Set out below are the non-exempt continuing connected transactions of the Group which are therefore subject to the reporting, announcement, annual review and/or independent shareholders' approval (if required) requirements under the SEHK Listing Rules.

Property Leasing Framework Agreement with CRRC

On 17 August 2018, the Company entered into the 2018-2027 Property and Ancillary Equipment and Facilities Leasing Framework Agreement (the "2018-2027 Property Leasing Framework Agreement") with CRRC (together with its subsidiaries and each of their respective associates but excluding the Group, the "CRRC Corporation Group"), pursuant to which, the Company and CRRC agreed to lease and procure their group members to lease their lawfully owned properties and/or ancillary equipment and facilities to each other. The agreement shall be valid for a term of ten years commencing from 1 January 2018 and ending on 31 December 2027.

As at the date of the agreement, CRRC is an indirect controlling shareholder of the Company, and is therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the 2018-2027 Property Leasing Framework Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

For the year ended 31 December 2024, under the 2018-2027 Property Leasing Framework Agreement, the rental and other expenses paid by CRRC Corporation Group to the Group were RMB22.4 million, and the rental and other expenses paid by the Group to CRRC Corporation Group were RMB11.3 million (and the balance of right-of-use assets recognised pursuant to Accounting Standards for Business Enterprises No. 21 – Lease was RMB12.7 million), neither of which exceeded the aggregate annual caps stipulated for the financial year ended 31 December 2024 under the 2018-2027 Property Leasing Framework Agreement.

For details, please refer to the announcement of the Company dated 17 August 2018.

Mutual Supply Agreement with CRRC Group

On 29 March 2022, the Company entered into the 2023-2025 Products and Ancillary Services Mutual Supply Agreement (the “2023-2025 CRRC Group Mutual Supply Agreement”) with CRRC Group (together with its subsidiaries and each of their respective associates but excluding the Group, the “CRRC Group of Companies”), pursuant to which, the Company agreed to supply and procure its subsidiaries to supply to the CRRC Group of Companies certain products, parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes; and CRRC Group agreed to supply and procure its subsidiaries and their respective associates (but excluding the Group) to supply to the Group certain products, parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes. The agreement shall be valid for a term of three years commencing from 1 January 2023 and ending on 31 December 2025.

As at the date of the agreement, CRRC Group is an indirect controlling shareholder of the Company, and is therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the 2023-2025 CRRC Group Mutual Supply Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules. Approvals from the independent shareholders have been obtained by the Company at the annual general meeting held on 17 June 2022.

For the year ended 31 December 2024, under the 2023-2025 CRRC Group Mutual Supply Agreement, amount payable by the Group to CRRC Group of Companies for products and/or services provided by CRRC Group of Companies was RMB1,997.9 million, and the amount payable by CRRC Group of Companies to the Group for products and/or services provided by the Group was RMB9,602.5 million, neither of which exceeded the aggregate annual caps for the financial year ended 31 December 2024 as approved by the independent shareholders at the annual general meeting of the Company held on 17 June 2022.

For details, please refer to the announcement of the Company dated 29 March 2022, the circular dated 17 May 2022 and the announcement dated 17 June 2022.

Mutual Supply Agreement with Qingdao CRRC Electric Equipment Co., Ltd. (青島中車電氣設備有限公司)

On 28 December 2022, the Company entered into the 2023-2025 Products and Ancillary Services Mutual Supply Agreement (“2023-2025 Qingdao Electric Mutual Supply Agreement”) with Qingdao CRRC Electric Equipment Co., Ltd. (“Qingdao Electric Company”, together with its subsidiaries and each of their respective associates, the “Qingdao Electric Group”), pursuant to which, the Company agreed to supply and procure its subsidiaries (excluding the Qingdao Electric Group) to supply to the Qingdao Electric Group certain products (including electrical systems and electrical components), parts and components, technical services, after-sale services, management services and other related services, and related facilities for research and development, production and testing purposes; and Qingdao Electric Company agreed to supply and procure its subsidiaries and their respective associates to supply to the Group certain products, parts and components, technical services, after-sale services, management services and other related services, and related facilities for research and development, production and testing purposes. The agreement shall be valid for a term of three years commencing from 1 January 2023 and ending on 31 December 2025.

As at the date of the agreement, CRRC ZELRI is a controlling shareholder of the Company. CRRC directly holds the entire equity interest in CRRC ZELRI and 97.81% equity interest in CRRC Qingdao Sifang Locomotive & Rolling Stock Co., Ltd. (“CRRC Sifang”). CRRC Sifang is thus an associate of CRRC ZELRI and a connected person of the Company under the Hong Kong Listing Rules. Accordingly, Qingdao Electric Company is a connected subsidiary of the Company and the transactions contemplated under the 2023-2025 Qingdao Electric Mutual Supply Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.



Significant Events

For the year ended 31 December 2024, under the 2023-2025 Qingdao Electric Mutual Supply Agreement, amount payable by the Group to Qingdao Electric Group for products and/or services provided by Qingdao Electric Group was RMB0.04 million, and the amount payable by Qingdao Electric Group to the Group for products and/or services provided by the Group was RMB31.38 million, neither of which exceeded the aggregate annual caps stipulated for the financial year ended 31 December 2024 under the 2023-2025 Qingdao Electric Mutual Supply Agreement.

For details, please refer to the announcements of the Company dated 28 December 2022 and 31 March 2023.

Mutual Supply Agreement with Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. (太原中車時代軌道工程機械有限公司)

On 23 December 2021, the Company entered into the 2022-2024 Products and Ancillary Services Mutual Supply Agreement (the “2022-2024 Taiyuan CRRC Times Mutual Supply Agreement”) with Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. (“Taiyuan CRRC Times”, together with its subsidiaries and each of their respective associates, the “Taiyuan CRRC Times Group”), pursuant to which, the Company agreed to supply and procure other members of the Group to supply to Taiyuan CRRC Times Group certain products (including electrical systems and electrical components), parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes; and Taiyuan CRRC Times agreed to supply and procure other members of the Taiyuan CRRC Times Group to supply to the Group certain products, parts and components, technical services, after-sales services, management services and other related services, and related facilities for research and development, production and testing purposes. The agreement shall be valid for a term of three years commencing from 1 January 2022 and ending on 31 December 2024. To satisfy the constant production and operation development, on 25 November 2022, the Company entered into the Supplemental Agreement to the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement with Taiyuan CRRC Times (the “Supplemental Agreement”), to revise the annual caps of transactions contemplated under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement.

As at the date of the agreement, CRRC ZELRI is a controlling shareholder of the Company. CRRC directly holds the entire equity interest in CRRC ZELRI and indirectly holds the entire equity interest in CRRC Taiyuan Co., Ltd. (“CRRC Taiyuan”). Baoji CRRC Times Engineering Machinery Co., Ltd. (“Baoji Times”), a subsidiary of the Company, and CRRC Taiyuan hold Taiyuan CRRC Times as to 55% and 45%, respectively. Taiyuan CRRC Times is a non-wholly owned subsidiary of the Company and therefore, a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement (as amended and supplemented by the supplemental agreement) constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

For the year ended 31 December 2024, under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement (as amended and supplemented by the supplemental agreement), amount payable by the Group to Taiyuan CRRC Times Group for products and/or services provided by Taiyuan CRRC Times Group was RMB26.2 million, and the amount payable by Taiyuan CRRC Times Group to the Group for products and/or services provided by the Group was RMB48.0 million, neither of which exceeded the aggregate annual caps stipulated for the financial year ended 31 December 2024 under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement (as amended and supplemented by the Supplemental Agreement).

For details, please refer to the announcements of the Company dated 23 December 2021 and 25 November 2022.

Given that the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement would expire on 31 December 2024, on 13 December 2024, the Company entered into the 2025-2027 Products and Ancillary Services Mutual Supply Framework Agreement (the “2025-2027 Taiyuan CRRC Times Mutual Supply Agreement”) with Taiyuan CRRC Times for a valid term of three years commencing from 1 January 2025 to 31 December 2027. For details, please refer to the announcement of the Company dated 13 December 2024.

Financial Services Framework Agreement with CRRC Finance Company

On 22 August 2023, the Company and CRRC Finance Co., Ltd. (“CRRC Finance Company”) entered into the 2023-2024 Financial Services Framework Agreement (the “2023-2024 Financial Services Framework Agreement”), pursuant to which, CRRC Finance Company has agreed to provide the Group with deposit services and other financial services subject to the terms and conditions provided therein. The term is one year commencing from 1 September 2023 to 31 August 2024.

As the 2023-2024 Financial Services Framework Agreement would expire on 31 August 2024, the Company and CRRC Finance Company entered into the 2024-2025 financial services framework agreement (“2024-2025 Financial Services Framework Agreement”) on 23 August 2024, pursuant to which, CRRC Finance Company has agreed to provide the Group with deposit services and other financial services subject to the terms and conditions provided therein. The term is from 1 September 2024 to 31 August 2025. Due to requirements arising from its course of operation and development, the Company entered into the 2024-2027 financial services framework agreement (the “2024-2027 Financial Services Framework Agreement”) with CRRC Finance Company on 30 October 2024, which would supersede the 2024-2025 Financial Services Framework Agreement upon approval at the general meeting of the Company for a valid term of three years, pursuant to which, CRRC Finance Company agreed to provide deposit services, credit services, settlement services and other financial services for the Group. The Company has obtained approval from the independent shareholders at the 2024 first extraordinary general meeting held on 13 December 2024.

As at the date of the 2024-2027 Financial Services Framework Agreement, CRRC Finance Company is held as to approximately 91.36% and approximately 8.64% by CRRC and CRRC Group, and hence is a connected person of the Company under the SEHK Listing Rules. Accordingly, the transactions contemplated thereunder constitute continuing connected transactions of the Company.

For the year ended 31 December 2024, the daily maximum deposit balance available to the Group from CRRC Finance Company under the Financial Services Framework Agreement was RMB1,976.4 million, which did not exceed the daily maximum amount of the continuing connected transactions for the corresponding period stipulated under the Financial Services Framework Agreement. For the year ended 31 December 2024, the Group did not accept other financial services that may be provided by CRRC Finance Company under the Financial Services Framework Agreement.

For details, please refer to the announcements of the Company dated 22 August 2023, 23 August 2024, 30 October 2024 and 13 December 2024.



Significant Events

Annual Review of Continuing Connected Transactions

The Board has engaged the auditor of the Company to perform certain procedures in respect of the continuing connected transactions of the Group. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions to the Board in accordance with the Rule 14A.56 of the SEHK Listing Rules. The Company provided a copy of the said letter to the Hong Kong Stock Exchange.

The Directors (including independent non-executive Directors) have reviewed and confirmed that the continuing connected transactions of the Group comply with the agreed procedures and principles and the Group's continuing connected transactions above: were entered into in the ordinary and usual course of business of the Group; were entered into on normal commercial terms or if there were not sufficient comparable transactions to judge whether they were on normal commercial terms, on terms no less favourable to the Group than those available to or from (as the case may be) independent third parties; were conducted in accordance with the agreements governing such transactions, and the terms are fair, reasonable and in the interests of the Company and the Shareholders as a whole; and did not exceed the caps of continuing connected transactions for the financial year ended 31 December 2024 provided for by the continuing connected transactions agreements above.

Related party transactions

For details of the related party transactions of the Group during the year, please refer to note X of the financial report. The Company has complied with the Hong Kong Listing Rules in respect of applicable requirements of transactions which constitute non-exempted connected transactions/continuing connected transactions. Other related party transactions do not constitute connected transactions/continuing connected transactions, or constitute connected transactions/continuing connected transactions but are exempt from all the disclosure or independent shareholders' approval requirements under the Hong Kong Listing Rules.

(II) Related party transactions relating to routine operations (disclosure pursuant to the SSE STAR Market Listing Rules)

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

✓Applicable ☐Not applicable

Description	Enquiry index
The Resolution on the Entering into of the 2023-2025 Product and Supporting Service Mutual Supply Agreement between the Company and CRRC Group Co., Ltd. and the Estimated Amount of the Routine Related Party Transactions for 2023-2025 was considered and approved at the 20th meeting of the sixth session of the Board, the 18th meeting of the sixth session of the Supervisory Committee and the 2021 annual general meeting.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 30 March 2022 (Ann No. 2022-015).

Significant Events

Description	Enquiry index
The Resolution on the Estimated Amount of the 2022-2024 Routine Related Party Transactions for Leasing Property and Ancillary Facilities Between the Company and CRRC Corporation Limited was considered and approved at the 20th meeting of the sixth session of the Board, the 18th meeting of the sixth session of the Supervisory Committee and the 2021 annual general meeting.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 30 March 2022 (Ann No. 2022-015).
The Resolution on the Estimated Amount of Routine Related Party Transactions for 2024-2026 was considered and approved at the 27th meeting of the sixth session of the Board, the 24th meeting of the sixth session of the Supervisory Committee and the 2022 annual general meeting.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 31 March 2023 (Ann No. 2023-014).
The Resolution on the Entering into of the 2023-2024 Financial Services Framework Agreements between the Company and CRRC Finance Co., Ltd. and the Estimated Amount of Routine Related Party Transactions was considered and approved at the third meeting of the seventh session of the Board and the second meeting of the seventh session of the Supervisory Committee.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 23 August 2023 (Ann No. 2023-038).
The Resolution on the Estimated Amount of the Routine Related Party Transactions of the 2025-2027 Property and Ancillary Equipment and Facilities Leasing entered into between the Company and CRRC Corporation Limited was considered and approved at the 6th meeting of the seventh session of the Board, the 5th meeting of the seventh session of the Supervisory Committee and the 2023 annual general meeting of the Company.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 29 March 2024 (Ann No. 2024-012).
The Resolution on 2024-2025 Financial Services Framework Agreement and the Estimated Amount of Routine Related Party Transactions Entered into Between the Company and CRRC Finance Co., Ltd. was considered and approved at the 10th meeting of the seventh session of the Board and the 7th meeting of the seventh session of the Supervisory Committee.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 24 August 2024 (Ann No. 2024-036).
The Resolution on 2024-2027 Financial Services Framework Agreement and the Estimated Amount of Routine Related Party Transactions Entered into Between the Company and CRRC Finance Co., Ltd. was considered and approved at the 13th meeting of the seventh session of the Board, the 9th meeting of the seventh session of the Supervisory Committee and the 2024 first extraordinary general meeting of the Company.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 31 October 2024 (Ann No. 2024-050).



Significant Events

Property and Ancillary Equipment and Facilities Leasing Framework Agreement with CRRC

Unit: Million Currency: RMB

Related party	Relationship	Content	Pricing principles	Amount	Annual cap for 2024	Percentage in similar business
CRRC Group	Indirect controlling shareholder of the Company	Lease property and/or ancillary equipment and facilities out to related parties	Market price	22.35	55	73.72%
CRRC Group	Indirect controlling shareholder of the Company	Lease property and/or ancillary equipment and facilities in from related parties	Market price	11.31	60	19.89%

Product and Supporting Service Mutual Supply Framework Agreement between the Company and CRRC Group

Unit: Million Currency: RMB

Related party	Relationship	Content	Pricing principles	Amount	Annual cap for 2024	Percentage in similar business
CRRC Group of Companies	An indirect controlling shareholder of the Company	Sale of products and/or rendering of supporting services to related parties	Tendering and bidding price, market price, agreed price	9,602.47	13,800	38.55%
CRRC Group of Companies	An indirect controlling shareholder of the Company	Purchases of goods and/or acceptance of supporting services from related parties	Tendering and bidding price, market price, agreed price	1,997.93	5,000	7.85%

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

☐ Applicable ☒ Not applicable

3. Events not disclosed in the temporary announcements

☐ Applicable ☒ Not applicable

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

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

☒ Applicable ☐ Not Applicable

Description	Enquiry index
The Resolution on Acquisition of 100% Equity Interests in Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. and Related Party Transactions was considered and approved at the 15th meeting of the seventh session of the Board and the 10th meeting of the seventh session of the Supervisory Committee.	For details, please refer to the announcement published by the Company on the website of the SSE (www.sse.com.cn) on 14 December 2024 (Ann No. 2024-057) and the announcement published on the Stock Exchange.

On 13 December 2024, the Company entered into the Equity Transfer Agreement with CRRC ZELRI, Xiangyang CRRC Electric Machinery Co., Ltd. ("Xiangyang CRRC"), CRRC Electric Vehicle Co., Ltd. ("CRRC Electric Vehicle", together with CRRC ZELRI and Xiangyang CRRC, collectively, the "Transferors") and Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. ("CRRC Commercial Vehicle"). Pursuant to the Equity Transfer Agreement, the Company agreed to acquire and the Transferors agreed to sell an aggregate of 100% equity interests in CRRC Commercial Vehicle held by the Transferors for a total consideration of approximately RMB106,925,000. Upon completion of the Equity Transfer, the Company will directly hold 100% equity interest in CRRC Commercial Vehicle, CRRC Commercial Vehicle will become a wholly-owned subsidiary of the Company and the financial results of CRRC Commercial Vehicle will be consolidated into the financial statements of the Group. As at the date of Equity Transfer Agreement, CRRC ZELRI is a controlling Shareholder of the Company; Xiangyang CRRC, a wholly-owned subsidiary of CRRC ZELRI, is an associate of CRRC ZELRI; CRRC Electric Vehicle, a company controlled by CRRC Group, which is also directly held as to 36.3683% by CRRC ZELRI, is an associate of the controlling Shareholder of the Company. Therefore, each of CRRC ZELRI, Xiangyang CRRC and CRRC Electric Vehicle is a connected person of the Company under the SEHK Listing Rules. Accordingly, the Equity Transfer constitutes a connected transaction of the Company under Chapter 14A of the SEHK Listing Rules.

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

☐ Applicable ☒ Not applicable

3. Events not disclosed in the temporary announcements

☐ Applicable ☒ Not applicable

4. Where an agreement on performance is involved, the performance achievements during the reporting period shall be disclosed

☐ Applicable ☒ Not applicable



Significant Events

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

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

3. *Events not disclosed in temporary announcements*

☐Applicable ☒Not applicable

(V) Claims and liabilities between related parties

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

☐Applicable ☒Not applicable

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

☐Applicable ☒Not applicable

3. *Events not disclosed in temporary announcements*

☐Applicable ☒Not applicable

Significant Events

(VI) Financial business between the Company and related financial companies, holding financial companies and related parties

☒ Applicable ☐ Not applicable

1. Deposit business

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related party	Relationship	Maximum daily deposit amount	Interest rate range	Opening balance	Total deposit during the current period	Amount incurred during the current period		Closing balance
						Total interest accrued during the current period	Total withdrawal during the current period	
CRRC Finance Co., Ltd.	A subsidiary of CRRC	2,000,000,000	0.39%-2.10%	294,302,867	2,974,625,766	6,801,943	1,299,287,556	1,976,443,020
Total	/	/	/	294,302,867	2,974,625,766	6,801,943	1,299,287,556	1,976,443,020

Explanation of the related party transaction: the Company entered into the 2024-2027 Financial Services Framework Agreement on 30 October 2024, which superseded the 2024-2025 Financial Services Framework Agreement upon taking effect after consideration and approval at the Company's 2024 first extraordinary general meeting. Pursuant to the agreement, the maximum daily deposit amount was raised from RMB330 million to RMB2 billion. As at 31 December 2024, interest rates on deposits of the Company in CRRC Finance Co., Ltd. ranged from 1.35% to 2.10%.

For details, please refer to the announcements of the Company dated 24 August 2024 and 31 October 2024.

2. Loan business

☐ Applicable ☒ Not applicable

3. Credit facilities or other financial business

☐ Applicable ☒ Not applicable

4. Other explanations

☐ Applicable ☒ Not applicable



Significant Events

(VII) Others

✓Applicable ☐Not applicable

1. The Related Party Transactions in relation to the Ordinary Operations

Products and Ancillary Services Mutual Supply Framework Agreement between the Company and Zhuzhou Shiling Transportation Equipment Co., Ltd. (株洲時菱交通設備有限公司)

Unit: RMB0'000 Currency: RMB

Related party	Relationship	Content of related party transaction	Amount of related party transaction	Cap of related party transaction in 2024
Zhuzhou Shiling Transportation Equipment Co., Ltd.	A company in which Directors, Supervisors or senior management members of the Company hold position	Sale of products and/or rendering of ancillary services to the related party	0	1,000
Zhuzhou Shiling Transportation Equipment Co., Ltd.	A company in which Directors, Supervisors or senior management members of the Company hold position	Purchase of products and/or acceptance of ancillary services from the related party	53.77	1,000

Description of the related party transaction: the above transaction resulted from the implementation during the reporting period of the framework agreement on mutual supply of products and ancillary services ("2024-2026 Shiling Mutual Supply Framework Agreement") entered into between the Company and Zhuzhou Shiling Transportation Equipment Co., Ltd. ("Shiling Company") on 27 November 2023. The agreement is valid from 1 January 2024 to 31 December 2026. The transaction and the total amount involved were approved by the independent shareholders of the Company, for which an announcement has been issued.

As at the date of the agreement, as Shiling Company was not a connected person of the Company as defined under the Hong Kong Listing Rules, the transactions contemplated under the 2024-2026 Shiling Mutual Supply Framework Agreement thus did not constitute connected transactions or continuing connected transactions of the Company under the Hong Kong Listing Rules. However, pursuant to the requirements of the SSE STAR Market Listing Rules, Shiling Company is a related party of the Company. Therefore, the transactions contemplated under the 2024-2026 Shiling Mutual Supply Framework Agreement constitute related party transactions of the Company under the SSE STAR Market Listing Rules and are subject to consideration at the general meeting of the Company.

For details, please refer to the circular of the Company dated 2 June 2023 and the announcement of the Company dated 28 June 2023.

Significant Events



Unit: RMB0'000 Currency: RMB

Related party	Relationship	Content of related party transactions	Amount of related party transactions	Cap of related party transactions in 2024
Siemens Traction Equipment Ltd., Zhuzhou (株洲西門子牽引設備有限公司)	Company in which Directors, Supervisors or senior management members of the Company hold position	Sale of products and rendering of services to related parties	0	50
Wuxi Times Intelligent Transportation Research Institute Co., Ltd. (無錫時代智能交通研究院有限公司)	Company in which Directors, Supervisors or senior management members of the Company hold position	Sale of products and rendering of services to related parties	0	18,000
Foshan Zhongshi Intelligent Transportation Technology Co., Ltd. (佛山中時智匯交通科技有限公司)	Company in which Directors, Supervisors or senior management members of the Company hold position	Sale of products and rendering of services to related parties	1,014.92	34,560
Siemens Traction Equipment Ltd., Zhuzhou (株洲西門子牽引設備有限公司)	Company in which Directors, Supervisors or senior management members of the Company hold position	Purchases of goods and acceptance of services from related parties	0	50
Wuxi Times Intelligent Transportation Research Institute Co., Ltd. (無錫時代智能交通研究院有限公司)	Company in which Directors, Supervisors or senior management members of the Company hold position	Purchases of goods and acceptance of services from related parties	264.15	20,000
Foshan Zhongshi Intelligent Transportation Technology Co., Ltd. (佛山中時智匯交通科技有限公司)	Company in which Directors, Supervisors or senior management members of the Company hold position	Purchases of goods and acceptance of services from related parties	0	38,400
Siemens Traction Equipment Ltd., Zhuzhou (株洲西門子牽引設備有限公司)	Company in which Directors, Supervisors or senior management members of the Company hold position	Lease out premises/ equipment to related parties	8.71	60

Description of the related party transaction: The above is the performance of the 2024-2026 related party transactions in routine business operation between the Company and related parties during the reporting period. The transaction and the total amount involved were approved by the independent shareholders of the Company, for which an announcement has been issued.

As at the dates of the agreements, Siemens Traction Equipment Ltd., Zhuzhou, Wuxi Times Intelligent Transportation Research Institute Co., Ltd. and Foshan Zhongshi Intelligent Transportation Technology Co., Ltd. were associates of CRRC and CRRC Group and hence were connected persons of the Company. Therefore, the routine related party transactions between the Company and each of Siemens Traction Equipment Ltd., Zhuzhou, Wuxi Times Intelligent Transportation Research Institute Co., Ltd. and Foshan Zhongshi Intelligent Transportation Technology Co., Ltd. constitute continuing connected transactions under the Hong Kong Listing Rules. For the year ended 31 December 2024, none of the above transactions exceeded the aggregate annual caps approved for the financial year ended 31 December 2024.

For details, please refer to the Company's general meeting materials dated 2 June 2023 and the announcement dated 28 June 2023.



Significant Events

2. Non-exempted Continuing Connected Transactions

Product and Supporting Service Mutual Supply Framework Agreements between the Company and Qingdao CRRC Electric Equipment Co., Ltd. (青島中車電氣設備有限公司)

Unit: Million Currency: RMB

Connected person	Relationship	Content of connected transaction	Amount of connected transaction	Cap of connected transactions in 2024
Qingdao Electric Group	Connected subsidiary of the Company	Sale of products and/or rendering of supporting services to connected persons	31.38	50
Qingdao Electric Group	Connected subsidiary of the Company	Purchase of goods and/or acceptance of supporting services from connected persons	0.04	70

Description of the connected transaction: Set out above are details of the performance of the Product and Supporting Service Mutual Supply Framework Agreement entered into between the Company and Qingdao CRRC Electric Equipment Co., Ltd. (together with its subsidiaries and each of their respective associates, the "Qingdao Electric Group") on 28 December 2022 (the "2023-2025 Mutual Supply Framework Agreement") during the reporting period. The agreement was valid from 1 January 2023 to 31 December 2025. The transaction and the total transaction amount proposed were within the decision-making authority of the Board and were considered and approved by the Board, and an announcement has been published in this respect. Meanwhile, the transaction satisfied the partial waiver level under the SEHK Listing Rules and was exempted from independent shareholders' approval requirements. For details, please refer to the Company's announcement dated 28 December 2022.

Significant Events

Product and Supporting Service Mutual Supply Framework Agreement between the Company and Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. (太原中車時代軌道工程機械有限公司)

Unit: Million Currency: RMB

Connected person	Relationship	Content of connected transaction	Amount of connected transaction	Cap of connected transaction in 2024
Taiyuan CRRC Times Group	A connected subsidiary of the Company	Sale of products and/or rendering of supporting services to connected persons	48.02	380
Taiyuan CRRC Times Group	A connected subsidiary of the Company	Purchases of goods and/or acceptance of supporting services from connected persons	26.22	400

Description of the connected transaction: Set out above are details of the performance of the Product and Supporting Service Mutual Supply Framework Agreement entered into between the Company and Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. (together with its subsidiaries and each of their respective associates, the “Taiyuan CRRC Times Group”) on 23 December 2021 (the “2022-2024 Mutual Supply Framework Agreement”) during the reporting period. The agreement is valid from 1 January 2022 to 31 December 2024. The transaction and the total transaction amount proposed were within the decision-making authority of the Board and were considered and approved by the Board, and an announcement has been published in this respect. Meanwhile, the transaction satisfied the partial waiver level under the SEHK Listing Rules and was exempted from independent shareholders’ approval requirements. For details, please refer to the Company’s announcement dated 23 December 2021. To satisfy constant development in production and operation, the Company entered into a supplemental agreement with Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd. on 25 November 2022 to revise the annual caps of transactions contemplated under the 2022-2024 Mutual Supply Framework Agreement. For details, please refer to the announcement of the Company dated 25 November 2022.

XIII. MAJOR CONTRACTS AND THEIR PERFORMANCE

(I) Entrustment, contracting and leasing matters

1. Entrustment

☐ Applicable ☒ Not applicable

2. Contracting

☐ Applicable ☒ Not applicable

3. Leasing

☐ Applicable ☒ Not applicable



Significant Events

(II) Guarantees

✓ 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 Company	Guaranteed party	Guaranteed amount	Date of guarantee of agreement	Commencement date of guarantee	Maturity date of guarantee	Type of guarantee	Guaranty (if any)	Whether guarantee has been fully fulfilled	Whether guarantee is overdue
									Overdue amount	Counter-guarantee
										Whether related party guarantee
										Related party relationship

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

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

Significant Events



Guarantees provided by the Company and its subsidiaries to subsidiaries												
Guarantor	Relationship between the guarantor and the Company	Guaranteed party	Relationship between the guaranteed party and the Company	Guaranteed amount	Date of		Type of guarantee	Whether guarantee has been fully fulfilled	Whether guarantee is overdue	Overdue amount	Whether there is any counter-guarantee	
					guarantee agreement	guarantee date of						
Zhuzhou CRRC Times Electric Co., Ltd	The Company	Soil Machine Dynamics Limited	A wholly-owned subsidiary of the Company	226,912,500.00	2024/10/12	2024/10/12	2025/10/12	Joint obligation guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Specialist Machine Developments (Shanghai) Co., Ltd.	A wholly-owned subsidiary of the Company	31,152,000.00	2024/4/25	2024/4/25	2025/6/13	Joint obligation guarantee	No	No	Not applicable	No
Zhuzhou CRRC Times Electric Co., Ltd.	The Company	Specialist Machine Developments (Shanghai) Co., Ltd.	A wholly-owned subsidiary of the Company	5,008,897.48	2024/6/4	2024/6/4	2024/11/16	Joint obligation guarantee	Yes	No	Not applicable	No
Total guarantee to subsidiaries incurred during the reporting period												263,073,397.48
Total balance of guarantee to subsidiaries as at the end of the reporting period (B)												258,064,500.00
Aggregate guarantee of the Company (including those provided to subsidiaries)												
Aggregate guarantee (A+B)												258,064,500.00
Percentage of aggregate guarantee to net assets of the Company (%)												0.62
Representing:												
Amount of guarantee provided for shareholders, actual controller and related parties (C)												0.00
Amount of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)												226,912,500.00
Excess amount of aggregate guarantee over 50% of net assets (E)												0.00
Aggregate amount of the above three categories (C+D+E)												226,912,500.00
Description of the contingent joint and several repayment liability in connection with unexpired guarantee												
Nil												
The guarantees provided to subsidiaries were considered and approved at the 6th meeting of the seventh session of the Board on 28 March 2024.												



Significant Events

(III) Management of cash assets by entrusting third parties

1. *Entrusted wealth management activities*

(1) *Overview of the entrusted wealth management activities*

☐Applicable ☒Not Applicable

Others

☐Applicable ☒Not Applicable

(2) *Individual entrusted wealth management activities*

☐Applicable ☒Not Applicable

Others

☐Applicable ☒Not Applicable

(3) *Provision for impairment of entrusted wealth management*

☐Applicable ☒Not Applicable

2. **Entrusted loans**

(1) *Overview of the entrusted loans*

☐Applicable ☒Not Applicable

Others

☐Applicable ☒Not Applicable

(2) *One-off entrusted loans*

☐Applicable ☒Not Applicable

Others

☐Applicable ☒Not Applicable

(3) *Provision for impairment of entrusted loans*

☐Applicable ☒Not Applicable

3. **Others**

☐Applicable ☒Not Applicable

(IV) **Other material contracts**

☒Applicable ☐Not Applicable

The Company disclosed that the bid-winning amount of the general contracting consortium project of Wuxi-Yixing intercity rail transit project was approximately RMB20.688 billion. According to the contract workload division agreed in the Consortium Agreement at the bidding stage, it undertook some equipment procurement and supply tasks. It is estimated that the final business amount of the Company will be approximately RMB700 million. For details, please refer to the Announcement of Zhuzhou CRRC Times Electric Co., Ltd. on Voluntary Disclosure of Winning the Consortium Project (Announcement No.: 2024-021) disclosed on the website of the SSE on 31 May 2024.



Significant Events

XIV. EXPLANATION ON PROCESS IN USE OF PROCEEDS

✓Applicable ☐Not applicable

(I) Overall utilisation of raised proceeds

✓Applicable ☐Not applicable

Unit: Yuan

Source of proceeds	Date of receiving the proceeds	Total proceeds	Net proceeds	Total promised investment amounts of proceeds stated in the prospectus or offering memorandum	Total surplus proceeds	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 year (8)	Percentage of investment amount for the year (%) (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	0	6,066,601,237	0	81.51	Not applicable	1,135,290,700	15.25	0
Total	/	7,555,057,430	7,443,212,046	7,443,212,046	0	6,066,601,237	0	81.51	/	1,135,290,700	15.25	0

Other explanation

☐Applicable ✓Not applicable



(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 investment with 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	Whether the project is completed or not	Whether the investment is in line with 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	357,228,265	1,803,812,559	86.08	2026	No	Yes	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	414,458,691	844,798,530	78.89	2026	No	Yes	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	72,770,858	616,052,072	70.87	2026	No	Yes	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	201,143,371	690,151,814	86.27	2025	No	Yes	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	89,389,515	430,425,676	46.23	2025	No	Yes	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	Yes	Not applicable	Not applicable	Not applicable	No	Not applicable
Total	/	/	/	/	7,443,212,046	1,135,290,700	6,066,601,237	81.51	/	/	/	/	/	/	/	/



Significant Events

2. Breakdown of use of surplus proceeds

☐ Applicable ☒ Not applicable

(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 consideration by the Board	Amount of proceeds used for cash management effectively considered	Start date	Ending date	Balance under cash management as of the end of the reporting period	Whether the maximum amount during the period exceeded the authorised limit
23 August 2024	220,000	23 August 2024	22 August 2025	123,000	No

Other Explanations

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 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 RMB2,200 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.

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. During the reporting period, specific cash management products were listed below:

Unit: Yuan Currency: RMB

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	50,000,000	13 October 2022	30 December 2024	3.00%	3,320,833	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	310,000,000	13 October 2022	13 October 2025	Expected to be 3.00%	Not yet due	Not yet due
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	100,000,000	27 September 2023	22 March 2024	3.00%	1,454,795	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Structured deposit	70,000,000	29 September 2023	1 January 2024	2.45%	441,671	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	60,000,000	10 October 2023	10 January 2024	2.50%	378,082	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	170,000,000	13 October 2023	11 January 2024	2.87%	1,202,227	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	33,000,000	12 October 2023	12 January 2024	1.24%	103,125	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	16,000,000	25 October 2023	25 January 2024	1.24%	50,000	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	176,000,000	3 November 2023	1 February 2024	2.87%	1,243,864	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	440,000,000	24 November 2023	26 February 2024	2.58%	2,918,316	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	220,000,000	29 November 2023	1 March 2024	1.47%	826,222	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	40,000,000	30 November 2023	1 March 2024	1.49%	150,222	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	110,000,000	29 December 2023	28 March 2024	3.17%	859,722	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	60,000,000	11 December 2023	11 March 2024	2.35%	351,534	Yes



Significant Events

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
China Merchants Bank Zhuzhou Branch	Structured deposit	20,000,000	25 December 2023	25 January 2024	2.35%	39,918	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	10,000,000	25 December 2023	25 January 2024	2.35%	19,959	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	45,000,000	29 December 2023	28 March 2024	3.15%	350,075	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Structured deposit	240,000,000	6 January 2024	5 April 2024	2.05%	1,213,151	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	10,000,000	31 January 2024	1 March 2024	2.74%	22,526	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	220,000,000	31 January 2024	30 April 2024	2.86%	1,551,452	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	30,000,000	31 January 2024	1 March 2024	2.63%	64,833	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	40,000,000	8 February 2024	11 March 2024	2.78%	97,464	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	20,000,000	8 February 2024	8 May 2024	2.89%	142,392	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	500,000,000	28 February 2024	31 May 2024	2.38%	3,028,360	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	50,000,000	26 January 2024	27 April 2024	1.14%	143,750	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	15,000,000	8 February 2024	11 March 2024	2.73%	35,929	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	90,000,000	8 February 2024	8 May 2024	2.89%	641,441	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	50,000,000	2 January 2024	31 January 2024	2.35%	93,356	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	100,000,000	2 January 2024	29 March 2024	2.40%	572,055	Yes

Significant Events



Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
China Merchants Bank Zhuzhou Branch	Structured deposit	50,000,000	20 March 2024	19 April 2024	1.51%	62,055	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	20,000,000	20 March 2024	20 June 2024	2.45%	123,507	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	50,000,000	20 March 2024	20 June 2024	2.45%	308,767	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	20,000,000	20 March 2024	20 June 2024	2.45%	123,507	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	60,000,000	28 March 2024	1 July 2024	2.30%	359,100	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	170,000,000	1 April 2024	1 July 2024	2.88%	1,219,001	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Structured deposit	160,000,000	26 April 2024	25 July 2024	2.40%	946,849	Yes
China Construction Bank Zhuzhou Tianxin Branch	Term deposit	20,000,000	30 April 2024	31 July 2024	1.14%	57,500	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	90,000,000	10 May 2024	12 August 2024	2.40%	556,274	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	40,000,000	10 May 2024	12 August 2024	2.40%	247,233	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	115,000,000	15 May 2024	11 November 2024	2.88%	1,631,756	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	70,000,000	15 May 2024	13 August 2024	2.89%	498,452	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	40,000,000	31 May 2024	1 July 2024	2.74%	93,068	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	45,000,000	31 May 2024	29 August 2024	2.90%	321,781	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Structured deposit	440,000,000	6 June 2024	9 September 2024	2.01%	2,307,475	Yes



Significant Events

Bank for deposit	Product type	Amount	Value date	Maturity date	Rate of return	Income	Recovered or not
China Merchants Bank Zhuzhou Branch	Structured deposit	4,000,000	11 June 2024	12 July 2024	2.20%	7,474	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	20,000,000	11 June 2024	13 September 2024	2.30%	118,466	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	20,000,000	17 June 2024	18 September 2024	2.30%	117,205	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	6,000,000	17 June 2024	17 July 2024	2.25%	11,096	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Structured deposit	30,000,000	4 July 2024	8 October 2024	2.76%	217,723	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	40,000,000	1 July 2024	30 September 2024	2.30%	229,370	Yes
China Merchants Bank Zhuzhou Branch	Structured deposit	15,000,000	1 July 2024	30 September 2024	2.30%	86,014	Yes
China CITIC Bank Zhuzhou Tiantailu Branch	Certificate of deposit	50,000,000	30 July 2024	30 January 2025	Expected to be 1.80%	Not yet due	Not yet due
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	100,000,000	30 July 2024	30 January 2025	Expected to be 1.90%	Not yet due	Not yet due
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	15,000,000	29 August 2024	29 November 2024	1.59%	60,000	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	30,000,000	30 August 2024	30 November 2024	1.59%	120,000	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	20,000,000	30 August 2024	30 November 2024	1.59%	80,000	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	50,000,000	30 August 2024	30 November 2024	1.62%	204,444	Yes
Industrial and Commercial Bank of China Zhuzhou Tianxin Branch	Certificate of deposit	440,000,000	24 September 2024	24 March 2025	Expected to be 1.60%	Not yet due	Not yet due
China Merchants Bank Zhuzhou Branch	Certificate of deposit	50,000,000	20 September 2024	20 December 2024	1.62%	202,222	Yes
Bank of Changsha Zhuzhou Tianxin Branch	Certificate of deposit	20,000,000	24 September 2024	24 December 2024	1.60%	80,000	Yes
China Merchants Bank Zhuzhou Branch	Certificate of deposit	20,000,000	12 October 2024	12 January 2025	Expected to be 1.60%	Not yet due	Not yet due
China Construction Bank Zhuzhou Tianxin Branch	Structured deposit	200,000,000	6 November 2024	6 February 2025	Expected to be 0.80%-2.70%	Not yet due	Not yet due

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	50,000,000	25 November 2024	24 February 2025	Expected to be 1.29%-3.37%	Not yet due	Not yet due
China Merchants Bank Zhuzhou Branch	Structured deposit	30,000,000	1 November 2024	27 January 2025	Expected to be 1.30%-1.95%	Not yet due	Not yet due
China Merchants Bank Zhuzhou Branch	Structured deposit	30,000,000	26 December 2024	31 March 2025	Expected to be 1.30%-2.00%	Not yet due	Not yet due

4. Others

☒ Applicable ☐ Not applicable

On 23 August 2024, the Company convened the 10th meeting of the seventh session of the Board and the 7th meeting of the seventh session of the Supervisory Committee, at which the Proposal on Extension of Certain Projects to be Financed with Raised Funds, Introducing Implementing Entities for Certain Projects to be Financed with Raised Funds, Using Raised Funds to Provide Loans to Newly Introduced Implementing Entities for Project Execution, and Adjusting Investment Amounts and Fundraising Loan Amounts Among Different Implementing Entities under the Same Fundraising Project was considered and approved. Pursuant to the proposal, it was approved that the time for reaching the intended state of “R&D and application project of electric drive system for new energy vehicles” under “Advanced technology R&D application project of new industry” was adjusted from 2024 to 2026, provided that the use and amounts of the raised funds stay unchanged; Hunan CRRC Times Electric Drive Technology Co., Ltd. was introduced as the main body of the “R&D and application project of electric drive system for new energy vehicles”, and the amount of raised funds to be used is RMB250 million, and the fundraising project will be implemented by providing loans with raised funds; the Company shall adjust the investment amount between different implementation bodies of the fundraising project “The application project on key technologies and system R&D of smart railway bureau and smart urban rail transit”, that is, the amount of funds to be invested by Zhuzhou CRRC Times Software Technology Co., Ltd. will be adjusted from RMB210 million to RMB194.7 million, and the amount of funds to be invested by Zhuzhou CRRC Times Electric Co., Ltd. Changsha Branch will be adjusted from RMB270 million to RMB285.3 million, and the loans with raised funds will also be adjusted according to the adjustments in investments; the Company shall adjust the investment amount between different implementation bodies of the fundraising project “R&D and manufacturing platform construction project of new-type rail engineering machinery”, that is, the amount of funds to be invested by Baoji CRRC Times Engineering Machinery Co., Ltd. will be adjusted from RMB190 million to RMB213 million, and the amount of funds to be invested by Xi’an CRRC Track Engineering Machinery R&D Center of Baoji CRRC Times Engineering Machinery Co., Ltd. will be adjusted from RMB110 million to RMB87 million, and the loans with raised funds will also be adjusted according to the adjustments in investments. The Supervisory Committee issued an explicit consent in this regard, and China International Capital Corporation Limited, the sponsor, issued an explicit verification opinion. For details, please refer to the Announcement on Extension of Certain Projects to be Financed with Raised Funds, Introducing Implementing Entities for Certain Projects to be Financed with Raised Funds, Using Raised Funds to Provide Loans to Newly Introduced Implementing Entities for Project Execution, and Adjusting Investment Amounts and Fundraising Loan Amounts Among Different Implementing Entities under the Same Fundraising Project of Zhuzhou CRRC Times Electric Co., Ltd. (Ann No.: 2024-035) disclosed on the website of SSE on 24 August 2024.

XV. EXPLANATION ON OTHER MAJOR EVENTS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS’ VALUE JUDGMENTS AND INVESTMENT DECISIONS

☐ Applicable ☒ Not applicable



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	Percentage (%)	New shares	Bonus Shares	Reserve transferred to Shares	Others	Subtotal	Number	Percentage (%)
I. Shares subject to trading moratorium	608,966,468	43.00	-	-	-	-19,380,769	-19,380,769	589,585,699	41.91
1. State-owned shares	-	-	-	-	-	-	-	-	-
2. State-owned legal person shares	608,966,468	43.00	-	-	-	-19,380,769	-19,380,769	589,585,699	41.91
3. Other domestic shares	-	-	-	-	-	-	-	-	-
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	-	-	-	9,796,669	9,796,669	817,067,113	58.09
1. RMB ordinary shares	259,941,044	18.35	-	-	-	19,380,769	19,380,769	279,321,813	19.86
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	547,329,400	38.65	-	-	-	-9,584,100	-9,584,100	537,745,300	38.23
4. Others	-	-	-	-	-	-	-	-	-
III. Total number of shares	1,416,236,912	100.00	-	-	-	-9,584,100	-9,584,100	1,406,652,812	100.00

2. Explanation on changes in shares

✓Applicable ☐Not Applicable

In 2024, the Company repurchased its H Shares on the Hong Kong Stock Exchange through multiple transactions, and cancelled 4,696,800 and 4,887,300 repurchased H Shares on 16 April and 19 December, respectively. Accordingly, as at 31 December 2024, the issued shares of the Company were reduced by 9,584,100 H Shares to 1,406,652,812 shares, including 868,907,512 A Shares and 537,745,300 H Shares.

On 9 September 2024, 19,380,769 restricted shares issued by the Company in public issue were released into the market. For details, please refer to the Announcement on Release of Certain Restricted Shares Issued by Zhuzhou CRRC Times Electric Co., Ltd. in Initial Public Issue published on the website of the SSE (www.sse.com.cn) on 31 August 2024 (Ann No. 2024-041).

Changes in Shares and Particulars of Shareholders

3. The impact of changes in shares on financial indicators such as earnings per share, net asset per share for the latest year and the latest period (if any)

☒ Applicable ☐ Not Applicable

During the reporting period, the Company cancelled 9,584,100 repurchased shares, accounting for 0.68% of the total share capital of the Company as at the end of the reporting period, which had an insignificant impact on financial indicators such as earnings per share and net asset per share.

4. Other disclosable 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

Unit: Share

Name of Shareholders	Number of shares subject to trading moratorium at the beginning of the year	Number of shares released from trading moratorium for the year	Number of new shares subject to trading moratorium for the year	Number of shares subject to trading moratorium at the end of the year	Reason for the trading moratorium	Date of release from trading moratorium
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	589,585,699	-	-	589,585,699	Voluntary extension of the lock-up period	7 September 2025
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	10,000,000	10,000,000	-	-	Trading moratorium on initial public issue	9 September 2024
CRRC Asset Management Co., Ltd. (中車資產管理有限公司)	9,380,769	9,380,769	-	-	Trading moratorium on initial public issue	9 September 2024
Total	<u>608,966,468</u>	<u>19,380,769</u>	<u>-</u>	<u>589,585,699</u>	/	/

II. SECURITIES ISSUE AND LISTING

(I) Issue of Securities during the Reporting Period

☐ Applicable ☒ Not Applicable

Explanation on securities issue during the reporting period (for bonds with different interest rates during the duration, please specify separately):

☐ Applicable ☒ Not Applicable



Changes in Shares and Particulars of Shareholders

(II) Changes in the Total Number of Shares and Shareholders Structure of the Company and Changes in the Company's Assets and Liabilities Structure

☒ Applicable ☐ Not Applicable

In 2024, the Company repurchased its H Shares on the Hong Kong Stock Exchange through multiple transactions, and cancelled 4,696,800 and 4,887,300 repurchased H Shares on 16 April and 19 December. Accordingly, as of 31 December 2024, the issued share capital of the Company was reduced by 9,584,100 H Shares to 1,406,652,812 shares, including 868,907,512 A Shares and 537,745,300 H Shares.

As at the beginning of the reporting period, the Company had total assets of RMB53,778.79 million, total liabilities of RMB15,930.08 million and gearing ratio of 29.62%. As at the end of the reporting period, the Company had total assets of RMB64,802.25 million, total liabilities of RMB20,039.83 million and gearing ratio of 30.92%.

III. SHAREHOLDERS AND ACTUAL CONTROLLER

(I) Total Number of Shareholders

Total number of ordinary Shareholders as at the end of the reporting period (account)	19,612
Total number of ordinary Shareholders at the end of the previous month before the disclosure date of annual report (account)	20,198
Total number of Shareholders of preference shares with restored voting rights as at the end of the reporting period (account)	N/A
Total number of Shareholders of preference shares with restored voting rights as at the end of the previous month before the disclosure date of the annual report (account)	N/A
Total number of Shareholders holding shares with special voting rights as at the end of the reporting period (account)	N/A
Total number of Shareholders holding shares with special voting rights as at the end of the previous month before the disclosure date of the annual report (account)	N/A

Note: As at the end of the reporting period, the Company had 18,570 A Shareholders and 1,042 registered H Shareholders; and as at the end of the previous month before the disclosure date of the annual report, the Company had 19,161 A Shareholders and 1,037 registered H Shareholders.

Number of depositary receipt holders

☐ Applicable ☒ Not Applicable

Changes in Shares and Particulars of Shareholders



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

Unit: Share

Particulars of shareholdings of the top ten Shareholders (Number of shares excluding lending shares for securities financing)							
Name of Shareholders (full name)	Change of shareholding during the reporting period	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	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)	9,380,769	600,381,485	42.68	589,585,699	None	–	State-owned legal person
HKSCC NOMINEES LIMITED	-9,566,600	536,423,666	38.13	0	Unknown	–	Overseas legal person
Hong Kong Securities Clearing Company Limited	-4,187,210	25,012,601	1.78	0	None	–	Overseas legal person
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Trading Open-end Index Securities Investment 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)	-3,870,071	17,710,789	1.26	0	None	–	Unknown
Industrial and Commercial Bank of China Limited – e funds SSE STAR 50 Trading Open-end Index Securities Investment 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)	3,959,013	10,910,004	0.78	0	None	–	Unknown
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	0	10,000,000	0.71	0	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	0.70	0	None	–	State-owned legal person
National Social Security Fund Portfolio 110 (全國社保基金一一零組合)	1,552,490	5,884,971	0.42	0	None	–	Unknown
Industrial and Commercial Bank of China Limited – Huatai-PineBridge Shanghai Shenzhen 300 Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司 – 華泰柏瑞滬深300交易型開放式指數證券投資基金)	2,839,854	4,627,891	0.33	0	None	–	Unknown
Hunan Rail Transit Holding Group Co., Ltd. (湖南軌道交通控股集團有限公司)	0	3,958,888	0.28	0	None	–	State-owned legal person
Guohua Investment Development Asset Management (Beijing) Co., Ltd. (國華投資開發資產管理(北京)有限公司)	0	3,958,888	0.28	0	None	–	State-owned legal person



Changes in Shares and Particulars of Shareholders

Particulars of shareholdings of the top ten Shareholders not subject to trading moratorium (Number of shares excluding lending shares for securities financing)

Name of Shareholders	Number of circulating shares held not subject to trading moratorium	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED	536,423,666	Overseas listed foreign shares	536,423,666
Hong Kong Securities Clearing Company Limited	25,012,601	RMB ordinary shares	25,012,601
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Trading Open-end Index Securities Investment 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)	17,710,789	RMB ordinary shares	17,710,789
Industrial and Commercial Bank of China Limited – efunds SSE STAR 50 Trading Open-end Index Securities Investment 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)	10,910,004	RMB ordinary shares	10,910,004
CRRCL Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	10,795,786	RMB ordinary shares	10,795,786
CRRCL Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	10,000,000	RMB ordinary shares	10,000,000
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
National Social Security Fund Portfolio 110 (全國社保基金一一零組合)	5,884,971	RMB ordinary shares	5,884,971
Industrial and Commercial Bank of China Limited – Huatai-PineBridge Shanghai Shenzhen 300 Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	4,627,891	RMB ordinary shares	4,627,891
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

Changes in Shares and Particulars of Shareholders



Particulars of shareholdings of the top ten Shareholders not subject to trading moratorium (Number of shares excluding lending shares for securities financing)			
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>CRRZ Zhuzhou Institute Co., Ltd. is a direct controlling shareholder of the Company. CRRZ Corporation Limited, as the shareholder holding 100% equity interests in CRRZ Zhuzhou Institute Co., Ltd., CRRZ Zhuzhou Locomotive Co., Ltd. and CRRZ Hong Kong Capital Management Co., Ltd., indirectly held a total of 610,381,485 RMB ordinary shares of the Company through CRRZ Zhuzhou Institute Co., Ltd. and CRRZ Zhuzhou Locomotive Co., Ltd., and indirectly held 65,460,000 overseas listed foreign shares of the Company through CRRZ Hong Kong Capital Management Co., Ltd. CRRZ Corporation Limited indirectly held a total of 48.05% shareholding in the Company.</p> <p>Save as aforementioned, the Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.</p>		
Explanation on the preference shareholders with voting rights restored and their shareholdings	Not applicable		



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	Proportion	Total	Proportion	Total	Proportion	Total	Proportion
	number	(%)	number	(%)	number	(%)	number	(%)
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	2,956,971	0.21	–	–
China Merchants Bank Co., Ltd. – China AMC SSE STAR 50 Trading Open-end Index Securities Investment 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	17,710,789	1.26	–	–
Industrial and Commercial Bank of China Limited – efunds SSE STAR 50 Trading Open-end Index Securities Investment 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	10,910,004	0.78	–	–
Industrial and Commercial Bank of China Limited – Huatai-PineBridge Shanghai Shenzhen 300 Trading Open-end Index Securities Investment Fund (中國工商銀行股份有限公司－華泰柏瑞滬深300交易型開放式指數證券投資基金)	1,788,037	0.13	41,600	0.00	4,627,891	0.33	–	–

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

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	Number of shares held subject to trading moratorium	Time available for listing and trading	Shares subject to trading moratorium available for listing and trading		Conditions of trading moratorium
				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	9 September 2024	–		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	9 September 2024	–		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. The 9,380,769 A Shares held by CRRC Asset Management Co., Ltd. in the Company have been transferred to CRRC Zhuzhou Institute Co., Ltd. through block trade on 26 December 2024.

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 Shares and Particulars of Shareholders

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

(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

Name of strategic investors or general legal persons	Agreed commencement date of shareholding	Agreed expiry date of shareholding
Hunan Rail Transit Holding Group Co., Ltd. (湖南軌道交通控股集團有限公司)	7 September 2021	–
Guohua Investment Development Asset Management (Beijing) Co., Ltd. (國華投資開發資產管理(北京)有限公司)	7 September 2021	–
Explanation on agreed timeframe of shareholding for participation in placement of new shares by strategic investors or general legal persons	None	

Changes in Shares and Particulars of Shareholders



(V) Strategic Placement of Initial Public Issue

1. Particulars of shareholding of senior management and core employees by setting up a special asset management plan to participate in the strategic placement of initial public issue

✓Applicable ☐Not Applicable

Unit: Share

Name of Shareholder/holder	Number of shares/ depositary receipts allocated	Time available for listing and trading	Changes of number during the reporting period	Number of holdings of shares/ depositary receipts including lending shares for securities financing at the end of the period
CICC – Agricultural Bank of China – CICC Times Electric No. 1 Collective Asset Management Plan for Employees' Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣1號員工參與科创板戰略配售集合資產管理計劃)	4,598,422	7 September 2022	-56,179	97,268
CICC – Agricultural Bank of China – CICC Times Electric No. 2 Collective Asset Management Plan for Employees' Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣2號員工參與科创板戰略配售集合資產管理計劃)	3,306,856	7 September 2022	-111,451	100,095
CICC – Agricultural Bank of China – CICC Times Electric No. 3 Collective Asset Management Plan for Employees' Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣3號員工參與科创板戰略配售集合資產管理計劃)	4,609,837	7 September 2022	-78,672	35,228
CICC – Agricultural Bank of China – CICC Times Electric No. 4 Collective Asset Management Plan for Employees' Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣4號員工參與科创板戰略配售集合資產管理計劃)	3,199,553	7 September 2022	-32,291	106,213
CICC – Agricultural Bank of China – CICC Times Electric No. 6 Collective Asset Management Plan for Employees' Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣6號員工參與科创板戰略配售集合資產管理計劃)	3,294,426	7 September 2022	-112,309	62,442
CICC – Agricultural Bank of China – CICC Times Electric No. 8 Collective Asset Management Plan for Employees' Participation in Strategic Placement on the Science and Technology Innovation Board (中金公司－農業銀行－中金公司時代電氣8號員工參與科创板戰略配售集合資產管理計劃)	3,122,437	7 September 2022	-103,685	80,924



Changes in Shares and Particulars of Shareholders

2. Particulars of shareholding of relevant subsidiaries of sponsors participating in the strategic placement of initial public issue

✓Applicable ☐Not Applicable

Unit: Share

Name of Shareholder	Relationship with the sponsor	Number of shares/ depositary receipts allocated	Time available for listing and trading	Changes of number during the reporting period	Number of holdings of shares/ depositary receipts including lending shares for securities financing at the end of the period
China CICC Wealth Management Securities Company Limited (中國中金財富證券有限公司)	A wholly-owned subsidiary of the sponsor	4,815,205	7 September 2023	–	–

Changes in Shares and Particulars of Shareholders



(VI) Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares of the Company

As at 31 December 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 of the Company	Approximate percentage of H Shares of the Company	Approximate percentage of total issued shares of the Company
CRRC ZELRI	A Shares	600,381,485 (Long position)	Beneficial owner	69.10%	–	42.68%
CRRC (Note 1)	A Shares	610,381,485 (Long position)	Interest in controlled entity	70.25%	–	43.39%
	H Shares	65,460,000 (Long position)	Interest in controlled entity	–	12.17%	4.65%
CRRC Group (Note 2)	A Shares	610,381,485 (Long position)	Interest in controlled entity	70.25%	–	43.39%
	H Shares	65,460,000 (Long position)	Interest in controlled entity	–	12.17%	4.65%
CRRC Hong Kong Capital Management Co., Limited	H Shares	65,460,000 (Long position)	Beneficial owner	–	12.17%	4.65%
JPMorgan Chase & Co.	H Shares	2,517,046 (Long position)	Beneficial owner	–	0.41%	0.18%
		972,076 (Short position)	Interest in controlled entity	–	0.18%	0.07%
		51,582,100 (Long position)	Investment manager	–	9.59%	3.67%
		520,526 (Long position)	Secured equity holder	–	0.10%	0.04%
		3,820,073 (Long position)	Approved lending agent	–	0.71%	0.27%
Citigroup Inc	H Shares	32,146,579 (Long position)	Interest in controlled entity	–	5.98%	0.14%
		944,381 (Short position)	Interest in controlled entity	–	0.18%	0.07%
		30,196,965 (Long position)	Approved lending agent	–	5.62%	2.15%
Norges Bank	H Shares	27,221,300 (Long position)	Beneficial owner	–	5.06%	1.94%



Changes in Shares and Particulars of Shareholders

Notes: As at 31 December 2024, the number of issued shares of the Company was 1,406,652,812 shares, including 537,745,300 H Shares and 868,907,512 A Shares.

1. CRRC is interested in 100% of the registered capital of CRRC ZELRI and CRRC Zhuzhou. Accordingly, CRRC is deemed under the SFO to be interested in the shares held by each of CRRC ZELRI and CRRC Zhuzhou. 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 31 December 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.

Changes in Shares and Particulars of Shareholders

IV. CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

(I) Controlling Shareholder

1. Legal person

✓Applicable ☐Not Applicable

Name	CRRC Zhuzhou Institute Co., Ltd.
Person-in-charge or legal representative	Li Donglin
Date of establishment	9 September 1992
Major business activities	Permitted items: manufacturing of railway transportation infrastructure equipment; Inspection and testing services; Certification services; Survey of construction projects; Construction engineering design; Construction works; Power generation business, power transmission business, power supply (distribution) business; Publication of periodicals. General projects (for projects subject to approval according to law law can be operated only after being approved by relevant departments, and the specific business projects are subject to the approval documents or licenses of the relevant departments): Sales of special equipment, key systems and components for rail transit; Development of rail transit operation management system; Research and development of machinery and equipment; Manufacturing of mechanical and electrical equipment; Sales of mechanical and electrical equipment; Repair of electrical equipment; Leasing of machinery and equipment; Industrial control computer and system manufacturing; Sales of industrial control computer and system; Intelligent control system integration; Manufacturing of electronic components; Sales of electronic products; Sales of electronic special equipment; Integrated circuit chips and products manufacturing; Sales of integrated circuit chips and products; Research and development of emerging energy technologies; Research and development of related systems of wind farms; Sales of wind farm related equipment; Sales of wind turbine generator sets and components; Technical services for wind power generation; Sales of intelligent transmission, distribution and control equipment; Research and development of motors and their control systems; Manufacturing of generator and generator set; Sales of generators and generator sets; Research and development of auto parts; Sales of battery swapping facilities for new energy vehicles; Sale of charging piles; Centralized fast charging stations; Operation of electric vehicle charging infrastructure; Energy storage technology services; Contract energy management; Battery manufacturing; Sales of batteries; Production of battery spare parts; Sales of battery spare parts; Engineering and technology research and experimental development; Engineering management services; Software development; Sales of software; Technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; Certification consultation; Digital technology services; Information technology consulting services; Business training (excluding education training, vocational skills training and other training requiring permits); Enterprise management consulting; Conference and exhibition services; Advertising production; Advertisement publication; Non-residential real estate leasing; Engaging in investment activities with its own funds; Import and export of goods; Technology import and export. (to independently carry out business activities defined in business license other than those subject to approval according to law)



Changes in Shares and Particulars of Shareholders

Equity in other domestic and overseas listed companies controlled and invested during the reporting period

As of 31 December 2024, it held 35.48% equity interests in Zhuzhou Times New Material Technology Co., Ltd. (SH600458).

Other explanations

None

2. **Natural person**

☐ Applicable ☒ Not Applicable

3. **Special explanation for absence of the Company's controlling shareholder**

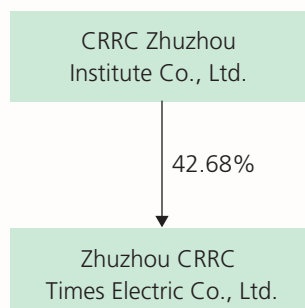
☐ Applicable ☒ Not Applicable

4. **Explanation on changes in controlling shareholder during the reporting period**

☐ Applicable ☒ Not Applicable

5. **Diagram of the property rights and control relationship between the Company and the controlling shareholder**

☒ Applicable ☐ Not Applicable



(II) **Actual Controller**

1. **Legal person**

☒ Applicable ☐ Not Applicable

Name

SASAC of the State Council

The actual controller of the Company is SASAC of the State Council. As of 31 December 2024, SASAC of the State Council directly held the 100% equity interests of CRRC Group, which is the controlling shareholder of CRRC, which in turn indirectly held a total of 48.05% equity interests in the Company through CRRC ZELRI, CRRC Zhuzhou and CRRC Hong Kong Capital Management Co., Ltd.

2. **Natural person**

☐ Applicable ☒ Not Applicable

Changes in Shares and Particulars of Shareholders

3. Special explanation for absence of actual controller

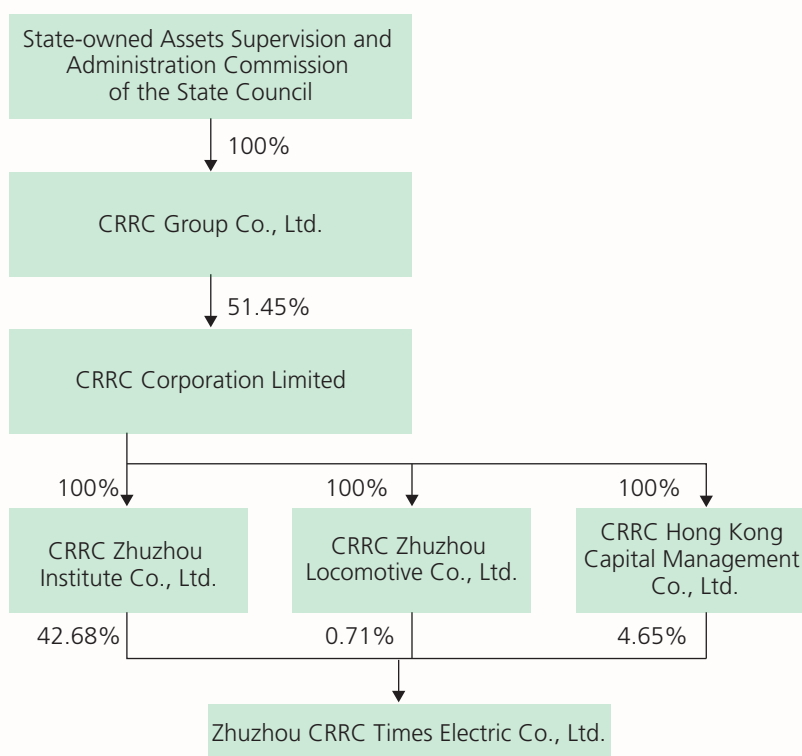
☐ Applicable ☒ Not Applicable

4. Explanation on change of control of the Company during the reporting period

☐ Applicable ☒ Not Applicable

5. Diagram of the property rights and control relationship between the Company and the actual controller

☒ Applicable ☐ Not Applicable



6. Controlling the Company by actual controller through trust or other asset management methods

☐ Applicable ☒ Not Applicable

(III) Other Information of Controlling Shareholder and Actual Controller

☐ Applicable ☒ Not Applicable



Changes in Shares and Particulars of Shareholders

V. THE CONTROLLING SHAREHOLDER OR LARGEST SHAREHOLDER OF THE COMPANY AND PARTIES ACTING IN CONCERT WITH THEM ACCUMULATIVELY PLEDGED MORE THAN 80% OF THE EQUITY INTERESTS IN THE COMPANY HELD BY THEM

☐ Applicable ☒ Not Applicable

VI. OTHER LEGAL PERSON HOLDING MORE THAN 10% OF THE SHARES

☐ Applicable ☒ Not Applicable

VII. EXPLANATION OF RESTRICTIONS ON REDUCTION OF HOLDING OF SHARES/ DEPOSITARY RECEIPTS

☐ Applicable ☒ Not Applicable

VIII. IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

☒ Applicable ☐ Not Applicable

During the reporting period and up to 20 February 2025, the Company repurchased a total of 46,897,200 H Shares with a nominal value of RMB1 each on the Hong Kong Stock Exchange in the H share capital of the Company, at a total consideration of HK\$1,384,098,358.21 (excluding transaction expenses). Details 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
December 2024	9,220,100	32.5	29.85	285,712,624.46
January 2025	12,351,200	32.6	29.05	371,044,003.86
February 2025	20,629,100	32.2	28.8	628,782,940.65

H Shares repurchased by the Company in January 2024 were cancelled on 16 April 2024; 4,887,300 H Shares repurchased during the period from 12 December 2024 to 16 December 2024 were cancelled on 19 December 2024; and the other 37,313,100 H Shares repurchased were cancelled on 26 February 2025.

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities during the reporting period and up to the date of this report.

Given that the repurchase of H Shares will improve net asset value per share and earnings per share of the Group and thus benefit the shareholders as a whole, shareholders approved a general mandate at the Company's annual general meeting, the A Share class meeting and H Share class meeting held on 27 June 2023 and 27 June 2024, respectively, pursuant to which the Directors repurchased the H Shares.



KPMG Huazhen ShenZi No.2508398

The Shareholders of Zhuzhou CRRC Times Electric Co., Ltd.:

I. OPINION

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

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

II. BASIS FOR OPINION

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

III. KEY AUDIT MATTERS

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

III. KEY AUDIT MATTERS (continued)

Measurement of expected credit losses from accounts receivable and contract assets

Please refer to the accounting policy described in Note 11 under “V. Significant accounting policies and accounting estimates”, as well as Note 4, 5 and 21 under “VII. Notes of consolidated financial statements”.

The key audit matter

As shown in as well as Note 4, 5 and 21 under “VII. Notes of consolidated financial statements”, as at 31 December 2024, the Group’s carrying amounts of accounts receivable and contract assets (including those under “Other non-current assets”) were RMB12,433,265,625 and RMB2,016,394,643 respectively, and the provisions for credit losses from them were RMB820,880,052 and RMB115,521,899 respectively.

The Group uses the expected credit loss model to recognise the provisions for expected credit loss, and the provisions for losses from accounts receivables and contract assets are always measured at an amount equal to lifetime ECLs. The measurement of expected credit loss involves significant management judgments and assumptions, including an assessment of expected credit risk based on a combination of credit risk characteristics and expected credit loss rate over the expected lifetime.

Because the determination of the provision for bad and doubtful debts of accounts receivable and contract assets involves significant management judgment and inherent uncertainty, we identified the measurement of expected credit losses on accounts receivable and contract assets as a key audit matter in the consolidated financial statements.

How the matter was addressed in our audit

Our audit procedures related to accounts receivable and contract assets include the following:

- Understanding the key internal controls over financial reporting related to credit risk control, recovery of funds and estimate of expected credit loss, and evaluating their design and operating effectiveness;
- Evaluating the Group’s accounting policy for estimating the provision for bad and doubtful debts in accordance with the requirements of the relevant accounting standards;
- Selecting testing items from the ageing analysis report on bills receivable, accounts receivable and contract assets and reconciling them to relevant supporting documents to evaluate the accuracy of the ageing interval classification in the ageing analysis report on accounts receivable;
- Understanding the key parameters and assumptions used in management’s expected credit loss model, including the basis for management’s grouping of receivables based on the client’s common credit risk characteristics, and historical credit loss data included in management’s expected credit loss ratio;
- Evaluating the appropriateness of management’s expected credit loss estimates by examining the information used by management to make accounting estimates, including testing the accuracy of historical credit loss data, evaluating whether historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information;
- Performing recalculation of provisions for bad and doubtful debts as at 31 December 2024 based on the Group’s accounting policy on provisions for credit loss.

III. KEY AUDIT MATTERS (continued)

Revenue recognition

Refer to the accounting policies set out in the notes to the financial statements "V. Significant accounting policies and accounting estimates" 33 and "VII. Notes to the consolidated financial statements" 44.

The Key Audit Matter

The operating income of Zhuzhou CRRC Times Electric in 2024 was RMB24,908,937,548. The types of revenue mainly include revenue from sales of goods and materials and revenue from maintenance services.

Zhuzhou CRRC Times Electric recognises revenue from sales when the customer obtains control of relevant goods or services. Revenue from the sales of goods and materials is recognised when the goods are signed off or accepted; revenue from maintenance services is recognised when maintenance services are completed.

Revenue was one of the key performance indicators of Zhuzhou CRRC Times Electric. For revenue from sales of goods and materials and revenue from maintenance services, there was a risk that management had recognised revenue in advance or at a later date in order to achieve specific goals or expectations. Therefore, we identified revenue recognition as a key audit matter.

How the matter was addressed in our audit

Our audit procedures to evaluate revenue recognition included the following:

- Understanding and evaluating the design and operation effectiveness of key internal controls over financial reporting related to revenue recognition;
- Selecting the sales contract, checking the terms related to the transfer of control, and evaluate whether Zhuzhou CRRC Times Electric's accounting policies for revenue recognition meet the relevant requirements of the Accounting Standards for Business Enterprises;
- Selecting the revenue from sales of products and materials and revenue from maintenance services recorded during the year, checking the sales contract, receipt, acceptance and delivery lists, invoice and other supporting documents, to evaluate whether the relevant revenue is recognised according to the revenue recognition accounting policy of Zhuzhou CRRC Times Electric;
- Selecting revenue transactions approaching the balance sheet date, checking the sales contract, receipt, acceptance and delivery lists and other supporting documents, and evaluate whether the relevant revenue is recorded in the appropriate accounting period;
- Reviewing the revenue accounting records after the balance sheet date to identify whether there are significant sales returns, and if so, check the relevant supporting documents such as sales contracts, receipts, acceptance and delivery lists, etc., to evaluate whether the relevant revenue is recorded in the appropriate accounting period;
- Selecting revenue accounting entries that meet specific risk criteria during the year and checking related supporting documents.



Auditor's Report

IV. OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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



Auditor's Report

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

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

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

KPMG Huazhen LLP

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

Lin Ying (Engagement Partner)

Lei Jiang

Beijing, China

28 March 2025

Consolidated Balance Sheet



31 December 2024
Unit: Yuan Currency: RMB

Item	Note	31 December 2024	31 December 2023
Current assets:			
Cash and bank balances	VII.1	10,652,179,214	7,907,280,965
Held-for-trading financial assets	VII.2	3,533,861,455	4,776,392,878
Bills receivable	VII.3	3,224,588,596	2,393,066,611
Accounts receivable	VII.4	11,612,385,573	9,719,048,861
Trade receivables financing	VII.6	3,821,703,358	4,535,584,981
Prepayments	VII.7	581,863,392	749,547,333
Other receivables	VII.8	247,407,254	243,572,782
Including: Interest receivable		—	—
Dividends receivable		—	—
Inventories	VII.9	7,063,580,028	5,535,699,470
Contract assets	VII.5	995,492,991	389,649,694
Non-current assets due within one year	VII.10	2,628,347,569	1,100,449,970
Other current assets	VII.11	2,071,940,937	415,617,535
Total current assets		46,433,350,367	37,765,911,080
Non-current assets:			
Long-term receivables		1,969,712	3,547,297
Long-term equity investments	VII.12	572,444,420	533,411,204
Other equity instrument investments	VII.13	266,823,520	233,249,992
Fixed assets	VII.14	8,594,961,720	5,297,085,100
Construction in progress	VII.15	2,312,618,688	1,269,716,197
Right-of-use assets	VII.16	279,746,716	281,434,472
Intangible assets	VII.17	1,390,860,997	1,401,027,354
Development expenditure	VIII.2	254,424,273	275,456,352
Goodwill	VII.18	230,971,288	231,444,095
Long-term prepaid expenses	VII.19	17,940,557	28,694,796
Deferred tax assets	VII.20	932,379,026	854,774,053
Other non-current assets	VII.21	3,513,755,035	5,603,035,064
Total non-current assets		18,368,895,952	16,012,875,976
Total assets		64,802,246,319	53,778,787,056



Consolidated Balance Sheet

31 December 2024

Unit: Yuan Currency: RMB

Item	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term loans	VII.23	39,010,667	414,922,553
Bills payable	VII.24	5,816,830,991	3,987,430,534
Accounts payable	VII.25	8,289,622,832	6,336,312,525
Contract liabilities	VII.26	1,333,540,452	744,696,858
Employee benefits payable	VII.27	226,286,846	205,101,241
Taxes payable	VII.28	244,575,367	218,340,410
Other payables	VII.29	1,869,975,564	1,173,512,094
Including: Interest payable		—	—
Dividends payable		—	—
Non-current liabilities due within one year	VII.30	743,193,133	497,130,061
Other current liabilities	VII.31	166,486,362	92,453,353
Total current liabilities		18,729,522,214	13,669,899,629
Non-current liabilities:			
Long-term loans	VII.32	62,004,100	631,943,386
Lease liabilities	VII.33	187,969,883	197,058,403
Long-term payables	VII.34	72,823	5,096,031
Provisions	VII.35	611,111,883	604,795,999
Deferred income	VII.36	420,037,069	777,841,769
Deferred tax liabilities	VII.20	25,014,291	37,998,740
Other non-current liabilities		4,096,248	5,447,898
Total non-current liabilities		1,310,306,297	2,260,182,226
Total liabilities		20,039,828,511	15,930,081,855

Consolidated Balance Sheet



31 December 2024
Unit: Yuan Currency: RMB

Item	Note	31 December 2024	31 December 2023
Owners' (Shareholders') equity:			
Paid-in capital (or share capital)	VII.37	1,406,652,812	1,416,236,912
Capital reserve	VII.38	12,730,965,320	10,717,002,844
Less: Treasury shares	VII.39	-124,242,646	—
Other comprehensive income	VII.40	-240,610,284	-256,055,066
Special reserve	VII.41	120,842,834	88,379,349
Surplus reserve	VII.42	3,530,286,607	3,153,659,247
Retained earnings	VII.43	24,103,864,879	21,878,907,612
Total equity attributable to owners (shareholders) of the parent company		41,527,759,522	36,998,130,898
Non-controlling interests		3,234,658,286	850,574,303
Total owners' (shareholders') equity		44,762,417,808	37,848,705,201
Total liabilities and (owners') shareholders' equity		64,802,246,319	53,778,787,056

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng



The Company's Balance Sheet

31 December 2024

Unit: Yuan Currency: RMB

Item	Note	31 December 2024	31 December 2023
Current assets:			
Cash and bank balances		8,470,104,006	4,423,518,111
Held-for-trading financial assets		3,473,771,845	4,454,436,527
Bills receivable		2,645,663,578	2,059,380,413
Accounts receivable	XIX.1	8,563,286,997	7,532,037,356
Trade receivables financing		2,921,822,325	3,277,573,192
Prepayments		190,756,407	275,775,265
Other receivables	XIX.2	882,837,150	1,028,279,958
Including: Interest receivable		—	—
Dividends receivable		—	284,000,000
Inventories		4,024,160,946	3,068,975,784
Contract assets		466,080,113	124,703,793
Non-current assets due within one year		2,628,347,569	1,100,449,970
Other current assets		1,278,173,950	44,283,789
Total current assets		35,545,004,886	27,389,414,158
Non-current assets:			
Long-term receivables		1,329,743,444	1,253,525,113
Long-term equity investments	XIX.3	11,341,834,640	10,796,562,546
Other equity instrument investments		266,823,520	233,249,992
Fixed assets		2,087,626,866	1,393,005,563
Construction in progress		684,396,457	573,086,412
Right-of-use assets		91,801,720	93,791,140
Intangible assets		459,502,229	408,173,892
Development expenditures		32,863,369	135,118,519
Long-term prepaid expenses		5,111,851	6,391,977
Deferred tax assets		293,267,024	257,890,582
Other non-current assets		2,233,721,166	4,256,214,288
Total non-current assets		18,826,692,286	19,407,010,024
Total assets		54,371,697,172	46,796,424,182

The Company's Balance Sheet



31 December 2024
Unit: Yuan Currency: RMB

Item	Note	31 December 2024	31 December 2023
Current liabilities:			
Short-term loans		—	—
Held-for-trading financial liabilities		—	—
Bills payable		3,023,993,229	2,182,140,764
Trade payables		6,012,400,054	5,655,020,945
Contract liabilities		864,767,371	483,619,598
Employee benefits payable		87,677,417	76,493,167
Taxes payable		34,528,880	56,442,730
Other payables		4,842,715,832	1,261,756,013
Including: Interest payable		—	—
Dividends payable		—	—
Non-current liabilities due within one year		532,623,213	231,786,175
Other current liabilities		112,479,648	62,673,026
Total current liabilities		15,511,185,644	10,009,932,418
Non-current liabilities:			
Long-term loans		62,004,100	71,060,100
Lease liabilities		59,233,071	66,610,247
Long-term payables		72,823	5,096,031
Provisions		368,805,560	392,892,305
Deferred income		99,830,525	237,845,229
Deferred tax liabilities		—	—
Other non-current liabilities		4,096,248	5,447,898
Total non-current liabilities		594,042,327	778,951,810
Total liabilities		16,105,227,971	10,788,884,228
Owners' (Shareholders') equity:			
Paid-in capital (or share capital)		1,406,652,812	1,416,236,912
Capital reserve		10,288,610,687	10,579,503,575
Less: Treasury shares		-124,242,646	—
Other comprehensive income		-43,839,228	-59,394,839
Special reserve		23,032,517	20,211,566
Surplus reserve		3,530,286,607	3,153,659,247
Retained earnings		23,185,968,452	20,897,323,493
Total owners' (shareholders') equity		38,266,469,201	36,007,539,954
Total liabilities and (owners') shareholders' equity		54,371,697,172	46,796,424,182

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng



Consolidated Income Statement

From January to December 2024

Unit: Yuan Currency: RMB

Item	Note	From January to December 2024	From January to December 2023
I. Total operating income	VII.44	24,908,937,548	21,962,105,911
Including: Operating income		24,908,937,548	21,962,105,911
II. Total operating costs		21,248,316,414	19,163,254,119
Including: Operating costs	VII.44	16,818,295,341	15,679,772,110
Taxes and surcharges	VII.45	161,453,637	122,638,826
Selling expenses	VII.46	589,179,188	490,653,649
Administrative expenses	VII.47	1,168,944,671	1,065,949,593
Research and development expenses	VII.48	2,656,671,063	2,062,404,741
Financial expenses	VII.49	-146,227,486	-258,164,800
Including: Interest expenses		39,387,935	47,354,497
Interest income		285,069,804	260,284,085
Add: Other income	VII.50	925,718,560	661,174,414
Investment income ("-" for losses)	VII.51	28,298,447	57,177,847
Including: Gains from investments in associates and joint ventures ("-" for losses)		-4,280,864	-942,806
Gains from derecognition of financial assets measured at amortised cost		-1,468,401	—
Gains from changes in fair value ("-" for losses)	VII.52	43,848,229	74,602,203
Credit losses ("-" for losses)	VII.53	-307,061,034	-260,195,554
Impairment losses ("-" for losses)	VII.54	-88,368,856	-81,938,139
Gains from asset disposals ("-" for losses)	VII.55	22,949,946	2,778,146
III. Operating profit ("-" for loss)		4,286,006,426	3,252,450,709
Add: Non-operating income	VII.56	47,860,241	43,291,051
Less: Non-operating expenses	VII.57	17,272,734	1,093,984
IV. Profit before income tax ("-" for losses)		4,316,593,933	3,294,647,776
Less: Income tax expenses	VII.58	367,838,088	209,497,353

Consolidated Income Statement



From January to December 2024
Unit: Yuan Currency: RMB

Item	Note	From January to December 2024	From January to December 2023
V. Net profit for the year ("-" for losses)		3,948,755,845	3,085,150,423
(I) Net profit classified by continuity of operations ("-" for net loss):			
1. Net profit from continuing operations ("-" for net loss)		3,948,755,845	3,085,150,423
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)		3,702,585,914	3,040,760,113
2. Net profit attributable to non-controlling interests ("-" for net losses)		<u>246,169,931</u>	<u>44,390,310</u>
VI. Other comprehensive income, net of tax	VII.40	16,609,831	-38,762,923
(I) Other comprehensive income attributable to shareholders of the Company, net of income tax		15,444,782	-38,765,812
1. Items that will not reclassified to profit or loss		<u>—</u>	<u>—</u>
2. Items that may be reclassified profit or loss		15,444,782	-38,765,812
(1) Changes in fair value of other debt investments		22,918,453	-6,584,015
(2) Translation differences arising from translation of foreign currency financial statements		-7,473,671	-32,181,797
(II) Other comprehensive income (net of tax) attributable to non-controlling interests		<u>1,165,049</u>	<u>2,889</u>
VII. Total comprehensive income		<u>3,965,365,676</u>	<u>3,046,387,500</u>
(I) Total comprehensive income attributable to shareholders of the Company		<u>3,718,030,696</u>	<u>3,001,994,301</u>
(II) Total comprehensive income attributable to non-controlling interests		<u>247,334,980</u>	<u>44,393,199</u>
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	XX.2	2.62	2.15
(II) Diluted earnings per share (RMB/share)	XX.2	<u>2.62</u>	<u>2.15</u>

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-95,649,424. The net profit in the previous period was RMB-64,943,537.

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng



The Company's Income Statement

From January to December 2024

Unit: Yuan Currency: RMB

Item	Note	From January to December 2024	From January to December 2023
I. Operating income	XIX.4	12,823,617,992	15,109,281,380
Less: Operating costs	XIX.4	9,862,550,812	12,786,090,734
Taxes and surcharges		61,282,402	45,785,392
Selling expenses		290,722,017	235,862,465
Administrative expenses		550,468,887	484,934,740
Research and development expenses		1,113,528,702	963,610,924
Financial expenses		-152,158,407	-219,089,991
Including: Interest expenses		36,406,451	26,395,876
Interest income		-226,589,460	-227,459,016
Add: Other income		287,129,692	145,759,114
Investment income ("-" for losses)	XIX.5	2,687,341,448	1,421,247,226
Including: Gains from investments in associates and joint ventures		7,193,764	8,762,223
Gains from derecognition of financial assets measured at amortised cost		-1,468,401	—
Gains from changes in fair value ("-" for losses)		42,251,191	70,721,951
Credit losses ("-" for losses)		-190,182,315	-223,205,391
Impairment losses ("-" for losses)		-17,348,386	-33,608,587
Gains from disposal of assets ("-" for losses)		856,027	149,665,711
II. Operating profit ("-" for loss)		3,907,271,236	2,342,667,140
Add: Non-operating income		17,054,193	28,439,554
Less: Non-operating expenses		9,052,010	10,525
III. Profit before income tax ("-" for loss)		3,915,273,419	2,371,096,169
Less: Income tax expenses		148,999,815	44,893,499
IV. Net profit for the year ("-" for net loss)		3,766,273,604	2,326,202,670
(I) Net profit from continuing operations ("-" for net loss)		3,766,273,604	2,326,202,670
(II) Net profit from discontinued operations ("-" for net loss)		—	—
V. Other comprehensive income, net of tax		15,555,611	-2,502,233
(I) Items that will not be reclassified to profit or loss		—	—
(II) Items that may be reclassified to profit or loss		15,555,611	-2,502,233
1. Changes in fair value of other debt investments		19,104,919	-3,749,304
2. Translation differences arising from translation of foreign currency financial statements		-3,549,308	1,247,071
VI. Total comprehensive income for the year		3,781,829,215	2,323,700,437

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Consolidated Cash Flow Statement



From January to December 2024
Unit: Yuan Currency: RMB

Item	Note	From January to December 2024	From January to December 2023
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		21,351,420,034	21,154,647,059
Receipts of tax refunds		395,257,575	518,114,122
Other cash receipts relating to operating activities	VII.59	839,784,440	761,636,490
Sub-total of cash inflows from operating activities		22,586,462,049	22,434,397,671
Cash payments for goods purchased and services received		12,171,801,154	13,501,564,420
Cash payments to and on behalf of employees		3,181,274,474	2,799,496,178
Payment of various taxes		1,828,552,588	1,731,145,102
Payment for other operating activities	VII.59	2,043,712,918	1,634,611,827
Sub-total of cash outflows from operating activities		19,225,341,134	19,666,817,527
Net cash inflow from operating activities	VII.60	3,361,120,915	2,767,580,144
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		17,125,529,310	16,660,000,000
Cash receipts from investment income		236,199,445	199,002,425
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		31,377,030	7,663,271
Cash received related to other investing activities		—	12,341,795
Sub-total of cash inflows from investing activities		17,393,105,785	16,879,007,491
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		3,450,534,468	2,982,647,673
Cash paid for investments		17,142,178,286	16,175,076,467
Other cash payments relating to investing activities		—	—
Sub-total of cash outflows from investing activities		20,592,712,754	19,157,724,140
Net cash outflow from investing activities		-3,199,606,969	-2,278,716,649



Consolidated Cash Flow Statement

From January to December 2024

Unit: Yuan Currency: RMB

Item	Note	From January to December 2024	From January to December 2023
III. Cash flows from financing activities:			
Cash receipts from capital contributions		4,542,954,269	49,900,000
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		4,542,954,269	49,900,000
Cash receipts from borrowings		319,000,000	838,090,483
Other cash receipts relating to financing activities		1,577,585	1,307,302
Sub-total of cash inflows from financing activities		4,863,531,854	889,297,785
Cash repayments of borrowings		1,344,118,434	479,838,338
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,192,340,033	841,710,242
Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries		65,069,164	32,374,319
Other cash payments relating to financing activities		1,870,825,141	138,821,083
Sub-total of cash outflows from financing activities		4,407,283,608	1,460,369,663
Net cash outflow from financing activities		456,248,246	-571,071,878
IV. Effect of foreign exchange rate changes on cash and cash equivalents		6,268,047	18,505,341
V. Net increase in cash and cash equivalents		624,030,239	-63,703,042
Add: Opening balance of cash and cash equivalents		7,013,542,578	7,077,245,620
VI. Closing balance of cash and cash equivalents		7,637,572,817	7,013,542,578

Legal representative:

Li Donglin

Chief Financial Officer:

Sun Shan

Head of Accounting Department:

Yuan Feng

The Company's Cash Flow Statement



From January to December 2024
Unit: Yuan Currency: RMB

Item	Note	From January to December 2024	From January to December 2023
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		10,251,711,617	13,129,898,331
Receipts of tax refunds		123,884,720	308,495,968
Other cash receipts relating to operating activities		180,121,729	155,447,114
Sub-total of cash inflows from operating activities		10,555,718,066	13,593,841,413
Cash payments for goods purchased and services received		6,618,321,135	9,785,649,948
Cash payments to and on behalf of employees		1,325,370,675	1,249,106,959
Payment of various taxes		896,278,690	681,028,062
Payment for other operating activities		1,511,772,396	880,830,574
Sub-total of cash outflows from operating activities		10,351,742,896	12,596,615,543
Net cash outflow from operating activities		203,975,170	997,225,870
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		13,593,300,000	14,870,643,058
Cash receipts from investment income		2,058,277,782	1,545,035,989
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		3,530,092	8,122,722
Net cash received for disposing of subsidiaries and other business units		—	1,632,812
Sub-total of cash inflows from investing activities		15,655,107,874	16,425,434,581
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		420,730,700	976,997,950
Cash payments to acquire investments		13,841,895,557	15,491,502,871
Other cash payments relating to financing activities		—	—
Sub-total of cash outflows from investing activities		14,262,626,257	16,468,500,821
Net cash outflow from investing activities		1,392,481,617	-43,066,240



The Company's Cash Flow Statement

From January to December 2024
Unit: Yuan Currency: RMB

Item	Note	From January to December 2024	From January to December 2023
III. Cash flows from financing activities:			
Cash receipts from capital contributions		—	—
Cash receipts from borrowings		—	3,456,100
Cash received related to other financing activities		<u>4,859,000,000</u>	—
Sub-total of cash inflows from financing activities		<u>4,859,000,000</u>	<u>3,456,100</u>
Cash repayments of borrowings		5,056,000	5,027,194
Cash payments for distribution of dividends or profits or settlement of interest expenses		1,160,407,359	799,536,480
Other cash payments relating to financing activities		<u>2,941,304,769</u>	<u>82,187,005</u>
Sub-total of cash outflows from financing activities		<u>4,106,768,128</u>	<u>886,750,679</u>
Net cash outflow from financing activities		<u>752,231,872</u>	<u>-883,294,579</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>7,527,642</u>	<u>7,324,119</u>
V. Net increase in cash and cash equivalents		<u>2,356,216,301</u>	<u>78,189,170</u>
Add: Opening balance of cash and cash equivalents		<u>3,591,952,115</u>	<u>3,513,762,945</u>
VI. Closing balance of cash and cash equivalents		<u>5,948,168,416</u>	<u>3,591,952,115</u>

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Consolidated Statement of Changes in Owners' Equity



From January to December 2024
Unit: Yuan Currency: RMB

Item	From January to December 2024									
	Equity attributable to owners of the Company								Non-controlling interests	Total
	Paid-in capital (or share capital)	Capital reserve	Less: Treasury shares	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
Business combinations under common control	-	205,554,480	-	-423,716	2,357,039	-	-75,313,484	132,174,319	-	132,174,319
II. Opening balance of the current year	1,416,236,912	10,717,002,844	-	-256,055,066	88,379,349	3,153,659,247	21,878,907,612	36,998,130,898	850,574,303	37,848,705,201
III. Changes in equity during the period ("-" for decreases)	-9,584,100	2,013,962,476	-124,242,646	15,444,782	32,463,485	376,627,360	2,224,957,267	4,529,628,624	2,384,083,983	6,913,712,607
(I) Total comprehensive income	-	-	-	15,444,782	-	-	3,702,585,914	3,718,030,696	247,334,980	3,965,365,676
(II) Owners' contributions and reduction in capital	-9,584,100	2,013,962,476	-124,242,646	-	-	-	-	1,880,135,730	2,197,064,036	4,077,199,766
1. Capital contribution from owners	-	2,341,739,814	-	-	-	-	-	2,341,739,814	2,197,064,036	4,538,803,850
2. Business combinations under common control	-	-106,925,028	-	-	-	-	-	-106,925,028	-	-106,925,028
3. Repurchase of treasury shares	-	-	-354,679,056	-	-	-	-	-354,679,056	-	-354,679,056
4. Cancellation of treasury shares	-9,584,100	-220,852,310	230,436,410	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	376,627,360	-1,477,628,647	-1,101,001,287	-65,069,164	-1,166,070,451
1. Appropriation for surplus reserve	-	-	-	-	-	376,627,360	-376,627,360	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-1,101,001,287	-1,101,001,287	-65,069,164	-1,166,070,451
(IV) Special reserve	-	-	-	-	32,463,485	-	-	32,463,485	4,754,131	37,217,616
1. Transfer to special reserve in the period	-	-	-	-	56,519,336	-	-	56,519,336	6,246,237	62,765,573
2. Amount utilised in the period	-	-	-	-	-24,055,851	-	-	-24,055,851	-1,492,106	-25,547,957
(V) Other	-	-	-	-	-	-	-	-	-	-
IV. Closing balance of the current period	1,406,652,812	12,730,965,320	-124,242,646	-240,610,284	120,842,834	3,530,286,607	24,103,864,879	41,527,759,522	3,234,658,286	44,762,417,808

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng



Consolidated Statement of Changes in Owners' Equity

From January to December 2023

Unit: Yuan Currency: RMB

Item	From January to December 2023									
	Equity attributable to owners of the Company								Non-controlling interests	Total
	Paid-in capital (or share capital)	Capital reserve	Less: Treasury shares	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
Business combinations under common control	—	205,554,480	—	-105,222	1,228,294	—	-10,369,952	196,307,600		196,307,600
II. Opening balance of the current year	1,416,236,912	10,717,002,844	—	-217,289,254	40,320,053	2,921,038,979	19,849,698,069	34,727,007,603	765,031,179	35,492,038,782
III. Changes in equity during the period ("—" for decreases)	—	—	—	-38,765,812	48,059,296	232,620,268	2,029,209,543	2,271,123,295	85,543,124	2,356,666,419
(I) Total comprehensive income	—	—	—	-38,765,812	—	—	3,040,760,113	3,001,994,301	44,393,199	3,046,387,500
(II) Owners' contributions and reduction in capital	—	—	—	—	—	—	—	—	66,989,548	66,989,548
1. Capital contribution from owners	—	—	—	—	—	—	—	—	66,989,548	66,989,548
2. Others	—	—	—	—	—	—	—	—	—	—
(III) Appropriation of profits	—	—	—	—	—	232,620,268	-1,011,550,570	-778,930,302	-30,659,319	-809,589,621
1. Appropriation for surplus reserve	—	—	—	—	—	232,620,268	-232,620,268	—	—	—
2. Distributions to owners (or shareholders)	—	—	—	—	—	—	-778,930,302	-778,930,302	-30,659,319	-809,589,621
(IV) Special reserve	—	—	—	—	48,059,296	—	—	48,059,296	4,819,696	52,878,992
1. Transfer to special reserve in the period	—	—	—	—	75,910,347	—	—	75,910,347	5,660,289	81,570,636
2. Amount utilised in the period	—	—	—	—	-27,851,051	—	—	-27,851,051	-840,593	-28,691,644
(V) Other	—	—	—	—	—	—	—	—	—	—
IV. Closing balance of the current period	1,416,236,912	10,717,002,844	—	-256,055,066	88,379,349	3,153,659,247	21,878,907,612	36,998,130,898	850,574,303	37,848,705,201

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

The Company's Statement of Changes in Owners' Equity



From January to December 2024
Unit: Yuan Currency: RMB

Item	From January to to December 2024							
	Paid-in capital (or share capital)	Capital reserve	Less: Treasury shares	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)	-9,584,100	-290,892,888	-124,242,646	15,555,611	2,820,951	376,627,360	2,288,644,959	2,258,929,247
(I) Total comprehensive income				15,555,611			3,766,273,604	3,781,829,215
(II) Owners' contributions and reduction in capital	-9,584,100	-290,892,888	-124,242,646	-	-	-	-	-424,719,634
1. Repurchase of treasury shares			-354,679,056					-354,679,056
2. Cancellation of treasury shares	-9,584,100	-220,852,310	230,436,410					-
3. Others		-70,040,578						-70,040,578
(III) Appropriation of profits	-	-	-	-	-	376,627,360	-1,477,628,645	-1,101,001,285
1. Appropriation for surplus reserve	-	-	-	-		376,627,360	-376,627,360	-
2. Distributions to owners (or shareholders)	-	-	-	-			-1,101,001,285	-1,101,001,285
(IV) Special reserve	-	-	-	-	2,820,951	-	-	2,820,951
1. Transfer to special reserve in the period					15,974,465			15,974,465
2. Amount utilised in the period					13,153,514			13,153,514
(V) Other								
IV. Closing balance of the current period	1,406,652,812	10,288,610,687	-124,242,646	-43,839,228	23,032,517	3,530,286,607	23,185,968,452	38,266,469,201

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng



The Company's Statement of Changes in Owners' Equity

From January to December 2023

Unit: Yuan Currency: RMB

Item	From January to December 2023							
	Paid-in capital (or share capital)	Capital reserve	Less: Treasury shares	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	-	-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)	-	-	-	-2,502,233	15,037,053	232,620,268	1,314,652,100	1,559,807,188
(I) Total comprehensive income	-	-	-	-2,502,233	-	-	2,326,202,670	2,323,700,437
(II) Appropriation of profits	-	-	-	-	-	232,620,268	-1,011,550,570	-778,930,302
1. Appropriation for surplus reserve	-	-	-	-	-	232,620,268	-232,620,268	-
2. Distributions to owners (or shareholders)	-	-	-	-	-	-	-778,930,302	-778,930,302
(III) Special reserve	-	-	-	-	15,037,053	-	-	15,037,053
1. Transfer to special reserve in the period	-	-	-	-	29,216,789	-	-	29,216,789
2. Amount utilised in the period	-	-	-	-	14,179,736	-	-	14,179,736
IV. Closing balance of the current period	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

Legal representative:
Li Donglin

Chief Financial Officer:
Sun Shan

Head of Accounting Department:
Yuan Feng

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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.

In 2024, the Company conducted a series of repurchases of H Shares on the Stock Exchange of Hong Kong. As at 31 December 2024, the Company had repurchased a total of 13,916,900 H Shares, of which 9,584,100 H Shares have been cancelled.

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

III. BASIC INFORMATION ABOUT THE COMPANY (continued)

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 28 March 2025.

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".

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 31 December 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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

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

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.

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:

✓ Applicable ☐ Not applicable

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 31 December 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 31 December 2024.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

2. Accounting period

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

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 trade receivable allowances assessed 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 accounts for more than or equal to 1% of the net assets attributable to the parent company in the consolidated statements
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 aging of more than one year	Amount over or equal to RMB20 million
Significant contract liabilities with aging of more than one year	Amount over or equal to RMB10 million
Significant other payables with aging of more than one year	Amount over or equal to RMB10 million

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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.

The assets acquired and liabilities assumed from business combination under common control are measured based on their carrying amounts of the acquiree at the combination date. The difference between the share of carrying amount of the net assets acquired by the acquirer and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially.

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

After considering the effects of relevant deferred tax, for the difference that the combination cost is larger than the portion of fair value of net identifiable assets of acquiree acquired in combination, it is recognised as goodwill as an asset, and initially measured at cost. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current year.

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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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.

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

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.

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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

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.

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

(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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

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

(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.

(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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

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.

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.

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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)

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.

(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 classifies financial instruments into different groups based on common risk characteristics. Shared credit risk characteristics include type of financial instruments, type of debtors, industry of debtors, initial recognition date, and contract collection term etc.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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)

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

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.

(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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(2) Impairment of financial instruments (continued)

(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.

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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

(3) Transfer of financial assets (continued)

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.

(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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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)

(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.

(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. The issuance of equity instruments is recognised at the actual issue price in shareholders' equity, relevant transaction costs are deducted from shareholders' equity (capital reserve), with any excess deducted from surplus reserve and retained earnings sequentially. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

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

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Financial instruments (continued)

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

(c) Equity instruments (continued)

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

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

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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, finished goods and turnover materials. Inventories are initially measured at cost; in addition to the purchase cost of raw materials, work in progress and finished goods include direct labour costs and an appropriate allocation of production overheads based on normal capacity.

(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.

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Assets classified as held-for-sale

☒ Applicable ☐ Not applicable

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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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 the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially. 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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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 Machinery and equipment	Constructions were completed and came into use. 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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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	Useful life (Years)	Residual value rate (%)
Land use rights	Straight-line method	40-50	—
Software licenses	Straight-line method	3-10	—
Patents, licenses and technical know-how	Straight-line method	5-10	—
Trademarks	Straight-line method	20	—
Backlog orders and service contracts	Straight-line method	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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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.

(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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Lease

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.

✓ Applicable ☐ Not applicable

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

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. 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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. 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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Leases (continued)

(3) Lease liabilities (continued)

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.

(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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Leases (continued)

(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.28 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.

(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.

32. 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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

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

(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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

32. 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.

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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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 V.11, 19 and 24 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;

36. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

✓ Applicable ☐ Not applicable

Additional notes

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

(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.

(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 31 December 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	1,460,079,818	1,155,697,677
Selling and distribution expenses	-1,460,079,818	-1,155,697,677

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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)

(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	14,580,169,741	1,099,602,369	15,679,772,110
Selling and distribution expenses	1,590,256,018	-1,099,602,369	490,653,649

	Before adjustments	The Company The amounts of adjustments	After adjustments
--	-----------------------	--	----------------------

Operating costs	11,928,685,615	857,405,119	12,786,090,734
Selling and distribution expenses	1,093,267,584	-857,405,119	235,862,465

(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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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%
Education surcharges	VAT actually paid	3%
Local education surcharges	VAT actually paid	2%
Enterprise income tax	Taxable income	25%

Tax payers with different income tax rates, the disclosure description

✓ Applicable ☐ Not applicable

The statutory corporate income tax rate of the company and its domestic subsidiaries is 25%, and the preferential tax rates enjoyed are detailed in below 2, Tax incentive (2) Enterprise income tax. The income tax rates applicable to the company's major overseas subsidiaries are detailed in the table below.

Name of taxpayer	Income tax rate (%)
Specialist Machine Developments Limited ("SMD")	25.00
Dynex Power Inc. ("Canada Dynex")	26.50

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%.

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

VI. TAXATION (continued)

2. Tax incentive (continued)

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

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") and Hunan CRRC Commercial Vehicle Power Technology Co., Ltd. ("CRRC Commercial Vehicle Power Technology") 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.

(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 2020 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. CRRC Commercial Vehicle Power Technology and Hunan CRRC Times E-Drive Technology Co., Ltd. ("Hunan CRRC Electric Drive") obtained high-tech enterprise certificates approved by the tax authority in November and December 2024 respectively, and are subject to corporate income tax rate of 15% from 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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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.

3. Others

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	15,907	26,441
Bank deposits	6,694,340,232	7,550,779,267
Other monetary funds	1,981,380,055	62,172,390
Cash deposited in the finance company	1,976,443,020	294,302,867
Total	10,652,179,214	7,907,280,965
Including: Total funds deposited overseas	1,786,736,265	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	23,008	900
Project Supervision Funds	108,128,489	—
Security deposits of the bank acceptances	483,602,182	62,171,490
Amount of securities account for share repurchase	1,389,626,376	—
Total	1,981,380,055	62,172,390



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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>1,033,226,342</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	<u>3,533,861,455</u>	4,776,392,878	/
Including:			
Structured deposits	<u>3,533,861,455</u>	<u>4,776,392,878</u>	/
Total	<u>3,533,861,455</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 31 December 2024, the yield rate per annum of structured deposits held by the Group ranges from 1.17% to 3.37% (31 December 2023: 1.05% to 5.05%).

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	148,287,792	152,860,717
Commercial acceptances	3,010,339,994	1,892,185,109
Acceptance bill of CRRC Finance Co., Ltd	69,759,641	350,619,901
Less: Provision for credit loss	3,798,831	2,599,116
Total	3,224,588,596	2,393,066,611

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

☐ Applicable ☒ Not applicable

(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 derecognised at the end of the period	Amount not derecognised at the end of the period
Bank acceptances	—	26,558,716
Commercial acceptances	—	335,491,470
Total	—	362,050,186



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Credit loss allowance		Book value	Gross carrying amount		Credit loss allowance		Book value
	Amount	Percentage (%)	Amount	Proportion of provision (%)		Amount	Percentage (%)	Amount	Proportion of provision (%)	
Provision on portfolio basis	3,228,387,427	100.00	3,798,831	0.12	3,224,588,596	2,395,665,727	100.00	2,599,116	0.11	2,393,066,611
Including:										
Commercial acceptances	3,010,339,994	93.25	3,798,831	0.13	3,006,541,163	1,892,185,109	78.98	2,599,116	0.14	1,889,585,993
Bank acceptances	148,287,792	4.59	-	-	148,287,792	152,860,717	6.38	-	-	152,860,717
Acceptance bill of CRRC Finance Co., Ltd	69,759,641	2.16	-	-	69,759,641	350,619,901	14.64	-	-	350,619,901
Total	3,228,387,427	100.00	3,798,831	0.12	3,224,588,596	2,395,665,727	100.00	2,599,116	0.11	2,393,066,611

Bank acceptances

As at 31 December 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.

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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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)

Portfolio accrual items:

2024

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance	
		Provision for credit loss	Expected average loss rate (%)
Bank acceptances	148,287,792	—	—
Acceptance bill of CRRC Finance Co., Ltd	69,759,641	—	—
Receivables from central state-owned enterprise except State Railway Group	1,658,791,132	1,658,791	0.10
Receivables from local government or local state-owned enterprise	20,250,000	202,500	1.00
Receivables from State Railway Group (Note)	1,298,321,198	1,298,321	0.10
Receivables from other customers	32,977,664	639,219	1.94
Total	3,228,387,427	3,798,831	

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

2023

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Opening balance	
		Provision for credit loss	Expected average loss rate (%)
Bank acceptances	152,860,717	—	—
Acceptance bill of CRRC Finance Co., Ltd	350,619,901	—	—
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	2,395,665,727	2,599,116	



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

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 bills receivable are measured at an amount equal to lifetime ECL.

A 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

(5) Provision for credit loss of bills receivable:

☒ Applicable ☐ Not applicable

2024

Unit: Yuan Currency: RMB

Category	Change amount in the current period					Closing balance
	Opening balance	Provision	Recoveries or reversals	Transfers out or written-off	Other changes	
Commercial acceptances	2,599,116	3,979,807	-2,180,092	-600,000	—	3,798,831
Total	2,599,116	3,979,807	-2,180,092	-600,000	—	3,798,831

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Bills receivable (continued)

(5) Provision for credit loss of bills receivable: (continued)

2023

Unit: Yuan Currency: RMB

Category	Opening balance	Change amount in the current period				Closing balance
		Provision	Recoveries or reversals	Transfers out or written-off	Other changes	
Commercial acceptances	5,371,158	349,419	-3,121,461	—	—	2,599,116
Total	5,371,158	349,419	-3,121,461	—	—	2,599,116

Significant recoveries or reversals during the period:

☐ Applicable ☒ Not applicable

Other information:

None

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

Bills receivable actually written off in the current period

☐ Applicable ☒ Not applicable

Significant write-offs of notes receivable:

☐ Applicable ☒ Not applicable

Description of notes receivable write-offs:

☐ Applicable ☒ Not applicable

Other information:

☒ Applicable ☐ Not applicable

As at 31 December 2024, bills receivable due from related parties of the Group are set out in Note XIV.6.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable

(1) Disclosed by aging

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year		
Among them: Sub-items within 1 year		
Within 6 months	9,167,231,770	7,653,596,877
6 months to 1 year	1,271,023,645	1,224,788,515
Subtotal within 1 year	10,438,255,415	8,878,385,392
1 to 2 years	1,249,736,606	802,700,245
2 to 3 years	459,066,671	363,889,755
Over 3 years	286,206,933	194,775,712
Total	12,433,265,625	10,239,751,104
Less: Provision for credit loss	820,880,052	520,702,243
Book Value	11,612,385,573	9,719,048,861

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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	206,911,652	1.66	95,735,641	46.27	111,176,011	39,459,582	0.39	39,459,582	100.00	-
Provision on portfolio basis	12,226,353,973	98.34	725,144,411	5.93	11,501,209,562	10,200,291,522	99.61	481,242,661	4.72	9,719,048,861
Including:										
Receivables from central state-owned enterprise except State Railway Group	6,042,653,357	48.60	117,308,069	1.94	5,925,345,288	4,147,789,300	40.51	89,740,449	2.16	4,058,048,851
Receivables from local government or local state-owned enterprise	2,696,354,561	21.69	491,921,167	18.24	2,204,433,394	2,857,013,042	27.90	295,955,152	10.36	2,561,057,890
Receivables from State Railway Group	1,548,375,625	12.45	7,845,274	0.51	1,540,530,351	1,198,975,833	11.71	4,370,302	0.36	1,194,605,531
Receivables from other customers	1,938,970,430	15.60	108,069,901	5.57	1,830,900,529	1,996,513,347	19.50	91,176,758	4.57	1,905,336,589
Total	12,433,265,625	100.00	820,880,052	/	11,612,385,573	10,239,751,104	100.00	520,702,243	/	9,719,048,861



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	Closing balance			
	Gross carrying amount	Provision for credit loss	Proportion of provision (%)	Reason for provision
Customer 121496	123,528,901	12,352,890	10.00	Overdue accounts receivable
Customer 124285	16,035,328	16,035,328	100.00	Low probability of recovery
Customer 122664	14,273,505	14,273,505	100.00	Low probability of recovery
Customer 123950	10,648,800	10,648,800	100.00	Low probability of recovery
Customer 112962	9,931,953	9,931,953	100.00	Low probability of recovery
Customer 122301	8,122,985	8,122,985	100.00	Low probability of recovery
Others	24,370,180	24,370,180	100.00	Low probability of recovery
Total	206,911,652	95,735,641	46.27	/

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

☐ Applicable ☒ Not applicable

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

☒ Applicable ☐ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable (continued)

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

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

Year 2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	4,896,759,000	56,511,790	1.15
6 months to 1 year	587,790,141	10,188,594	1.73
1 to 2 years	433,219,658	21,007,397	4.85
2 to 3 years	82,579,928	12,887,180	15.61
Over 3 years	42,304,630	16,713,108	39.51
Total	6,042,653,357	117,308,069	

Year 2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	3,221,257,466	41,722,374	1.30
6 months to 1 year	569,548,661	8,701,350	1.53
1 to 2 years	246,544,353	18,961,074	7.69
2 to 3 years	84,072,801	7,536,516	8.96
Over 3 years	26,366,019	12,819,135	48.62
Total	4,147,789,300	89,740,449	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable (continued)

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

Items for which the credit loss is assessed collectively:

Receivables from local government or local state-owned enterprise

Year 2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,170,720,368	118,907,175	10.16
6 months to 1 year	412,640,466	48,281,799	11.70
1 to 2 years	610,643,575	134,719,769	22.06
2 to 3 years	285,347,730	85,336,644	29.91
Over 3 years	217,002,422	104,675,780	48.24
Total	2,696,354,561	491,921,167	

Year 2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,666,027,877	105,769,575	6.35
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	2,857,013,042	295,955,152	

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable (continued)

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

Receivables from local government or local state-owned enterprise (continued)

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

Year 2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,399,680,852	5,721,113	0.41
6 months to 1 year	98,888,081	603,911	0.61
1 to 2 years	46,717,483	1,139,302	2.44
2 to 3 years	1,798,365	187,321	10.42
Over 3 years	1,290,844	193,627	15.00
Total	1,548,375,625	7,845,274	

Year 2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing 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	1,198,975,833	4,370,302	

Recognition criteria and description of accrual provision for credit loss:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable (continued)

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

Items for which the credit loss is assessed collectively:

Receivables from other customers

Year 2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,568,907,316	58,516,337	3.73
6 months to 1 year	154,375,517	11,686,681	7.57
1 to 2 years	149,935,641	22,482,779	14.99
2 to 3 years	56,808,794	12,016,138	21.15
Over 3 years	8,943,162	3,367,966	37.66
Total	1,938,970,430	108,069,901	

Year 2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Provision for credit loss	Proportion of provision (%)
Within 6 months	1,732,083,143	51,777,198	2.99
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	1,996,513,347	91,176,758	

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable (continued)

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

Receivables from other customers (continued)

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.

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Accounts receivable (continued)

(3) Provision for credit loss of accounts receivable

✓ Applicable ☐ Not applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Change amount in the current period					Others	Closing balance
		Transferred to credit-impaired losses	Provision	Recoveries or reversals	Transfers out or written-off	Differences resulting from the translation of foreign currency financial statements		
Lifetime ECL (Not credit – impaired)	249,642,184	-50,707,717	108,889,194	-	-	2,593,740	-	310,417,401
Lifetime ECL (Credit – impaired)	271,060,059	50,707,717	193,112,799	-1,624,590	-	-	-2,793,334	510,462,651
Total	520,702,243	-	302,001,993	-1,624,590	-	2,593,740	-2,793,334	820,880,052

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Change amount in the current period					Others	Closing balance
		Transferred to credit-impaired losses	Provision	Recoveries or reversals	Transfers out or written-off	Differences resulting from the translation of foreign currency financial statements		
Lifetime ECL (Not credit – impaired)	150,595,438	-20,946,844	120,020,849	-	-	-27,259	-	249,642,184
Lifetime ECL (Credit – impaired)	113,377,787	20,946,844	140,378,095	-4,232,453	-	-	589,786	271,060,059
Total	263,973,225	-	260,398,944	-4,232,453	-	-27,259	589,786	520,702,243

Significant recoveries or reversals during the current period:

☐ Applicable ✓ Not applicable

Other information:

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. 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 categorised by debtors

☒ Applicable ☐ Not applicable

2024

Unit: Yuan Currency: RMB

Name of the entity	Closing balance of accounts receivable	Closing balance of contract assets	Book value	Proportion to total accounts receivable and contract assets (%)	Closing provision for credit loss
Customer 100507	2,541,328,150	29,199,554	2,570,527,704	17.79	43,132,606
Customer 103233	339,218,890	117,878,761	457,097,651	3.16	106,759,663
Customer 124082	303,864,479	–	303,864,479	2.10	1,038,463
Customer 110081	297,302,092	–	297,302,092	2.06	1,644,330
Customer 126052	234,479,495	–	234,479,495	1.62	5,693,523
Total	<u>3,716,193,106</u>	<u>147,078,315</u>	<u>3,863,271,421</u>	<u>26.73</u>	<u>158,268,585</u>

Other information:

None

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	Closing balance			Opening balance		
	Gross carrying amount	Provision for asset loss	Book value	Gross carrying amount	Provision for asset loss	Book value
Quality guarantee funds receivable	1,742,828,286	110,479,156	1,632,349,130	1,204,947,816	52,105,799	1,152,842,017
Construction service contract assets	273,566,357	5,042,743	268,523,614	53,765,586	–	53,765,586
Less: Contract assets included in other non-current assets (Note VII. 21)	965,628,237	60,248,484	905,379,753	856,440,997	39,483,088	816,957,909
Total	1,050,766,406	55,273,415	995,492,991	402,272,405	12,622,711	389,649,694

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 amount exceeding 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.

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

5. Contract assets (continued)

(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

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

☐ Applicable ☒ Not applicable

Contract assets for which credit loss allowance is assessed 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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	49,206,388	-6,935,684	–	/
Lifetime ECL – Credit impaired	380,000	–	–	/
Total	49,586,388	-6,935,684	–	/

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

☐ Applicable ☒ Not applicable

Other information:

As at 31 December 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

Description of contract assets write-offs:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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	1,286,784,981	1,649,079,023
Trade receivable measured at fair value	2,534,918,377	2,886,505,958
Total	3,821,703,358	4,535,584,981

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

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cost	3,879,171,198	4,621,615,703
Carrying amount	3,821,703,358	4,535,584,981
Accumulated changes in fair value	-57,467,840	-86,030,722

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

☐ Applicable ✓ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Trade receivables financing (continued)

(4) 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	Amount not derecognised at the end of the period
Bank acceptances	2,322,851,876	—
Commercial acceptances	571,649,000	—
Total	2,894,500,876	—

(5) 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

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Trade receivables financing (continued)

(6) 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

(7) 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

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

☐ Applicable ☒ Not applicable

(9) Other information

☒ Applicable ☐ Not applicable

As at 31 December 2024, trade receivables financing due from related parties of the Group are set out in Note XIV.6



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	491,170,562	84.41	666,857,283	88.96
1 to 2 years	68,403,861	11.76	76,010,654	10.14
2 to 3 years	18,731,073	3.22	4,236,211	0.57
Over 3 years	3,557,896	0.61	2,443,185	0.33
Total	581,863,392	100.00	749,547,333	100.00

Description of the reasons for the delayed settlement of important prepayments with an aging of more than 1 year:

On the balance sheet date, the large amount of advance payments with an account age of more than one year are as follows:

Name of the entity	Closing balance	Ageing
Supplier 739007	15,390,129	1 to 2 years
Supplier 31	11,945,641	1 to 2 years
Total	27,335,770	/

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Prepayments (continued)

(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 800511	63,908,329	10.98
Supplier 739152	40,145,389	6.90
Supplier 739847	30,672,367	5.27
Supplier 729393	21,322,860	3.66
Supplier 718929	17,408,473	2.99
Total	173,457,418	29.80

Other information:

None

Other information

✓ Applicable ☐ Not applicable

As at 31 December 2024, prepayments made to related parties of the Group are set out in Note XIV.6.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	<u>247,407,254</u>	<u>243,572,782</u>
Total	<u>247,407,254</u>	<u>243,572,782</u>

Other information:

☒ Applicable ☐ Not applicable

As at 31 December 2024, other receivables due from related parties of the Group are set out in Note XIV.6.

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

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

Provision for bad debts 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

(4) Provision for bad debts by general model of expected credit losses

☐ 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 interest receivable for which changes in the allowance for losses occurred during the period:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Interest receivable (continued)

(5) Provision for bad debts

☐ Applicable ☒ Not applicable

Significant amount of bad debt provision recovered or reversed during the period:

☐ Applicable ☒ Not applicable

Other information:

None

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

☐ Applicable ☒ Not applicable

Significant write-offs of interest receivable:

☐ Applicable ☒ Not applicable

Description of interest receivable write-offs:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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 accrual method

☐ Applicable ☒ Not applicable

Provision for bad debts 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

(4) Provision for bad debts by general model of expected credit losses

☐ Applicable ☒ Not applicable

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

None

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

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Dividends receivable (continued)

(5) Provision for bad debts

☐ Applicable ☒ Not applicable

Significant amount of bad debt provision recovered or reversed during the period:

☐ Applicable ☒ Not applicable

Other information:

None

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

☐ Applicable ☒ Not applicable

Significant write-offs of dividends receivable:

☐ Applicable ☒ Not applicable

Description of dividends receivable write-offs:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

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	88,026,151	167,273,862
6 months to 1 year	40,987,753	11,935,624
Subtotal within 1 year	129,013,904	179,209,486
1 to 2 years	66,420,164	25,929,770
2 to 3 years	21,224,291	7,954,647
Over 3 years	46,226,307	41,072,375
Less: Credit loss allowance for other receivables	15,477,412	10,593,496
Total	247,407,254	243,572,782

(2) Other receivables categorized by nature

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deposits and guarantees	151,212,400	130,289,490
Others	111,672,266	123,876,788
Total	262,884,666	254,166,278



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

✓ Applicable ☐ Not applicable

2024

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
– Transfer to Phase 2	–	–	–	–
– Transfer to Phase 3	–	–	–	–
– Transfer back to Phase 2	–	–	–	–
– Transfer back to Phase 1	–	–	–	–
Provision	8,939,832	–	–	8,939,832
Reversal	-4,055,916	–	–	-4,055,916
Transfer out	–	–	–	–
Written-off	–	–	–	–
Other changes	–	–	–	–
Balance at 31 December 2024	15,477,412	–	–	15,477,412

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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)

2023

Unit: Yuan Currency: RMB

	Phase 1	Phase 2	Phase 3	
		Lifetime ECL	Lifetime ECL	
		– Not credit	– Credit	
Credit loss allowance	12-month ECL	impaired	impaired	Total
Balance at 1 January 2023	3,792,391	–	–	3,792,391
– Transfer to Phase 2	–	–	–	–
– Transfer to Phase 3	–	–	–	–
– Transfer back to Phase 2	–	–	–	–
– Transfer back to Phase 1	–	–	–	–
Provision	7,670,195	–	–	7,670,195
Reversal	-869,090	–	–	-869,090
Transfer out	–	–	–	–
Written-off	–	–	–	–
Other changes	–	–	–	–
Balance at 31 December 2023	<u>10,593,496</u>	<u>–</u>	<u>–</u>	<u>10,593,496</u>

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

As at 31 December 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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

Other receivables (continued)

(4) Provision for bad debts

☒ Applicable ☐ Not applicable

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	<u>10,593,496</u>	<u>8,939,832</u>	<u>-4,055,916</u>	<u>-</u>	<u>-</u>	<u>15,477,412</u>

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

Significant write-offs of other receivable:

☐ Applicable ☒ Not applicable

Description of other receivable write-offs:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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

2024

Unit: Yuan Currency: RMB

Name of the entity	Nature	Closing gross carrying value	Ageing	Proportion to total closing balance of other receivables (%)	Closing balance of provision for credit loss
Customer 129596	Others	42,408,602	Within 1 year	16.13	5,318,809
Customer 103233	Deposits and guarantees	34,084,370	1 to 2 year and over 5 years	12.97	4,274,799
Customer 15	Others	20,976,600	Within 1 year and 1 to 2 year	7.98	–
Customer 112815	Deposits and guarantees	16,182,670	Within 1 year	6.16	219,114
Customer 126515	Deposits and guarantees	15,000,000	4 to 5 years	5.71	1,495,995
Total	/	128,652,242	/	48.95	11,308,717



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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 (continued)

2023

Unit: Yuan Currency: RMB

Name of the entity	Nature	Closing gross carrying value	Ageing	Proportion to total closing balance of other receivables (%)	Closing balance of provision for credit loss
Customer 129596	Others	42,408,602	Within 1 year	16.69	3,084,410
Customer 103233	Deposits and guarantees	34,084,370	Within 1 year and over 5 years	13.41	2,478,982
Customer 15	Others	15,929,692	Within 1 year	6.27	–
Customer 123355	Deposits and guarantees	15,646,500	Within 1 year	6.16	1,137,982
Customer 126515	Deposits and guarantees	15,000,000	3 to 4 years	5.90	1,261,500
Total	/	<u>123,069,164</u>	/	<u>48.43</u>	<u>7,962,874</u>

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. 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

9. Inventories

(1) Category of inventories

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value	Book Value	Gross carrying amount	Provision for decline in value	Book Value
Raw materials	1,045,023,942	100,853,521	944,170,421	925,296,704	140,411,666	784,885,038
Work in progress	2,130,081,222	140,389,246	1,989,691,976	1,548,425,188	78,642,278	1,469,782,910
Finished goods	4,046,503,047	23,660,381	4,022,842,666	3,266,393,515	32,177,584	3,234,215,931
Turnover materials	113,139,336	6,264,371	106,874,965	49,408,514	2,592,923	46,815,591
Total	7,334,747,547	271,167,519	7,063,580,028	5,789,523,921	253,824,451	5,535,699,470

(2) Data resources recognized as inventory

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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:

☒ Applicable ☐ Not applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period		Closing balance
		Provision	Reversal or write-off	Others	
Raw materials	140,411,666	23,532,740	63,214,887	-124,002	100,853,521
Work in progress	78,642,278	77,915,562	16,266,599	-98,005	140,389,246
Finished goods	32,177,584	9,887,898	18,417,256	-12,155	23,660,381
Turnover materials	2,592,923	3,671,784	336	–	6,264,371
Total	253,824,451	115,007,984	97,899,078	-234,162	271,167,519

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in current period	Decrease in current period		Closing balance
			Reversal or write-off	Translation differences of financial statements denominated in foreign currencies	
Raw materials	126,571,570	15,906,902	1,434,494	632,312	140,411,666
Work in progress	54,352,682	27,425,450	3,978,996	-843,142	78,642,278
Finished goods	9,905,360	27,125,564	5,751,920	-898,580	32,177,584
Turnover materials	9,884,054	7	7,291,138	–	2,592,923
Total	200,713,666	70,457,923	18,456,548	-1,109,410	253,824,451

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

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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)

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	2,628,347,569	1,100,449,970
Total	2,628,347,569	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	862,104,123	355,200,691
Other taxes prepaid	187,229,476	10,273,344
Certificate of deposits ("CDs")	1,022,607,338	50,143,500
Total	2,071,940,937	415,617,535

Other information:

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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

2024

Unit: Yuan Currency: RMB

Name of investees	Balance at 1 January 2024	Increasing investment	Changes for the period		Translation differences of financial statements denominates in foreign currencies	Balance at 31 December 2024
			Investment income or loss recognised under equity method	Profits declared to be distributed		
I. Joint ventures						
ZhuzhouShiling Transportation Equipment Co.,Ltd. ("Shiling")	109,381,567	-	2,733,958	-	-	112,115,525
ZhejiangTimesLANP New Energy Co.,Ltd. ("Zhejiang LANP")	9,057,178	-	-4,146,279	-	-	4,910,899
ShanghaiShentong CRRC Rail Transit Operation Safety Engineering Technology Research Co., Ltd ("Shanghai shenzhong")	8,246,894	-	600,000	-	-	8,846,894
ZhengzhouTimes Transportation Electrical Equipment Co., Ltd. ("Zhengzhou Times")	13,763,684	-	3,779,639	19,982	-	17,523,341
Guangzhou Qinglan Semiconductor Co., Ltd. ("Qinglan Semiconductor")	136,258,491	-	-14,260,042	-	-	121,998,449
Sub-total	276,707,814	-	-11,292,724	19,982	-	265,395,108
II. Associates						
Siemens Traction Equipment Ltd., Zhuzhou ("Zhuzhou Siemens")	47,056,480	-	-63,000	-	-	46,993,480
Hunan Guoxin Semiconductor Technology Co., Ltd. ("CRRC Guoxin Technology")	53,236,290	-	550,000	2,128,359	-	51,657,931
Hunan Times Wabtec Transit Transport & Equipment Co., Ltd. ("Times Wabtec")	16,351,096	-	2,140,368	-	-	18,491,464
Zhixin Semiconductor Co., Ltd. ("Zhixin Semiconductor")	90,918,273	47,000,000	1,897,736	-	-	139,816,009
CRRC India Private Limited ("CRRC India")	12,042,295	-	4,500	-	-	12,046,795
Wuxi Times Smart Transportation Institute Co., Ltd. ("Wuxi Times")	25,673,111	-	1,872,200	808,200	-	26,737,111
Foshan Zhongshi Zhihui Transportation Technology Co., Ltd. ("Foshan Zhongshi")	8,410,311	-	-216,040	-	-	8,194,271
Guangzhou High-speed Rail Technology Co., Ltd. ("Guangzhou High-speed")	3,015,534	-	96,717	-	-	3,112,251
Sub-total	256,703,390	47,000,000	6,282,481	2,936,559	-	307,049,312
Total	533,411,204	47,000,000	-5,010,243	2,956,541	-	572,444,420



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Long-term equity investments (continued)

(1) Status of long-term equity investments (continued)

2023

Unit: Yuan Currency: RMB

Name of investees	Changes for the period				Translation differences of financial statements denominates in foreign currencies	Balance at 31 December 2023
	Balance at 1 January 2023	Increasing investment	Investment income or loss recognised under equity method	Profits declared to be distributed		
I. Joint ventures						
Zhuzhou Shiling Transportation Equipment Co., Ltd. ("Shiling")	106,377,120	–	3,004,447	–	–	109,381,567
Zhejiang Times LANP New Energy Co., Ltd. ("Zhejiang LANP")	13,782,339	–	-4,725,161	–	–	9,057,178
Shanghai Shentong CRRC Rail Transit Operation Safety Engineering Technology Research Co., Ltd ("Shanghai shenzhong")	9,014,247	–	-667,353	100,000	–	8,246,894
Zhengzhou Times Transportation Electrical Equipment Co., Ltd. ("Zhengzhou Times")	8,782,600	–	4,981,084	–	–	13,763,684
Guangzhou Qinglan Semiconductor Co., Ltd. ("Qinglan Semiconductor")	72,370,574	73,500,000	-9,612,083	–	–	136,258,491
Sub-total	210,326,880	73,500,000	-7,019,066	100,000	–	276,707,814
II. Associates						
Siemens Traction Equipment Ltd., Zhuzhou ("Zhuzhou Siemens")	46,719,865	–	336,615	–	–	47,056,480
Hunan Guoxin Semiconductor Technology Co., Ltd. ("CRRC Guoxin Technology")	50,165,681	–	3,070,609	–	–	53,236,290
Hunan Times Wabtec Transit Transport & Equipment Co., Ltd. ("Times Wabtec")	15,820,180	–	530,916	–	–	16,351,096
Zhixin Semiconductor Co., Ltd. ("Zhixin Semiconductor")	93,133,092	–	-2,214,819	–	–	90,918,273
CRRC India Private Limited ("CRRC India")	15,264,370	–	-3,222,075	–	–	12,042,295
Wuxi Times Smart Transportation Institute Co., Ltd. ("Wuxi Times")	21,855,251	–	3,817,860	–	–	25,673,111
Foshan Zhongshi Zhihui Transportation Technology Co., Ltd. ("Foshan Zhongshi")	6,775,029	–	1,635,282	–	–	8,410,311
Guangzhou High-speed Rail Technology Co., Ltd. ("Guangzhou High-speed")	3,490,534	–	-475,000	–	–	3,015,534
Sub-total	253,224,002	–	3,479,388	–	–	256,703,390
Total	463,550,882	73,500,000	-3,539,678	100,000	–	533,411,204

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

Other information:

None

13. Other equity instrument investments

(1) Status of other equity instrument investments

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening Balance	Movements during the period					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
		Increase in investments	Decrease in investments	Gains included in other comprehensive income for the period	Losses included in other comprehensive income for the period	Others					
Xicheng CRRC (Wuxi) Urban Transit Transport Engineering Co., Ltd. (Note 1)	190,249,992	33,573,528	-	-	-	-	223,823,520	-	-	-	Note 2
CRRC Environmental & Technology Co., Ltd.	30,000,000	-	-	-	-	-	30,000,000	371,200	-	-	Note 2
Guochuang Energy Internet Innovation Center (Guangdong) Co., Ltd.	8,000,000	-	-	-	-	-	8,000,000	-	-	-	Note 2
Jinhua CRRC Rail Vehicle Co., Ltd.	5,000,000	-	-	-	-	-	5,000,000	-	-	-	Note 2
Total	233,249,992	33,573,528	-	-	-	-	266,823,520	371,200	-	-	/

Note 1: In 2024, the Group contributed an amount of RMB33,573,528 to Xicheng CRRC (Wuxi) Urban Rail Transit Engineering Co., Ltd.

Note 2: The Group plans to hold the above-mentioned investments for a long time for strategic purposes, not for the purpose of selling them in the near future to obtain short-term income, so the above-mentioned investments are designated.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Other equity instrument investments (continued)

(2) Description of derecognition in the current period

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

14. Fixed assets

Presented by item

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	8,594,961,720	5,297,085,100
Disposal of fixed assets	—	—
Total	8,594,961,720	5,297,085,100

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(1) Details of fixed assets

✓ Applicable □ Not applicable

2024

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	6,560,657,185	42,690,107	756,509,842	9,457,503,796
2. Increases	1,668,073,335	2,358,486,890	4,393,367	132,185,209	4,163,138,801
(1) Additions	11,756,672	544,239,165	4,383,786	102,250,543	662,630,166
(2) Transfer from construction in progress	1,656,083,082	1,811,897,389	8,850	29,209,044	3,497,198,365
(3) Translation differences arising from translation of foreign currency financial statements	233,581	2,350,336	731	725,622	3,310,270
3. Decreases	7,864,633	47,674,725	2,615,051	6,672,859	64,827,268
(1) Disposal or retirement	7,864,633	46,797,327	2,615,051	5,652,353	62,929,364
(2) Translation differences arising from translation of foreign currency financial statements	—	877,398	—	1,020,506	1,897,904
4. Closing balance	3,757,855,364	8,871,469,350	44,468,423	882,022,192	13,555,815,329
II. Accumulated depreciation					
1. Opening balance	731,832,079	2,835,619,537	37,268,547	503,559,491	4,108,279,654
2. Increases	77,093,969	686,529,658	747,075	86,638,999	851,009,701
(1) Provision	76,764,544	684,944,588	746,344	86,167,682	848,623,158
(2) Translation differences arising from translation of foreign currency financial statements	329,425	1,585,070	731	471,317	2,386,543
3. Decreases	7,414,187	40,204,984	2,068,664	5,471,122	55,158,957
(1) Disposal or retirement	7,414,187	39,588,399	2,068,664	4,580,823	53,652,073
(2) Translation differences arising from translation of foreign currency financial statements	—	616,585	—	890,299	1,506,884
4. Closing balance	801,511,861	3,481,944,211	35,946,958	584,727,368	4,904,130,398



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(1) Details of fixed assets (continued)

Item	Plants and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
III. Provision for impairment					
1. Opening balance	10,513,264	41,625,778	-	-	52,139,042
2. Increases	-	6,672,193	-	509,260	7,181,453
(1) Provision	-	6,670,221	-	509,260	7,179,481
(2) Translation differences arising from translation of foreign currency financial statements	-	1,972	-	-	1,972
3. Decreases	-	2,597,284	-	-	2,597,284
(1) Disposal or retirement	-	2,597,284	-	-	2,597,284
4. Closing balance	10,513,264	45,700,687	-	509,260	56,723,211
IV. Carrying amount					
1. Carrying amount at the end of the period	2,945,830,239	5,343,824,452	8,521,465	296,785,564	8,594,961,720
2. Carrying amount at the beginning of the period	1,355,301,319	3,683,411,870	5,421,560	252,950,351	5,297,085,100

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(1) Details of fixed assets (continued)

2023

Unit: Yuan Currency: RMB

Item	Plants and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
I. Cost					
1. Opening balance	2,073,230,235	5,561,995,517	43,503,144	685,288,567	8,364,017,463
2. Increases	24,416,427	1,027,412,124	3,655,404	79,124,392	1,134,608,347
(1) Additions	15,743,119	316,521,137	3,521,264	67,065,389	402,850,909
(2) Transfer from construction in progress	6,401,411	615,057,738	–	7,514,157	628,973,306
(3) Increase in business combinations not under common control	–	74,656,537	134,140	3,509,068	78,299,745
(4) Translation differences arising from translation of foreign currency financial statements	2,271,897	21,176,712	–	1,035,778	24,484,387
3. Decreases	–	28,750,456	4,468,441	7,903,117	41,122,014
(1) Disposal or retirement	–	28,750,456	4,468,441	7,903,117	41,122,014
4. Closing balance	2,097,646,662	6,560,657,185	42,690,107	756,509,842	9,457,503,796
II. Accumulated depreciation					
1. Opening balance	663,832,362	2,319,392,724	40,091,294	414,868,436	3,438,184,816
2. Increases	67,999,717	537,587,841	1,395,095	95,797,928	702,780,581
(1) Provision	67,356,613	522,221,534	1,395,095	95,117,382	686,090,624
(2) Translation differences arising from translation of foreign currency financial statements	643,104	15,366,307	–	680,546	16,689,957
3. Decreases	–	21,361,028	4,217,842	7,106,873	32,685,743
(1) Disposal or retirement	–	21,361,028	4,217,842	7,106,873	32,685,743
4. Closing balance	731,832,079	2,835,619,537	37,268,547	503,559,491	4,108,279,654



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed assets (continued)

(1) Details of fixed assets (continued)

Item	Plants and buildings	Machinery and equipment	Motor vehicles	Office equipment and others	Total
III. Provision for impairment					
1. Opening balance	10,513,264	42,081,058	–	–	52,594,322
2. Decreases	–	455,280	–	–	455,280
(1) Disposal or retirement	–	455,280	–	–	455,280
3. Closing balance	10,513,264	41,625,778	–	–	52,139,042
IV. Carrying amount					
1. Carrying amount at the end of the period	1,355,301,319	3,683,411,870	5,421,560	252,950,351	5,297,085,100
2. Carrying amount at the beginning of the period	1,398,884,609	3,200,521,735	3,411,850	270,420,131	4,873,238,325

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	565,962,671	38,200,943
Total	565,962,671	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

15. Construction in progress

Presented by item

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	2,312,618,688	1,269,716,197
Construction materials	—	—
Total	2,312,618,688	1,269,716,197



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Construction in progress (continued)

Presented by item (continued)

Other information:

☐ Applicable ☒ Not applicable

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
Industrialization of Medium and Low Voltage Power Devices (Yixing) Construction Project	1,338,829,325	–	1,338,829,325	310,592,379	–	310,592,379
New Energy Vehicle Electric Drive System and Components Manufacturing Base (Zhuzhou) Construction Project	349,402,128	–	349,402,128	156,855,686	–	156,855,686
Innovation experiment platform construction project	280,662,114	–	280,662,114	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 Construction Project	109,278,384	–	109,278,384	1,624,877	–	1,624,877
Others	234,446,737	–	234,446,737	351,343,594	–	351,343,594
Total	2,312,618,688	–	2,312,618,688	1,269,716,197	–	1,269,716,197

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	Translation differences of financial statements denominated in foreign currencies	Closing balance	Proportion of amount injected to the budget (%)	Source of funding
Industrialization of Medium and Low Voltage Power Devices (Yixing) Construction Project	6,771,830,000	310,592,379	3,352,130,452	2,321,677,697	2,215,809	-	-	1,338,829,325	61	Raised funds and self-raised
New Energy Vehicle Electric Drive System and Components Manufacturing Base (Zhuzhou) Construction Project	1,107,990,000	156,855,686	192,546,442	-	-	-	-	349,402,128	73	Self-raised
Innovation experiment platform construction project	991,600,000	304,461,056	416,902,999	440,701,941	-	-	-	280,662,114	92	Raised funds and self-raised
Automobile components supporting construction project	3,337,700,000	144,838,605	60,522,779	199,830,407	5,530,977	-	-	-	100	Self-raised
Industrialization of Medium and Low Voltage Power Devices Construction Project	5,292,860,000	1,624,877	107,653,507	-	-	-	-	109,278,384	3	Self-raised
Total	17,501,980,000	918,372,603	4,129,756,179	2,962,210,045	7,746,786	-	-	2,078,171,951	/	/

(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

(5) Details of construction materials

☐ Applicable ✓ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

2024

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	-	96,954,931	29,648,534	3,878,227	-	130,481,692
(1) Newly added lease	-	96,803,563	29,414,615	3,486,657	-	129,704,835
(2) Translation differences of financial statements denominated in foreign currencies	-	151,368	233,919	391,570	-	776,857
3. Decreases	-	97,391,463	7,446,968	6,232,814	-	111,071,245
(1) Expiration or termination of the lease contract	-	97,391,463	7,446,968	6,232,814	-	111,071,245
(2) Translation differences of financial statements denominated in foreign currencies	-	-	-	-	-	-
4. Closing balance	23,535,849	284,030,184	129,225,245	10,295,687	826,945	447,913,910
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	1,514,269	97,794,848	17,035,376	4,115,156	245,352	120,705,001
(1) Provision for the year	1,514,269	97,736,066	16,711,300	3,381,924	245,352	119,588,911
(2) Translation differences of financial statements denominated in foreign currencies	-	58,782	324,076	733,232	-	1,116,090
3. Decreases	-	86,527,345	7,446,968	5,632,485	-	99,606,798
(1) Expiration or termination of the lease contract	-	86,527,345	7,446,968	5,632,485	-	99,606,798
(2) Translation differences of financial statements denominated in foreign currencies	-	-	-	-	-	-
4. Closing balance	8,483,814	127,560,465	27,968,062	3,620,766	534,086	168,167,194

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Right-of-use assets (continued)

(1) Details of right-of-use assets (continued)

Item	Land use rights (Note 1)	Plants and buildings	Machinery and equipment	Motor vehicles	Office facilities and others	Total
III. Provision for impairment						
1. Opening balance	-	-	-	-	-	-
2. Closing balance	-	-	-	-	-	-
IV. Carrying amount						
1. Carrying amount at 31 December 2024	<u>15,052,035</u>	<u>156,469,719</u>	<u>101,257,183</u>	<u>6,674,920</u>	<u>292,859</u>	<u>279,746,716</u>
2. Carrying amount at 1 January 2024	<u>16,566,304</u>	<u>168,173,754</u>	<u>88,644,025</u>	<u>7,512,178</u>	<u>538,211</u>	<u>281,434,472</u>

2023

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	215,212,970	87,262,371	11,808,242	1,348,105	339,167,537
2. Increases	-	165,364,359	38,208,135	4,689,116	2,291,538	210,553,148
(1) Newly added lease	-	163,795,745	37,875,436	4,668,305	2,291,538	208,631,024
(2) Translation differences of financial statements denominated in foreign currencies	-	1,568,614	332,699	20,811	-	1,922,124
3. Decreases	-	96,110,613	18,446,827	3,847,084	2,812,698	121,217,222
(1) Expiration or termination of the lease contract	-	96,110,613	18,446,827	3,847,084	2,812,698	121,217,222
(2) Translation differences of financial statements denominated in foreign currencies	-	-	-	-	-	-
4. Closing balance	<u>23,535,849</u>	<u>284,466,716</u>	<u>107,023,679</u>	<u>12,650,274</u>	<u>826,945</u>	<u>428,503,463</u>



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Right-of-use assets (continued)

(1) Details of right-of-use assets (continued)

Item	Land use rights (Note 1)	Plants and buildings	Machinery and equipment	Motor vehicles	Office facilities and others	Total
II. Accumulated depreciation						
1. Opening balance	5,458,235	112,255,411	7,046,507	6,165,778	1,239,261	132,165,192
2. Increases	1,511,310	95,916,087	29,779,974	2,819,402	1,862,171	131,888,944
(1) Provision for the year	1,511,310	95,206,594	28,980,549	2,648,498	1,862,171	130,209,122
(2) Translation differences of financial statements denominated in foreign currencies	–	709,493	799,425	170,904	–	1,679,822
3. Decreases	–	91,878,536	18,446,827	3,847,084	2,812,698	116,985,145
(1) Expiration or termination of the lease contract	–	91,878,536	18,446,827	3,847,084	2,812,698	116,985,145
(2) Translation differences of financial statements denominated in foreign currencies	–	–	–	–	–	–
4. Closing balance	6,969,545	116,292,962	18,379,654	5,138,096	288,734	147,068,991
III. Provision for impairment						
1. Opening balance	–	–	–	–	–	–
2. Closing balance	–	–	–	–	–	–
IV. Carrying amount						
1. Carrying amount at 31 December 2024	<u>16,566,304</u>	<u>168,173,754</u>	<u>88,644,025</u>	<u>7,512,178</u>	<u>538,211</u>	<u>281,434,472</u>
2. Carrying amount at 1 January 2024	<u>18,077,614</u>	<u>102,957,559</u>	<u>80,215,864</u>	<u>5,642,464</u>	<u>108,844</u>	<u>207,002,345</u>

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 RMB19,655,905.

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

☐ Applicable ☒ Not applicable

Other information:

Refer to Note VII.63 for details of the Group’s arrangements relating to leasing activities.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets

(1) Details of intangible assets

✓ Applicable □ Not applicable

2024

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	317,888,906	1,396,585,562	126,409,051	57,000,000	2,450,111,338
2. Increases	2,080,250	35,917,429	206,455,809	1,486,801	-	245,940,289
(1) Additions	1,979,276	24,536,924	-	-	-	26,516,200
(2) Transfer from development expenditure	-	-	206,455,809	-	-	206,455,809
(3) Transfer from construction in progress	-	11,089,602	-	-	-	11,089,602
(4) Translation differences arising from translation of foreign currency financial statements	100,974	290,903	-	1,486,801	-	1,878,678
3. Decreases	2,372,029	314,931	-	-	-	2,686,960
(1) Disposals or written-offs during the period	2,372,029	305,794	-	-	-	2,677,823
(2) Translation differences arising from translation of foreign currency financial statements	-	9,137	-	-	-	9,137
4. Closing balance	551,936,040	353,491,404	1,603,041,371	127,895,852	57,000,000	2,693,364,667
II. Accumulated amortisation						
1. Opening balance	66,433,010	200,819,032	677,337,306	89,831,786	8,142,857	1,042,563,991
2. Increases	10,837,091	31,077,140	180,099,933	32,851,876	-	254,866,040
(1) Provision for the year	10,837,091	30,838,947	180,099,933	31,705,800	-	253,481,771
(2) Translation differences arising from translation of foreign currency	-	238,193	-	1,146,076	-	1,384,269
3. Decreases	1,178,108	268,246	-	-	-	1,446,354
(1) Disposals or written-offs during the period	1,178,108	261,898	-	-	-	1,440,006
(2) Translation differences arising from translation of foreign currency	-	6,348	-	-	-	6,348
4. Closing balance	76,091,993	231,627,926	857,437,239	122,683,662	8,142,857	1,295,983,677



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets (continued)

(1) Details of intangible assets (continued)

Item	Land use rights	Software licences	Patents, licenses and technical know-how	Trademarks	Backlog orders and service contracts	Total
III. Provision for impairment						
1. Opening balance	-	506,859	6,013,134	-	-	6,519,993
2. Increases	-	-	-	-	-	-
3. Decreases	-	-	-	-	-	-
(1) Disposals						
4. Closing balance	-	506,859	6,013,134	-	-	6,519,993
IV. Carrying amount						
1. Balance at the end of the period	475,844,047	121,356,619	739,590,998	5,212,190	48,857,143	1,390,860,997
2. Balance at the beginning of the period	485,794,809	116,563,015	713,235,122	36,577,265	48,857,143	1,401,027,354

2023

Unit: Yuan Currency: RMB

Item	Land use rights	Software licences	Patents, licenses and technical know-how	Trademark	Backlog orders and service contracts	Total
I. Cost						
1. Opening balance	228,855,333	236,266,677	952,063,353	117,362,955	-	1,534,548,318
2. Increases	323,372,486	82,228,204	468,611,655	9,046,096	57,000,000	940,258,441
(1) Additions	204,383,224	13,404,608	-	-	-	217,787,832
(2) Transfer from development expenditure	-	19,683,150	258,483,751	-	-	278,166,901
(3) Transfer from construction in progress	117,875,096	30,523,876	-	-	-	148,398,972
(4) Increase in business combinations not under common control	-	14,309,200	192,000,000	-	57,000,000	263,309,200
(5) Translation differences arising from translation of foreign currency financial statements	1,114,166	4,307,370	18,127,904	9,046,096	-	32,595,536
3. Decreases	-	605,975	24,089,446	-	-	24,695,421
(1) Disposals or written-offs during the period	-	605,975	24,089,446	-	-	24,695,421
4. Closing balance	552,227,819	317,888,906	1,396,585,562	126,409,051	57,000,000	2,450,111,338

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets (continued)

(1) Details of intangible assets (continued)

Item	Land use rights	Software licences	Patents, licenses and technical know-how	Trademark	Backlog orders and service contracts	Total
II. Accumulated amortisation						
1. Opening balance	58,742,964	172,834,443	560,416,761	69,907,168	–	861,901,336
2. Increases	7,690,046	28,548,553	141,009,991	19,924,618	8,142,857	205,316,065
(1) Provision for the year	7,690,046	25,385,953	128,512,361	13,740,123	8,142,857	183,471,340
(2) Translation differences arising from translation of foreign currency financial statements	–	3,162,600	12,497,630	6,184,495	–	21,844,725
3. Decreases	–	–	24,089,446	–	–	24,653,410
(1) Disposals or written-offs during the period	–	563,964	24,089,446	–	–	24,653,410
(2) Translation differences arising from translation of foreign currency financial statements	–	–	–	–	–	–
4. Closing balance	66,433,010	200,819,032	677,337,306	89,831,786	8,142,857	1,042,563,991
III. Provision for impairment						
1. Opening balance	–	506,859	6,013,134	–	–	6,519,993
2. Increases	–	–	–	–	–	–
3. Decreases	–	–	–	–	–	–
(1) Disposals	–	–	–	–	–	–
4. Closing balance	–	506,859	6,013,134	–	–	6,519,993
IV. Carrying amount						
1. Balance at the end of the period	485,794,809	116,563,015	713,235,122	36,577,265	48,857,143	1,401,027,354
2. Balance at the beginning of the period	170,112,369	62,925,376	385,633,458	47,455,787	–	666,126,990



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

17. Intangible assets (continued)

(1) Details of intangible assets (continued)

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: 33.84% at December 31, 2024, 28.88% at December 31, 2023.

(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 31 December 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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 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	437,432	—	437,432
CRRC Times Electronics	13,333,101	—	13,333,101
SMD	533,512,892	-1,352,251	532,160,641
Electric drive operations	31,133,876	—	31,133,876
Total	624,935,259	-1,352,251	623,583,008

(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	-879,444	346,093,762
Electric drive operations	—	—	—
Total	393,491,164	-879,444	392,611,720



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Goodwill (continued)

(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

(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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Goodwill (continued)

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

Unit: Yuan Currency: RMB

Item	Book Value	Recoverable amount	Impairment amount	Terms of forecast	Key parameters for the forecast period	Key parameters for the stable period (growth rate, profit margin, discount rate, etc.)	Basis for determining the key parameters for the stable period
SMD	435,733,087	512,763,253	–	2025 to 2029	Revenue growth rate of 3%-18.11%; gross profit rate of 30.06%; After-tax discount rate 12.53%	Revenue growth rate of 2.50%; gross profit rate of 30.06%; After-tax discount rate of 12.53%	The revenue growth rate and the gross profit rate are on the basis of historical operating and the forecast of development of market; The discount rate is based on weighted average cost of capital.

Note: When projecting the present value of cash flows, the cash flows for the most recent five years are determined based on the financial budgets approved by management, and the cash flows beyond the five-year budget period were assumed to remain stable. The pre-tax discount rate is determined with reference to comparable companies and the relevant capital structures.

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Long-term prepaid expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the year	Amortised for the year	Closing balance
Leasehold improvement	28,694,796	2,453,086	13,207,325	17,940,557
Total	28,694,796	2,453,086	13,207,325	17,940,557

Other information:

None

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	1,210,582,435	190,332,565	882,465,193	136,695,794
Provision for credit loss	824,185,766	124,355,306	525,345,522	79,747,616
Provision for impairment of assets	379,198,357	59,072,340	332,698,206	51,205,232
Deferred income	422,702,470	64,415,445	793,152,446	120,005,476
Unrealised profit from internal transactions	1,302,195,686	212,104,030	1,512,639,147	236,999,373
Differences of depreciation/amortisation years due to tax laws and accounting treatment differences	22,505,826	3,375,874	46,193,887	6,929,083
Deductible losses	2,930,064,762	450,883,373	2,820,360,802	430,645,912
Accrued expenses	131,691,346	23,922,382	120,536,428	18,258,067
Accrued employee benefits that have not been paid yet	106,762,739	16,171,761	95,203,163	14,399,989
Changes in fair value of financial assets at fair value through other comprehensive income	54,444,135	8,683,675	82,655,586	13,163,055
Items of costs and expenses without invoices obtained	162,184,479	24,327,672	218,185,835	32,727,875
Lease liabilities	273,555,101	48,174,818	275,565,406	45,097,102
Others	49,042,747	7,604,715	14,755,529	2,285,736
Total	7,869,115,849	1,233,423,956	7,719,757,150	1,188,160,310

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	41,754,458	10,438,615	99,212,532	18,850,381
Depreciation difference due to inconsistency of depreciation period between tax law and accounting	1,739,417,527	264,470,859	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	13,861,455	2,079,218	33,392,878	5,008,932
Right-of-use assets	279,746,715	49,070,529	281,434,472	45,749,686
Total	2,074,780,155	326,059,221	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 beginning of the period	Balances of deferred tax assets or liabilities after offsetting at the beginning 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	301,044,930	932,379,026	333,386,257	854,774,053
Deferred tax liabilities	301,044,930	25,014,291	333,386,257	37,998,740



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	215,239,935	56,292,309
Deductible losses	1,463,485,887	2,314,150,810
Total	1,678,725,822	2,370,443,119

(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	10,264,592	10,591,421	
At the end of 2029	160,032,480	—	
At the end of 2031	18,790,201	11,401,471	
At the end of 2032	851,880,610	1,935,699,917	
At the end of 2033	88,470,561	124,952,715	
At the end of 2034	136,185,622	—	
Without fixed term (Note)	197,861,822	231,505,286	
Total	1,463,485,888	2,314,150,810	/

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.

Other information:

☐ Applicable ✓ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

21. Other non-current assets

✓ 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
Large-denomination of certificates of deposit	1,968,103,723	–	1,968,103,723	3,544,519,225	–	3,544,519,225
Prepayments for purchase of machinery and equipment	518,517,411	–	518,517,411	1,105,687,454	–	1,105,687,454
Prepayments for construction of projects	1,981,629	–	1,981,629	15,834,631	–	15,834,631
Contract assets	965,628,237	60,248,484	905,379,753	856,440,997	39,483,088	816,957,909
Deposits from suppliers	122,760,089	2,987,570	119,772,519	122,760,089	2,724,244	120,035,845
Total	3,576,991,089	63,236,054	3,513,755,035	5,645,242,396	42,207,332	5,603,035,064

Other information:

As at 31 December 2024, other non-current assets from related parties of the Group are set out in Note XIV.6.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	483,625,190	483,625,190	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
Cash and bank balances	1,389,626,376	1,389,626,376	Others	Amount of securities account for share repurchase	-	-	Others	Stock repurchase account
Cash and bank balances	108,128,489	108,128,489	Others	Project Supervision Funds	-	-	Others	Project Supervision Funds
Bills receivable	362,050,186	361,570,579	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	-	-	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>2,343,430,241</u>	<u>2,342,950,634</u>	/	/	<u>150,914,226</u>	<u>150,895,826</u>	/	/

Other information:

None

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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	39,010,667	414,922,553
Total	39,010,667	414,922,553

Description of classification of short-term borrowings:

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

As at 31 December 2024 , the balance of short-term loans does not include any borrowings from related parties of the group.

(2) past due short-term loans

☐ Applicable ☒ Not applicable

Details of significant past due short-term loans are as follows:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	190,088,775	88,041,873
Bank acceptances	5,626,742,216	3,899,388,661
Total	5,816,830,991	3,987,430,534

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

As at 31 December 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	1,037,855,674	934,311,983
Third parties	7,251,767,158	5,402,000,542
Total	8,289,622,832	6,336,312,525

(2) Accounts payable are disclosed by ageing as follows

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 6 months	7,039,394,658	5,080,325,647
6 months to 1 year	494,177,850	494,260,656
1 to 2 years	429,802,352	462,634,808
2 to 3 years	162,428,730	142,873,796
Over 3 years	163,819,242	156,217,618
Total	8,289,622,832	6,336,312,525

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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Accounts payable (continued)

(3) Significant accounts payable aged over one year

☒ Applicable ☐ Not applicable

2024

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for not being repaid or carried forward
Supplier 709832	65,436,523	Unsettled material payment
Supplier 99037	36,282,637	Unsettled material payment
Supplier 728500	37,575,858	Unsettled material payment
Supplier 736835	22,066,289	Unsettled material payment
Supplier 724940	20,849,558	Unsettled material payment
Supplier 700939	20,351,606	Unsettled material payment
Total	202,562,471	/

2023

Unit: Yuan Currency: RMB

Item	Closing balance	Reasons for non-reimbursement or carry-over
Supplier 709832	41,645,086	Unsettled material payment
Supplier 700939	39,122,318	Unsettled material payment
Supplier 739152	39,020,578	Unsettled material payment
Supplier 728500	34,386,293	Unsettled material payment
Supplier 736835	21,791,018	Unsettled material payment
Supplier 800531	20,859,918	Unsettled material payment
Total	196,825,211	/

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	1,123,109,518	626,885,459
Related to construction service contract	210,430,934	117,811,399
Total	1,333,540,452	744,696,858

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 31 December 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
Customer 129041	27,051,092	Conditions for revenue recognition not being satisfied
Customer 100748	20,848,668	Conditions for revenue recognition not being satisfied
Customer 123121	15,886,938	Conditions for revenue recognition not being satisfied
Customer 122869	10,619,469	Conditions for revenue recognition not being satisfied
Total	74,406,167	/

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. Contract liabilities (continued)

(3) Amount 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	744,696,858
Amount of revenue recognised during the year for contract liabilities at the beginning of the year	595,604,289
Amount arising from contract liabilities at the end of the year as a result of cash received during the year	<u>1,184,447,883</u>
Closing balance	<u>1,333,540,452</u>

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Employee benefits payable

(1) Details of employee benefits payable

✓ Applicable ☐ Not applicable

2024

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	190,976,004	2,824,017,681	2,808,855,803	-55,688	206,082,194
II. Post-employment benefits – Defined contribution plan	14,125,237	358,249,782	352,208,666	38,299	20,204,652
III. Termination benefits	–	6,587,081	6,587,081	–	–
IV. Labour expenditures	–	24,250,466	24,250,466	–	–
Total	<u>205,101,241</u>	<u>3,213,105,010</u>	<u>3,191,902,016</u>	<u>-17,389</u>	<u>226,286,846</u>

2023

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	158,937,844	2,462,552,940	2,430,698,143	183,363	190,976,004
II. Post-employment benefits – Defined contribution plan	14,364,810	314,434,729	314,933,052	258,750	14,125,237
III. Termination benefits	–	24,067,751	24,067,751	–	–
IV. Labour expenditures	–	24,402,399	24,402,399	–	–
Total	<u>173,302,654</u>	<u>2,825,457,819</u>	<u>2,794,101,345</u>	<u>442,113</u>	<u>205,101,241</u>

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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

2024

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	2,276,622,817	2,279,175,319	16,235	2,123,186
II. Welfare benefits	–	101,435,560	101,435,560	–	–
III. Social insurances	9,893,679	181,926,653	183,844,556	–	7,975,776
Including: Basic medical insurance	2,668,320	119,952,746	117,984,376	–	4,636,690
Supplementary medical insurance	6,575,346	47,671,769	51,771,381	–	2,475,734
Work injury insurance	646,993	13,955,476	13,823,030	–	779,439
Maternity insurance	3,020	346,662	265,769	–	83,913
IV. Housing funds	646,664	182,392,141	180,185,770	–	2,853,035
V. Employee union funds and staff education funds	174,473,661	81,424,535	63,821,448	–	192,076,748
VI. Others	1,302,547	215,975	393,150	-71,923	1,053,449
Total	190,976,004	2,824,017,681	2,808,855,803	-55,688	206,082,194



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Employee benefits payable (continued)

(2) Details of short-term benefits (continued)

2023

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	3,282,509	1,961,869,375	1,960,675,794	183,363	4,659,453
II. Welfare benefits	–	96,240,138	96,240,138	–	–
III. Social insurances	9,304,356	170,972,765	170,383,442	–	9,893,679
Including: Basic medical insurance	2,533,281	110,476,055	110,163,800	–	2,845,536
Supplementary medical insurance	6,086,888	42,966,255	42,651,993	–	6,401,150
Work injury insurance	684,187	13,174,002	13,211,196	–	646,993
Maternity insurance	–	4,356,453	4,356,453	–	–
IV. Housing funds	1,398,074	162,174,545	162,925,955	–	646,664
V. Employee union funds and staff education funds	143,777,339	70,511,106	39,814,783	–	174,473,662
VI. Others	1,175,566	785,011	658,031	–	1,302,546
Total	<u>158,937,844</u>	<u>2,462,552,940</u>	<u>2,430,698,143</u>	<u>183,363</u>	<u>190,976,004</u>

(3) Details of defined contribution plan

✓ Applicable ☐ Not applicable

2024

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	276,716,891	270,824,787	38,299	19,586,536
2. Unemployment insurance	–	9,565,583	8,979,502	–	586,081
3. Enterprise annuity	469,104	71,967,308	72,404,377	–	32,035
Total	<u>14,125,237</u>	<u>358,249,782</u>	<u>352,208,666</u>	<u>38,299</u>	<u>20,204,652</u>

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Employee benefits payable (continued)

(3) Details of defined contribution plan (continued)

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increases	Decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance
1. Basic pension insurance	13,843,252	237,452,713	237,898,582	258,750	13,656,133
2. Unemployment insurance	53,054	8,519,453	8,572,507	–	–
3. Enterprise annuity	468,504	68,462,563	68,461,963	–	469,104
Total	<u>14,364,810</u>	<u>314,434,729</u>	<u>314,933,052</u>	<u>258,750</u>	<u>14,125,237</u>

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 31 December 2024, there are no forfeited contributions that may be used by the Company and its subsidiaries to reduce the existing level of contribution.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	77,548,652	79,899,875
VAT	88,421,580	78,326,780
City maintenance and construction tax and education surcharges	10,322,941	6,355,330
Individual income tax	48,596,450	36,714,929
Others	19,685,744	17,043,496
Total	244,575,367	218,340,410

Other information:

None

29. Other payables

(1) Presented by item

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	—	—
Dividends payable	—	—
Other payables	1,869,975,564	1,173,512,094
Total	1,869,975,564	1,173,512,094

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Other payables (continued)

(2) Interest payable

Classification of interest payable

☐ Applicable ☒ Not applicable

Signification overdue interest payable

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable

(3) Dividends payable

Classification of dividends payable

☐ Applicable ☒ Not applicable

(4) Other payables

Other payables are presented by nature

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Amounts due to related parties	472,651,034	439,671,125
Deposits and guarantees	312,953,352	250,457,218
Projects and equipment	613,579,772	171,182,762
Recovery of factoring payable	—	—
Withholding social security contributions	9,368,479	3,685,188
Others	461,422,927	308,515,801
Total	1,869,975,564	1,173,512,094

Significant other payables aged over one year

☒ Applicable ☐ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

29. Other payables (continued)

(4) Other payables (continued)

Significant other payables aged over one year (continued)

Unit: Yuan Currency: RMB

Name of the entity	Closing balance	Reasons for not being repaid or carried forward
Supplier 99024	380,048,092	Not due
Supplier 717149	11,600,000	Not due
Total	391,648,092	/

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	9,080,679	88,692,443
Lease liabilities due within 1 year	90,707,092	78,507,002
Provisions due within 1 year	643,405,362	329,930,616
Total	743,193,133	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	166,486,362	92,453,353
Total	166,486,362	92,453,353

The movements of short-term debentures payable:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	71,084,779	720,635,829
Less: Long-term borrowings due within 1 year	9,080,679	88,692,443
Total	62,004,100	631,943,386

Description of classification of long-term borrowings:

As at 31 December 2024, the balance of long-term loans borrowed from the Group's related parties is set out in Note XIV.6.

Other information, including interest rate range:

☒ Applicable ☐ Not applicable

None

(1) Interest rate of the above borrowings is as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed interest rate per annum	1.08%-2.50%	1.08%-4.10%

(2) Maturity analysis:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Due within 1 year	9,080,679	88,692,443
Due within 1 to 2 years	13,316,100	274,939,286
Due within 2 to 5 years	35,500,000	331,816,100
Due over 5 years	13,188,000	25,188,000
Total	71,084,779	720,635,829

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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	278,676,975	275,565,405
Less: Lease liabilities classified as non-current liabilities due within 1 year (Note VII.30)	90,707,092	78,507,002
Total	187,969,883	197,058,403

Other information:

Maturity analysis:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Due within 1 to 2 years	66,492,516	70,365,932
Due within 2 to 5 years	103,800,583	125,491,783
Due over 5 years	32,118,630	29,479,878
Total	202,411,729	225,337,593
Less: Unrecognised financing expenses	14,441,846	28,279,190
Lease liabilities	187,969,883	197,058,403



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	72,823	5,096,031
Total	72,823	5,096,031

Other information:

☐ Applicable ☒ Not applicable

Long-term payables

(1) Long-term payables are presented by nature

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance
Product quality warranties	72,823	5,096,031
Total	72,823	5,096,031

Other information:

None

Special payables

(1) Special payables are present by nature

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	1,254,517,245	934,726,615	After sales service agreed in the agreement
Less: Provisions due within 1 year (Note VII.30)	643,405,362	329,930,616	/
Total	611,111,883	604,795,999	/

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	307,525,978	665,330,678	420,037,069
Total	777,841,769	307,525,978	665,330,678	420,037,069

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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 (+/-)		Sub-total	Closing balance
				Transfer from reserves	Others		
Total numbers of shares	1,416,236,912	-	-	-	-9,584,100	-9,584,100	1,406,652,812
I. Restricted shares	-	-	-	-	-	-	-
Shares held by state-owned legal person	608,966,468	-	-	-	-19,380,769	-19,380,769	589,585,699
Shares held by other domestic investors	-	-	-	-	-	-	-
Shares held by foreign investor	-	-	-	-	-	-	-
II. Unrestricted shares	-	-	-	-	-	-	-
H Shares listed abroad	547,329,400	-	-	-	-9,584,100	-9,584,100	537,745,300
A Shares listed domestically	259,941,044	-	-	-	19,380,769	19,380,769	279,321,813
Total	1,416,236,912	-	-	-	-9,584,100	-9,584,100	1,406,652,812

Other information:

In 2024, the Company conducted a series of repurchases of H Shares on the Stock Exchange of Hong Kong. As at 31 December 2024, the Company had repurchased a total of 13,916,900.00 H Shares, of which 9,584,100.00 H Shares have been cancelled.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. Capital reserve

✓ Applicable ☐ Not applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increases (Note 1)	Decreases (Note 2)	Closing balance
Share premium	10,806,111,717	2,341,739,814	327,777,338	12,820,074,193
Other capital reserves	-89,108,873	—	—	-89,108,873
Total	10,717,002,844	2,341,739,814	327,777,338	12,730,965,320

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 and Ningbo CRRC Electric.

Note 2: The decrease in capital reserve in the current period is mainly due to the effects of the Company's repurchase of H Shares and the business combination of CRRC Commercial Vehicle Power Technology involving entities under common control.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Treasury stock

✓ Applicable ☐ Not applicable

Item	Opening balance	Increases	Decreases	Closing balance
H shares buy-back	–	354,679,056	230,436,410	124,242,646
Total	–	354,679,056	230,436,410	124,242,646

Other information, including descriptions about movements during the period and reasons:

The company has made a series of buybacks in relation to its H shares on the Hong Kong Stock Exchange in 2024, as detailed in “1, Changes in Capital Stock” of “Change in Shares and Particulars of Shareholders”.

40. Other comprehensive income

✓ Applicable ☐ Not applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Amount incurred for current period before tax	Movement for the period		Less: Income tax expenses	Attributable to owners of the Parent Company after tax	Attributable to non-controlling shareholders after tax	Closing balance
			Less: Transferred from other comprehensive income to profit or loss					
Other comprehensive income that will be reclassified to profit or loss	-256,055,066	-64,941,511	-86,030,722		4,479,380	15,444,782	1,165,049	-240,610,284
Changes in fair value of other debt investments	-72,019,876	-57,467,840	-86,030,722		4,479,380	22,918,453	1,165,049	-49,101,423
Translation differences of financial statements denominated in foreign currencies	-184,035,190	-7,473,671	–		–	-7,473,671	–	-191,508,861
Total other comprehensive income	-256,055,066	-64,941,511	-86,030,722		4,479,380	15,444,782	1,165,049	-240,610,284

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:

Changes in the fair value of other debt investments arise from receivables financing.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

41. Special reserve

✓ Applicable ☐ Not applicable

2024

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Production safety fees	88,379,349	56,519,336	24,055,851	120,842,834
Total	88,379,349	56,519,336	24,055,851	120,842,834

2023

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Production safety fees	40,320,053	75,910,347	27,851,051	88,379,349
Total	40,320,053	75,910,347	27,851,051	88,379,349

Other descriptions, including descriptions about movements during the period and causes:

None

42. Surplus reserve

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	3,153,659,247	376,627,360	—	3,530,286,607
Total	3,153,659,247	376,627,360	—	3,530,286,607

Descriptions of surplus reserves, including descriptions about movements during the period and causes:

In accordance with the Company Law and the Company's Articles of Incorporation, the Company is required to withdraw 10% of its net income as legal reserve. After the legal reserve is withdrawn, the Company may withdraw an arbitrary surplus reserve. Upon approval, the discretionary surplus reserve may be used to offset prior years' losses or to increase capital.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. 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)	-75,313,484	-10,369,952
Retained earnings at the beginning of the period (after adjustment)	21,878,907,612	19,849,698,069
Add: Net profit attributable to shareholders of the Parent Company	3,702,585,914	3,040,760,113
Less: Appropriation to statutory surplus reserve	376,627,360	232,620,268
Common stock dividends payable	1,101,001,287	778,930,302
Retained earnings at the end of the period	24,103,864,879	21,878,907,612

(1) Cash dividends approved at the annual general meeting of shareholders for the current year

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 28 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 1,416,236,912 shares in issue (deducting the repurchased H shares to be canceled of 4,696,800 shares, that is calculated based on 1,411,540,112 shares), amounting to a total cash dividend of RMB1,101,001,287.

(2) Distribution of profits resolved after the balance sheet date

On 28 March 2025, the Company convened the 16th meeting of the seventh session of the Board of Directors, during which the "Proposal on the Profit Distribution Plan for the Year 2024" was reviewed and approved. It is proposed that a cash dividend be distributed to all shareholders based on the total share capital registered on the equity distribution record date (the specific date will be specified in the equity distribution implementation announcement). The Company intends to distribute a cash dividend of RMB 10.00 per 10 shares (tax inclusive) to all shareholders. As of 26 February 2025, the Company's total share capital is 1,369,339,712 shares (including 868,907,512 A-shares and 500,432,200 H-shares). Based on this, the Company plans to distribute a total cash dividend of RMB 1,369,339,712.00 (tax inclusive), representing 36.98% of the net profit attributable to shareholders of the listed company in the consolidated financial statements for the year 2024. If the Company's total share capital changes from the date of the profit distribution announcement to the equity distribution record date, the Company intends to maintain the distribution ratio per share unchanged, adjust the total distribution amount accordingly, and will separately announce the specific adjustments. This profit distribution plan is subject to approval by the Company's 2024 Annual General Meeting of Shareholders. The Company's independent non-executive directors have diligently performed their duties, carefully reviewed the proposal regarding the cash dividend policy, and expressed their independent opinions.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. 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	24,751,211,917	16,687,588,111	21,804,655,400	15,552,079,220
Other operating activities	157,725,631	130,707,230	157,450,511	127,692,890
Total	24,908,937,548	16,818,295,341	21,962,105,911	15,679,772,110

(2) Presentation of revenue and cost of sales by business type is as follows:

Unit: Yuan Currency: RMB

Item	Current period		Prior period	
	Revenue	Cost of sales	Revenue	Cost of sales
Rail transit equipment business	14,636,033,580	9,103,227,393	12,909,423,576	8,826,172,898
Emerging equipment business	10,155,178,337	7,584,360,718	8,895,231,824	6,725,906,322
Others	157,725,631	130,707,230	157,450,511	127,692,890
Total	24,908,937,548	16,818,295,341	21,962,105,911	15,679,772,110

(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	23,528,651,385	20,956,461,469
Other countries and regions	1,380,286,163	1,005,644,442
Total	24,908,937,548	21,962,105,911

Other information:

☐ Applicable ✓ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

44. Revenue and cost of sales (continued)

(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.

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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

45. Taxes and surcharges

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
City maintenance and construction tax	53,737,922	37,950,995
Education surcharges	39,148,242	27,426,315
Others	68,567,473	57,261,516
Total	161,453,637	122,638,826

Other information:

None

46. Selling expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits	320,927,280	262,799,125
Installation fees	16,385,731	9,754,177
Office and travel expenses	93,222,864	90,505,244
Business entertainment expenses	37,854,764	39,388,383
Bidding and tendering fees	24,016,953	18,389,745
Advertising and publicity cost	15,416,028	12,176,624
Others	81,355,568	57,640,351
Total	589,179,188	490,653,649

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Administrative expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits (excluding employee compensation under the defined benefit plan)	579,262,416	555,778,261
Depreciation and amortisation expenses	165,212,498	138,316,418
Facility maintenance cost	132,121,475	72,381,005
Office and travel expenses and conference fee	59,560,551	63,746,915
Property management fee	32,789,365	28,761,332
Service fees for intermediaries and professional institutions	40,833,613	41,087,084
Utilities expenses	27,012,598	23,220,898
Insurance expenses	17,536,098	11,451,118
Rental expenses	20,400,858	9,662,955
Business entertainment expenses	13,306,233	15,137,802
Others	80,908,966	106,405,805
Total	1,168,944,671	1,065,949,593

Other information:

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

48. Research and development expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Employee benefits	1,240,413,223	973,576,696
Cost of materials consumed	660,763,173	435,555,973
Depreciation and amortisation expenses	309,719,891	259,502,412
Technical service fee	134,193,792	138,089,769
Office and travel expenses	120,382,702	89,440,025
Experiment and inspection cost	62,255,232	38,859,000
Others	128,943,050	127,380,866
Total	2,656,671,063	2,062,404,741

Other information:

None

49. Finance expense

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Interest expense	38,148,813	31,075,838
Interest expense of lease liabilities	13,636,982	16,278,659
Less: Capitalised interest expenses	12,397,860	—
Interest income	-285,069,804	-260,284,085
Net exchange gains (losses)	84,103,459	-48,310,164
Financial institution charges	12,184,492	10,212,002
Others	3,166,432	-7,137,050
Total	-146,227,486	-258,164,800

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

50. Other income

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Other income	925,718,560	661,174,414
Total	925,718,560	661,174,414

Other information:

None

51. 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)	-4,280,864	-942,806
Gains on disposal of held-for-trading financial assets	42,401,768	63,456,055
Change in fair value of previously held equity interest in an associate acquired as a subsidiary	—	23,852,557
Dividend income from other equity instrument investments during the holding period	371,200	360,000
Gain (loss) on derecognition of receivables financing	-7,827,125	-29,547,959
Losses on de-recognition of financial assets measured at amortised cost	-1,468,401	—
Others	-898,131	—
Total	28,298,447	57,177,847

Other information:

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

52. 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	43,848,229	74,602,203
Total	43,848,229	74,602,203

Other information:

None

53. Credit losses

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Losses on credit impairment of bills receivable	-1,799,715	2,772,042
Losses on credit impairment of accounts receivable	-300,377,403	-256,166,491
Losses on credit impairment of other receivables	-4,883,916	-6,801,105
Total	-307,061,034	-260,195,554

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Impairment losses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Losses on impairment of inventories	-18,019,209	-49,307,960
Losses on impairment of contract assets	-42,650,704	-3,272,248
Losses on impairment of other non-current assets	-27,698,943	-29,357,931
Total	-88,368,856	-81,938,139

Other information:

None

55. Income from asset disposal

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Gains (Losses) from the disposal of fixed assets	21,849,585	-264,314
Gains (Losses) from the disposal of the right of Use Assets	1,100,361	3,042,460
Total	22,949,946	2,778,146

Other information:

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

56. 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
Penalty income and default compensation income	25,858,146	21,885,193	25,858,146	21,885,193
Unsettled payment	20,381,123	20,193,188	20,381,123	20,193,188
Others	1,620,972	1,212,670	1,620,972	1,212,670
Total	47,860,241	43,291,051	47,860,241	43,291,051

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

57. 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	11,004,663	987,259	11,004,663	987,259
Losses on retirement of assets	5,971,530	8,771	5,971,530	8,771
Others	296,541	97,954	296,541	97,954
Total	17,272,734	1,093,984	17,272,734	1,093,984

Other information:

None

58. 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	459,641,332	349,140,872
Deferred income tax expenses	-91,803,244	-139,643,519
Total	367,838,088	209,497,353

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

58. Income tax expenses (continued)

(2) Reconciliation of accounting profits and income tax expenses

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Total profit	4,316,593,933	3,294,647,776
Income tax expenses calculated at statutory tax rate of 25% (Note 1)	1,079,148,483	823,661,944
Effect of preferential tax rate applicable to the Company and its certain subsidiaries	-436,541,724	-369,761,325
Effect of different tax rates applied by overseas companies	-112,767	-3,749,775
Effect of tax-free income	—	-22,340,454
Effect of joint ventures and associates	642,130	-89,330
Effect of expenses that are not deductible for tax purposes	3,154,509	18,001,238
Effect of using deductible losses for which no deferred tax assets were recognised for the prior period	-188,456,047	-98,543,588
Effect of deductible temporary differences or deductible losses for which no deferred tax assets were recognised in the current period	92,141,177	33,097,757
Effect of additional deduction of R&D expenses	-237,836,921	-209,650,840
Tax filing difference	50,353,520	-12,024,609
Effect of changes in the beginning balance of deferred income tax assets due to changes in tax rates	5,345,728	50,896,335
Income tax expenses	367,838,088	209,497,353

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

59. 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	90,404,566	138,574,752
Current accounts received	352,225,090	58,640,125
Others	397,154,784	564,421,614
Total	839,784,440	761,636,490

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	707,559,695	596,750,255
Expenditure on product quality assurance	1,140,289,186	901,134,908
Bank charges	12,184,492	10,212,002
Current accounts paid	—	900
Funds for project supervision	108,128,488	—
Others	75,551,057	126,513,762
Total	2,043,712,918	1,634,611,827

Description of other cash payments relating to operating activities:

None

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

59. 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

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Cash received from business combinations under non-common control	—	12,341,795
Total	—	12,341,795

Other cash payments relating to investing activities:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

59. Items in the cash flow statement (continued)

(3) Cash related to financing activities

Other cash receipts relating to financing activities

☐ Applicable ☒ Not applicable

Other cash payments relating to financing activities

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payment of lease liabilities	126,519,709	138,821,083
Deposited into the securities account for share repurchase	1,389,626,376	—
Repurchase of treasury shares	354,679,056	—
Total	1,870,825,141	138,821,083

Description of other cash payments relating to financing activities:

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

59. Items in the cash flow statement (continued)

(3) Cash related to financing activities (continued)

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		Increase during the period
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term loans	414,922,553	59,000,000	174,127	435,086,013	-	39,010,667
Dividends payable	-	-	1,166,070,451	1,166,070,451	-	-
Long-term loans (Including long-term borrowings due within one year)	720,635,829	260,000,000	24,679	909,575,729	-	71,084,779
Lease liabilities (Including lease liabilities due within one year)	275,565,405	-	144,763,789	126,519,709	15,132,510	278,676,975
Total	1,411,123,787	319,000,000	1,311,033,046	2,637,251,902	15,132,510	388,772,421

(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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

60. 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	3,948,755,845	3,085,150,423
Add: Impairment losses	88,368,856	81,938,139
Credit losses	307,061,034	260,195,554
Depreciation of fixed assets, depletion of oil and gas assets, and depreciation of productive biological assets	848,623,158	686,090,624
Depreciation of right-of-use assets	119,588,911	130,209,122
Amortisation of intangible assets	253,481,771	183,471,340
Amortisation of long-term prepaid expenses	13,207,325	11,932,256
Losses on disposal of fixed assets, intangible assets and other non-current assets ("-" for gains)	-22,949,946	-2,778,146
Losses on changes in fair value ("-" for gains)	-43,848,229	-74,602,203
Finance costs ("-" for incomes)	-154,379,172	-130,301,132
Investment losses ("-" for gains)	-37,023,703	-87,085,806
Decrease in deferred tax assets ("-" for increases)	-45,263,646	-151,513,497
Increase in deferred tax liabilities ("-" for decrease)	-45,325,776	2,879,219
Decrease in inventories ("-" for increase)	-1,545,223,626	357,003,447
Decrease in operating receivables ("-" for increase)	-8,715,176,727	-3,797,941,731
Increase in operating payables ("-" for decrease)	9,027,150,217	2,558,836,111
Others	-635,925,377	-345,903,576
Net cash flow from operating activities	3,361,120,915	2,767,580,144
2. Net movement in cash and cash equivalents		
Closing balance of cash	7,637,572,817	7,013,542,578
Less: Opening balance of cash	7,013,542,578	7,077,245,620
Net increase in cash and cash equivalents	624,030,239	-63,703,042

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

60. Supplementary information to the cash flow statement (continued)

(2) Net cash paid for acquisition of subsidiaries in the current period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance
Consideration for acquisition of subsidiaries	106,925,028
Cash or cash equivalents paid for the acquisition of subsidiaries in the current year	106,925,028

Other information:

None

(3) Net cash received from disposal of subsidiaries in the current period

☐ Applicable ☒ Not applicable

(4) Composition of cash and cash equivalents

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	7,637,572,817	7,013,542,578
Including: Cash on hand	15,907	26,441
Bank deposits on demand	7,637,556,910	7,013,516,137
II. Closing balance of cash and cash equivalents	7,637,572,817	7,013,542,578

(5) Restricted items but still presented as cash and cash equivalents

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

60. Supplementary information to the cash flow statement (continued)

(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	1,033,226,342	831,565,996	Time deposits with maturity over three months
Other monetary funds	1,981,380,055	62,172,390	Deposits for bank acceptance and deposits for letter of guarantee Deposits in buy-back securities account Project supervision funds
Total	3,014,606,397	893,738,386	/

Other information:

☐ Applicable ☒ Not applicable

61. 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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

62. Foreign currency monetary items

(1) Foreign currency monetary items

✓ Applicable ☐ Not applicable

Year 2024

Unit: Yuan

Item	Foreign currency balance at 31 December 2024	Exchange rate	Equivalent to RMB Yuan at 31 December 2024
Cash and bank balances			1,631,051,666
Including: HKD	1,514,506,959	0.9260	1,402,433,444
GBP	9,413,011	9.0765	85,437,194
EUR	10,796,726	7.5257	81,252,921
USD	5,360,671	7.1884	38,534,647
MXN	53,778,120	0.3498	18,811,586
Others	/	/	4,581,874
Trade receivables			112,388,053
Including: EUR	11,283,913	7.5257	84,919,344
USD	2,248,942	7.1884	16,166,295
MXN	28,296,291	0.3498	9,898,043
GBP	154,726	9.0765	1,404,371
Accounts payable			121,469,040
Including: EUR	9,593,326	7.5257	72,196,493
JPY	521,876,797	0.0462	24,110,708
USD	1,845,239	7.1884	13,264,316
CHF	882,937	7.9977	7,061,465
Others	/	/	4,836,058
Other payables			153,519,725
Including: USD	15,864,277	7.1884	114,038,769
JPY	567,524,085	0.0462	26,219,613
EUR	1,681,100	7.5257	12,651,454
Others	/	/	609,889
Other receivable			241
Including: HKD	260	0.9260	241



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

62. Foreign currency monetary items (Continued)

(1) Foreign currency monetary items (Continued)

Year 2023

Unit: Yuan

Item	Foreign currency balance at 31 December 2023	Exchange rate	Equivalent to RMB Yuan at 31 December 2023
Cash and bank balances			278,993,772
Including: HKD	120,009,203	0.9062	108,752,340
GBP	10,106,336	9.0411	91,372,394
EUR	7,191,125	7.8592	56,516,490
USD	2,271,614	7.0827	16,089,160
Others	/	/	6,263,388
Trade receivables			59,102,701
Including: EUR	5,212,495	7.8592	40,966,042
USD	2,560,699	7.0827	18,136,659
Trade payables			82,917,561
Including: EUR	8,765,056	7.8592	68,886,325
USD	1,165,497	7.0827	8,254,866
CHF	652,484	8.4184	5,492,870
Others	/	/	283,500
Other payables			94,195,150
Including: USD	8,390,830	7.0827	59,429,729
EUR	3,743,308	7.8592	29,419,404
CHF	628,558	8.4184	5,291,453
Others	/	/	54,564

Other information:

None

(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

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

63. 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	44,284,267	42,390,086

Sale and leaseback transactions and basis of judgment

☐ Applicable ☒ Not applicable

Total cash outflows related to leases 137,422,541 (Unit: Yuan Currency: RMB)



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

63. 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	15,502,703	—
Machinery and equipment	12,407,302	—
Intangible assets	—	—
Total	<u>27,910,005</u>	<u>—</u>

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)	24,839,711	14,839,154
1 to 2 years (including 2 years)	3,056,960	9,235,718
2 to 3 years (including 3 years)	1,700,000	1,141,632
3 to 4 years (including 4 years)	850,000	89,242
4 to 5 years (including 5 years)	—	89,242
More than 5 years	—	—
Total	<u>30,446,671</u>	<u>25,394,988</u>

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

63. Lease (continued)

(2) As a lessor (continued)

Financial lease as a lessor

✓ Applicable ☐ Not applicable

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	—	118,962	—
Total	—	118,962	—

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)	302,386	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	1,901,533	3,500,680
Less: Unrealized financing gains	49,821	168,783
Net investment in leases	1,851,712	3,331,897



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

VII. NOTES TO KEY ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

63. Lease (continued)

(3) Recognition of gain or loss on sales under finance leases as a manufacturer or distributor

☐ Applicable ☒ Not applicable

Other information:

None

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	1,268,246,458	1,008,441,343
Depreciation and amortization	310,137,372	259,239,435
Material consumption	781,002,422	453,343,079
Technical services	160,579,429	170,332,948
Others	321,956,046	295,509,059
Total	<u>2,841,921,727</u>	<u>2,186,865,864</u>
Including: Expensed R&D expenditures	2,656,671,063	2,062,404,741
Capitalized R&D expenditures	<u>185,250,664</u>	<u>124,461,123</u>

Other information:

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	
Item 1	–	52,464,790	–	–	–	52,464,790
Item 2	24,391,247	7,323,201	109,812	–	–	31,824,260
Item 3	24,949,517	–	–	–	–	24,949,517
Item 4	14,603,230	3,109,453	63,254	–	–	17,775,937
Item 5	–	17,765,329	–	–	–	17,765,329
Item 6	–	16,377,510	–	–	–	16,377,510
Others	211,512,358	2,744,881,444	–	206,455,809	2,656,671,063	93,266,930
Total	275,456,352	2,841,921,727	173,066	206,455,809	2,656,671,063	254,424,273

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
Item 1	90%	2025/12	Realize sales	2024/4	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.
Item 2	95%	2025/12	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.
Item 3	95%	2025/9	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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

(1) Business Combinations under Common Control Occurred During the Period

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Combined Party	Equity Proportion Acquired in Business Combination	Basis for Business Combination under Common Control	Combination Date	Basis for Determining Combination Date	Revenue from Beginning of Year to Combination Date	Net profit/(loss) from Beginning of Year to Combination Date	Net Cash Inflow/ (Outflow) from Beginning of Year to Combination Date	Revenue for prior period	Net profit/ (Loss) for Prior Period
CRRC Commercial Vehicle Power Technology	100.0%	CRRC Commercial Vehicle Power Technology was ultimately controlled by the same party before and after the combination	31 December 2024	Actual control achieved over the shareholders' meeting of the acquired party	301,754,997	-95,649,424	7,140,972	170,318,404	-64,943,537

Other information:

CRRC Commercial Vehicle Power Technology is a company established on 14 November 2022 in Zhuzhou City, Hunan Province, with its headquarters located in Zhuzhou City, Hunan Province. It is primarily engaged in various engineering technology research and experimental development activities.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



IX. CHANGE IN CONSOLIDATION SCOPE (continued)

2. Business combination involving entities under common control (continued)

(2) Combination Cost

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Combination Cost		CRRC Commercial Vehicle Power Technology
– Cash		106,925,028
Total		<u>106,925,028</u>

Explanation of Contingent Consideration and Its Changes:

None

Other information:

None

(3) Carrying Value of Assets and Liabilities of the Combined Party on the Combination Date

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

	CRRC Commercial Vehicle Power Technology Combination	
	Date	End of Prior Period
Assets:		
Current Assets	349,004,515	259,583,795
Non-current Assets	140,709,792	123,001,215
Liabilities:		
Current Liabilities	424,602,307	246,393,320
Non-current Liabilities	28,227,548	4,017,373
Net Assets	36,884,452	132,174,317
Less: Minority Interests	–	–
Net Assets Acquired	36,884,452	132,174,317



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

IX. CHANGE IN CONSOLIDATION SCOPE (continued)

2. Business combination involving entities under common control (continued)

(3) Carrying Value of Assets and Liabilities of the Combined Party on the Combination Date (continued)

Contingent Liabilities Assumed in Business Combination:

None

Other information:

None

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

5. Other reasons for change of consolidation scope

Explanation of changes in the scope of consolidation due to other reasons (e.g., newly established subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

☒ Applicable ☐ Not applicable

In September 2024, the Company newly established a subsidiary, Hefei CRRC Times Semiconductor Co., Ltd.

In 2024, the Company liquidated its subsidiary, Soil Machine Dynamics Singapore Pte.Ltd., and therefore it was not included in the scope of consolidation during the period.

6. Others

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

X. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Composition of the Group

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

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 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#}	RMB5,647,633,598	Manufacturing	77.83	–	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	–	55.00	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	60.00	–	Incorporation
Guangzhou CRRC Times Electric Technology Co., Ltd. ("Guangzhou Electric")	Guangzhou, Guangdong	Guangzhou, Guangdong ^{2#}	RMB30,000,000	Manufacturing	60.00	–	Incorporation
HK CRRC Times Electric	Hong Kong	Hong Kong	HKD856,952,000	Investment holding	100	–	Incorporation
Ningbo CRRC Electric	Ningbo, Zhejiang	Ningbo, Zhejiang ^{2#}	RMB200,000,000	Manufacturing	55.00	–	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	45.00	–	Incorporation
Shanghai CRRC Rail Transit Technology Co., Ltd. ("Shanghai CRRC Rail Transit")	Shanghai	Shanghai ^{2#}	RMB50,000,000	Manufacturing	51.00	–	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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	
Lanzhou CRRC Times Rail Transit Technology Co., Ltd. ("Lanzhou Times")	Lanzhou, Gansu	Lanzhou, Gansu ^{2#}	RMB50,000,000	Manufacturing	51.00	–	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	60.00	–	Incorporation
FAW CRRC Electric Drive System Co., Ltd. (Note 2)	Changchun, Jilin	Changchun, Jilin ^{2#}	RMB500,000,000	Manufacturing	50.00	–	Incorporation
Yixing CRRC Times Semiconductor Co., Ltd.	Wuxi, Jiangsu	Wuxi, Jiangsu ^{2#}	RMB3,600,000,000	Manufacturing	–	100	Incorporation
Hefei CRRC Times Semiconductor Co., Ltd	Hefei, Anhui	Hefei, Anhui ^{2#}	RMB310,000,000	Manufacturing	–	100	Incorporation
Hunan CRRC Electric Drive	Zhuzhou, Hunan	Zhuzhou, Hunan ^{2#}	RMB1,000,000,000	Manufacturing	83.30	–	Incorporation
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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	
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		73.30	By business combination not involving enterprises under common control
CRRC National Centre of Converters	Zhuzhou, Hunan	Zhuzhou, Hunan ^{2#}	RMB890,600,000	Manufacturing	100	–	By business combination involving enterprises under common control
CRRC Commercial Vehicle Power Technology	Zhuzhou, Hunan	Zhuzhou, Hunan ^{2#}	RMB205,554,480	Manufacturing	100	–	combination involving enterprises under common control
CRRC Times Electric Drive Technology Co., Ltd. in Indonesia	Indonesia	Indonesia	RP111,000,000,000	Manufacturing	51.00	49.00	Incorporation



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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:

None

Rationale for determining whether the Company is an agent or principal:

None

Other information:

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	22.17	174,445,921	47,464,128	2,406,100,155

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

X. INTERESTS IN OTHER ENTITIES (continued)

1. Interests in subsidiaries (continued)

(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	5,724,707,285	8,438,424,611	14,163,131,896	3,165,694,569	167,709,378	3,333,403,947	3,842,348,952	5,246,005,321	9,088,354,273	1,595,632,934	949,350,522	2,544,983,456

Unit: Yuan Currency: RMB

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	4,365,049,193	1,192,639,860	1,193,339,858	1,150,547,775	3,636,787,838	1,028,351,176	1,031,591,959	1,076,573,141

Other information:

None

(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

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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

✓ Applicable ☐ Not applicable

(1) Changes in the Group's interests in subsidiaries:

✓ Applicable ☐ Not applicable

From April to December 2024, a subsidiary of the Group, CRRC Times Semiconductor, introduced multiple strategic investors for a capital increase and share expansion, raising RMB 4,327,800,000. The Company paid RMB 4,150,420 to Zhuzhou Chip Connection Zero Partnership Enterprise to acquire a 0.05% equity stake in its subsidiary, CRRC Times Semiconductor. Following the completion of the capital increase and equity transfer, the Group's equity stake in CRRC Times Semiconductor decreased from 96.17% to 77.83%. The Group recognized the difference in the amount of net assets attributable to CRRC Times Semiconductor before and after the equity change, amounting to RMB 2,295,835,397, as an increase in capital reserve.

From May to June 2024, Ningbo Rail Transit Group Co., Ltd. (hereinafter referred to as "Rail Transit Group") invested an additional RMB 139,824,270 in Ningbo Electric, acquiring a 45% equity stake. After the capital increase, the registered capital of Ningbo Electric increased to RMB 200,000,000, and the Group's equity stake in Ningbo Electric decreased from 100.00% to 55.00%. The Group recognized the difference in the amount of net assets attributable to Ningbo Electric before and after the capital increase, amounting to RMB 20,412,049, as an increase in capital reserve.

From June to July 2024, Zhuzhou Electric Drive Zero Enterprise Management Partnership Enterprise (Limited Partnership) invested RMB 50,000,000 and RMB 25,330,000 in cash to Hunan CRRC Electric Drive. The group will calculate the difference of the amount of the net assets of Hunan CRRC Electric Drive to be entitled to according to the shareholding ratio before and after this capital increase to increase the capital reserve by RMB 25,492,368.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	Ningbo CRRC Electric	Hunan CRRC Electric Drive
Acquisition cost/disposal consideration			
– Cash	4,323,649,580	139,824,270	75,330,000
– Fair value of non-cash assets	–	–	–
Acquisition cost/disposal consideration	4,323,649,580	139,824,270	75,330,000
Less: Share of net assets in subsidiaries based on the shares acquired/disposed of	2,027,814,183	119,412,221	49,837,632
Difference	2,295,835,397	20,412,049	25,492,368
Including: Adjustment to capital reserve	2,295,835,397	20,412,049	25,492,368
Adjustment to surplus reserve	–	–	–
Adjustment to retained earnings	–	–	–

Other information:

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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

(2) Main financial information of significant joint ventures

☐ Applicable ✓ Not applicable

(3) Main financial information of significant associates

☐ Applicable ✓ Not applicable

(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	265,395,108	276,707,814
Aggregate amount calculated based on the shareholding proportion		
– Net profit	-11,292,724	-7,019,066
– Total comprehensive income	-11,292,724	-7,019,066
Associates:		
Aggregate carrying amount of investments	307,049,312	256,703,390
Aggregate amount calculated based on the shareholding proportion		
– Net profit	6,282,481	3,479,388
– Total comprehensive income	6,282,481	3,479,388

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

X. INTERESTS IN OTHER ENTITIES (continued)

3. Equity in associates or joint ventures (continued)

(5) Description of material restrictions on transfers of funds from joint ventures or associates to the Company

☐ Applicable ☒ Not applicable

(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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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 31 December 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	3,533,861,455	4,776,392,878
<i>At FVTOCI</i>		
Trade receivables financing	3,821,703,358	4,535,584,981
Other equity instrument investments	266,823,520	233,249,992
<i>At amortised cost</i>		
Cash and bank balances	10,652,179,214	7,907,280,965
Bills receivable	3,224,588,596	2,393,066,611
Accounts receivable	11,612,385,573	9,719,048,860
Other receivables	247,407,254	243,572,782
Other current assets	1,022,607,338	50,143,500
Non-current assets due within one year	2,628,347,569	1,100,449,970
Long-term receivables	1,969,712	3,547,297
Other non-current assets	1,968,103,723	3,544,519,225
Financial liabilities		
<i>At amortised cost</i>		
Short-term borrowings	39,010,667	414,922,553
Bills payable	5,816,830,991	3,987,430,534
Accounts payable	8,289,622,832	6,336,312,525
Other payables	1,869,975,564	1,173,512,094



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XII. RISK RELATED TO 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 31 December 2024 and 31 December 2023, the Group had certain concentrations of credit risk as 17.79% and 0.65% of the Group's accounts receivable were due from the Group's largest customer. As at 31 December 2024 and 31 December 2023, 23.07% and 10.61% 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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



XII. RISK RELATED TO 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 31 December 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	41,741,413	—	—	—	41,741,413	39,010,667
Bills payable	5,816,830,991	—	—	—	5,816,830,991	5,816,830,991
Accounts payable	8,289,622,832	—	—	—	8,289,622,832	8,289,622,832
Other payables (excluding dividends payable)	1,869,975,564	—	—	—	1,869,975,564	1,869,975,564
Long-term borrowings (including long-term borrowings due within one year)	9,594,696	13,940,541	36,605,315	13,297,764	73,438,316	71,084,779
Lease liabilities (including lease liabilities due within one year)	108,232,343	66,492,516	103,800,583	32,118,630	310,644,072	278,676,975
Long-term payables	—	72,823	—	—	72,823	72,823
Total	16,135,997,839	80,505,880	140,405,898	45,416,394	16,402,326,011	16,365,274,631



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XII. RISK RELATED TO 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	421,090,413	–	–	–	421,090,413	414,922,553
Bills payable	3,987,430,534	–	–	–	3,987,430,534	3,987,430,534
Accounts payable	6,336,312,525	–	–	–	6,336,312,525	6,336,312,525
Other payables (excluding dividends payable)	1,173,512,094	–	–	–	1,173,512,094	1,173,512,094
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	275,565,406
Long-term payables	–	5,096,031	–	–	5,096,031	5,096,031
Total	<u>12,106,436,105</u>	<u>360,095,688</u>	<u>467,272,744</u>	<u>54,949,185</u>	<u>12,988,753,722</u>	<u>12,913,474,972</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.

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>-292,580</u>	<u>292,580</u>	<u>-7,304,935</u>	<u>7,304,935</u>

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Risks of financial instruments (continued)

(3) Market risk (continued)

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.

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
HKD	1,402,494,265	–	384,882,652	–
GBP	457,618,430	7,363,972	399,277,925	35,989,225
EUR	210,024,094	84,847,951	156,862,142	98,305,729
USD	180,014,488	146,700,897	135,192,054	80,600,236
AUD	28,709,629	–	–	–
MXN	22,054,267	114,736	32,909,435	–
CHF	4,581,874	7,671,352	4,460,118	10,784,322
JPY	–	50,330,321	160,851	337,858
Total	2,305,497,047	297,029,229	1,113,745,177	226,017,370



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Risks of financial instruments (continued)

(3) Market risk (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity analysis on currency risk, which reflects the impact of reasonably possible changes in the exchange rates of HKD, GBP, EUR, USD, AUD, MXN, CHF and JPY on the Group's net profit, with all other variables held constant.

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)
HKD				
If RMB strengthens against HKD	10%	-119,212,013	10%	-32,715,025
If RMB weakens against HKD	-10%	119,212,013	-10%	32,715,025
GBP				
If RMB strengthens against GBP	10%	-38,271,629	10%	-30,879,540
If RMB weakens against GBP	-10%	38,271,629	-10%	30,879,540
EUR				
If RMB strengthens against EUR	10%	-10,639,972	10%	-4,977,295
If RMB weakens against EUR	-10%	10,639,972	-10%	4,977,295
USD				
If RMB strengthens against USD	10%	-2,831,655	10%	-4,640,305
If RMB weakens against USD	-10%	2,831,655	-10%	4,640,305
AUD				
If RMB strengthens against AUD	10%	-2,440,318		—
If RMB weakens against AUD	-10%	2,440,318		—
MXN				
If RMB strengthens against MXN	10%	-1,864,860	10%	-2,797,302
If RMB weakens against MXN	-10%	1,864,860	-10%	2,797,302
CHF				
If RMB strengthens against CHF	10%	262,606	10%	537,557
If RMB weakens against CHF	-10%	-262,606	-10%	-537,557
JPY				
If RMB strengthens against JPY	10%	4,278,077	10%	15,046
If RMB weakens against JPY	-10%	-4,278,077	-10%	-15,046

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

2. Risks of financial instruments (continued)

(3) Market risk (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	39,010,667
Bills payable	5,816,830,991
Accounts payable	8,289,622,832
Employee benefits payable	226,286,846
Taxes payable (excluding enterprise income tax payable)	167,026,715
Other payables	1,869,975,564
Long-term borrowings (including long-term borrowings due within 1 year)	71,084,779
Lease liabilities (including lease liabilities due within 1 year)	278,676,974
Long-term payables	72,823
Less: Cash and cash equivalents	7,745,701,306
Net liabilities	9,012,886,885
Equity attributable to shareholders of the Parent Company	41,527,759,522
Capital and net liabilities	50,540,646,407
Gearing ratio	17.83%



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XII. RISK RELATED TO 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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Transfer of financial assets

(1) Classification of transfer methods

✓ Applicable ☐ Not applicable

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	26,558,716	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	335,491,470	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	1,287,291,030	Fully derecognized	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	1,035,560,846	Fully derecognized	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	Commercial acceptances	571,649,000	Fully derecognized	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	Accounts receivables	69,472,100	Fully derecognized	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>3,326,023,162</u>	/	/



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XII. RISK RELATED TO FINANCIAL INSTRUMENTS (continued)

3. Transfer of financial assets (continued)

(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	1,287,291,030	—
Bankers' acceptances	Discounting	1,035,560,846	3,848,420
Commercial acceptances	Discounting	571,649,000	2,905,499
Accounts receivables	Factoring	69,472,100	—
Total	/	<u>2,963,972,976</u>	<u>6,753,919</u>

(3) Transferred financial assets that continue to be involved

☐ Applicable ☒ Not applicable

Other information

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	-	3,533,861,455	-	3,533,861,455
(II) Trade receivables financing	-	3,821,703,358	-	3,821,703,358
(III) Other equity instrument investments	-	-	266,823,520	266,823,520
Total assets measured at fair value on a recurring basis	-	7,355,564,813	266,823,520	7,622,388,333

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.

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XIII. DISCLOSURE OF FAIR VALUE (continued)

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	33,573,528
31 December 2024	266,823,520

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

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 31 December 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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	912,684	42.01%	42.01%

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".

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

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

Other information:

☐ Applicable ☒ Not applicable

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
Zhuzhou Shidai New Material Technology Co., Ltd	Company controlled by CRRC ZELRI
Beijing CRRC Heavy Industry Machinery Co., Ltd	Company controlled by CRRC ZELRI
Xiangyang CRRC Motor Technology Co., Ltd	Company controlled by CRRC ZELRI
Zhuzhou CRRC Electromechanical Technology Co., Ltd	Company controlled by CRRC ZELRI
Hunan Liqianli Technology Co., Ltd	Company controlled by CRRC ZELRI
Bogo Rubber&Plastics (Zhuzhou) Co., Ltd	Company controlled by CRRC ZELRI
Wuxi CRRC Times Intelligent Equipment Research Institute Co., Ltd	Company controlled by CRRC ZELRI
Zhuzhou Shidai Ruiwei Damping Equipment Co., Ltd	Company controlled by CRRC ZELRI
Zhuzhou CRRC Qihong Cooling Technology Co., Ltd	Company controlled by CRRC ZELRI
Zhuzhou Shidai Rubber and Plastic Components Development Co., Ltd	Company controlled by CRRC ZELRI
China Railway Inspection and Certification Zhuzhou Traction Electrical Equipment Inspection Station Co., Ltd	Company controlled by CRRC ZELRI
Wuxi CRRC Times Intelligent Equipment Co., Ltd	Company controlled by CRRC ZELRI
CRRC Shanghai Hange Marine Engineering Co., Ltd	Company controlled by CRRC ZELRI
Tianjin CRRC Wind Energy Technology Co., Ltd	Company controlled by CRRC ZELRI
Hunan CRRC Zhixing Technology Co., Ltd	Company controlled by CRRC ZELRI
Jixi CRRC New Energy Equipment Co., Ltd	Company controlled by CRRC ZELRI
Guangxi CRRC New Energy Equipment Co., Ltd	Company controlled by CRRC ZELRI
Yibin CRRC Times New Energy Co., Ltd	Company controlled by CRRC ZELRI
Zhuzhou Electromagnetic Technology Branch of Xiangyang CRRC Motor Technology Co., Ltd	Company controlled by CRRC ZELRI

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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
Xiangyang Hongji Branch of Zhuzhou Times New Material Technology Co., Ltd	Company controlled by CRRC ZELRI
Changzhou Langrui Dongyang Transmission Technology Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shenyang Westinghouse Brake Technology Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
Dalian Toshiba Locomotive Electrical Equipment Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shanghai Shentong Changke Rail Transit Vehicle Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shenyang Rail Transit Equipment Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shenzhen Railway Vehicles Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changchun Changke Alstom Rolling Stock Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
Jiangsu Langrui Maoda Casting Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
Beijing Sifang Tongchuang Rail Transit Equipment Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao Sifang Faweilai Rail Brake Co., Ltd	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhuzhou Jiufang Casting 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
Beijing Nankou Sikaifu Railway Bearing Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Ziyang Zhonggong Locomotive Transmission Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Taiyuan Yingfeng Rolling Stock Casting Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Taiyuan Locomotive Road Kaiyun Industry Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Taiyuan Railway Vehicles Economic and Trade Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group
Datong ABB Traction Transformer 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
Qingdao Metro Rail Transit Intelligent Maintenance Co., Ltd	Associate of the ultimate holding group other than CRRC ZELRI Group



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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
Chengdu Changke Xinzhu Rail Transit Equipment Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Tianjin Electric Locomotive Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Anhui CRRZ Puzhen Urban Rail Transit Operation and Maintenance Technology Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Guangzhou Electric Locomotive Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Datong Hitachi Energy Traction Transformer Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Beijing Beijiufang Rail Transit Technology Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Shanghai Alstom Transportation Electric Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Jinan Sirui Rail Transit Equipment Technology Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
Taizhou Changxing Rail Transit Operation Management Co., Ltd	Associate of the ultimate holding group other than CRRZ ZELRI Group
CRRZ ZELC Verkehrstechnik GmbH	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
Zhuzhou CRRZ Logistics Co., Ltd	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
CRRZ Luoyang Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
Wuhan CRRZ Zhuji Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
CRRZ Zhuzhou Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
CRRZ Zhuzhou Electric Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
CRRZ Massachusetts Corporation	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
CRRZ Times Electric Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
Ningbo Jiangbei Jiufang Horong Electric Co., Ltd	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
CRRZ Zhuzhou Motor Co., Ltd	Company controlled by the ultimate holding party other than CRRZ ZELRI Group
CRRZ Qishuyan Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRZ ZELRI Group

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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 Qishuyan Rolling Stock Technology Research Institute Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Electric Equipment Branch of CRRC Zhuzhou Electric Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Yongji Motor Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Beijing CRRC Saide Railway Electrical Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Sifang Vehicle Research Institute Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhuzhou CRRC Tianli Forging Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Dalian Locomotive Research Institute Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Ziyang CRRC Electric Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Datong Electric Locomotive 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
Meishan CRRC Fastener Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chengdu CRRC Motor Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Electric Locomotive Co., Ltd. Locomotive Operation Guarantee Service Branch	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou CRRC Westinghouse Diesel Engine Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shentong Rail Transit Vehicle 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
Intelligent Equipment Branch of CRRC Zhuzhou Electric Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shijiazhuang Guoxiang Transportation Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou CRRC Ruitai Equipment Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shenyang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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 Tianjin Locomotive and Vehicle Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Brake System Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Meishan CRRC Brake Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou CRRC Diesel Engine Parts 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 Brake System Co., Ltd. Zhuzhou Branch	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Xi'an Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shandong Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Taiyuan Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Sifang Rail Equipment Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Dalian Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Nanjing Puzhen Vehicle 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
CRRC Tangshan Rolling Stock 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
Wharton Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
System Branch of CRRC Times Electric Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Qingdao Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Beijing Erqi Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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
Brake Branch of CRRC Shenyang Locomotive and Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Xi'an CRRC Yongdian Jietong Electric 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 Zhicheng Culture Technology (Beijing) Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Zhuzhou Locomotive (Europe) Co., 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
Beijing CRRC Testing&Certification Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changzhou CRRC Tiema Technology Industry Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Jiangsu CRRC Electromechanical Technology 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
Xi'an CRRC Changchun Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chengdu CRRC Railway Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Hangzhou CRRC Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Tianjin Railway Vehicles 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
Tianjin CRRC Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Urban Transport Planning and Design Institute Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shanghai Alstom Transport Co	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhengzhou CRRC Sifang Rolling Stock 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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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
Foshan CRRC Sifang Rolling Stock 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 Chengdu Rolling Stock 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
Wuhan CRRC Sifang Wuhan Rail Transit Technology 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
Quanzhou CRRC Tangche Rolling Stock 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
Tianjin CRRC Tangche Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Kunming CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Ziyang Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Beijing CRRC Changke Erqi Rail Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wenzhou CRRC Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chongqing CRRC Changchun Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Guangdong Rail Transit Vehicle 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
CRRC International Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Qingdao Sifang Alstom Railway Transportation Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Shijiazhuang CRRC Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chengdu CRRC Sifang Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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 Lanzhou Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Century Huayang Environmental Engineering 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
Hunan CRRC Environmental Engineering 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 Dalian Electric Traction R&D Center Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changchun Passenger Rail Transit Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changsha CRRC Zhiyu New Energy Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Zhejiang CRRC Tram Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Changde CRRC New Energy Vehicle 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
Jiangxi CRRC Changchun Railway Vehicles Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Xi'an CRRC Yongdian Electric Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC New infrastructure Investment Development Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Wuhan CRRC Intelligent Transportation System Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Cangzhou CRRC Zhuji Rail Equipment Service Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Nanjing CRRC Puzhen Haitai Brake Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Xi'an CRRC Yongdian Intelligent Drive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Mexico Hong Kong Rail Transit Service Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changjiang Automobile Co., Ltd. Cold Intelligent Equipment Branch	Company controlled by the ultimate holding party other than CRRC ZELRI Group



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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
Qingdao CRRC Sifang Vehicle Logistics Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changzhou Vehicle 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 Beijing Erqi Vehicle Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Sichuan CRRC Shangcheng Electric Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Nanjing CRRC Puzhen Urban Rail Vehicle 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
CRRC Shentong Rail Transit Vehicle Co., Ltd. (after July 2023)	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC (Hong Kong) Co.Limited	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Shenyang Yongdian Railway Equipment Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC KUALA LUMPUR MAINTENANCE SDN B	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Maintenance Branch of CRRC Zhuzhou Electric Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Jinhua CRRC Rolling Stock Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Xiangyang Branch of CRRC Luoyang Locomotive Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
Chongqing CRRC Rail Equipment Maintenance Service 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
CRRC Harbin Vehicle Co., Ltd. Shuangsheng Branch	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Research Institute 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
CRRC Qihang New Energy Technology Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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
Hami CRRC New Energy Motor Co., Ltd	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC Changjiang Transportation Equipment Group Co., Ltd. Technology Development Branch	Company controlled by the ultimate holding party other than CRRC ZELRI Group
CRRC ZELRI Group	Controlling shareholders of CRRC ZELRI
Fuzhou Financial Investment Intellignet Rail Transit Equipment Co., Ltd	Joint venture of CRRC ZELRI
Zhuzhou CRRC Times High tech Investment Co., Ltd	Joint venture of CRRC ZELRI
Hunan Motor Vehicle Testing Technology Co., Ltd	Associate of CRRC ZELRI
Zhouzhou Guochuang Rail Technology Co., Ltd	Associate of CRRC ZELRI
Guizhou Shidai Green Equipment Co., Ltd	Companies controlled by the joint venture of CRRC ZELRI
Qujing Yihui New Energy Co., Ltd	Companies controlled by the joint venture of CRRC ZELRI
Zhangye Yihui New Energy Co., Ltd	Companies controlled by the joint venture of CRRC ZELRI
You County Shangyou New Energy Co., Ltd	Companies controlled by the joint venture of CRRC ZELRI

Other information:

None



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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 venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group	Purchase of goods	2,432,739	5,616,648
Associate of the ultimate holding group other than CRRC ZELRI Group	Purchase of goods	11,524,771	6,119,785
Associate of the ultimate holding group other than CRRC ZELRI Group	Receipt of services	2,550,753	3,741,258
Company controlled by the ultimate holding party other than CRRC ZELRI Group	Purchase of goods	930,570,083	760,492,953
Company controlled by the ultimate holding party other than CRRC ZELRI Group	Receipt of services	73,262,649	71,604,775
Joint ventures of the Company	Purchase of goods	39,859,264	79,092,615
Associates of the Company	Purchase of goods	17,236,928	128,421,944
Associates of the Company	Receipt of services	2,650,943	232,318
Company controlled by CRRC ZELRI	Purchase of goods	812,925,992	606,774,155
Company controlled by CRRC ZELRI	Receipt of services	11,188,780	11,778,450
CRRC ZELRI	Purchase of goods	12,483,186	—
CRRC ZELRI	Receipt of services	135,144,160	129,530,789
Joint venture of CRRC ZELRI	Purchase of goods	1,991,159	2,012,100
Associate of CRRC ZELRI	Receipt of services	805,660	326,887
Companies controlled by the joint venture of CRRC ZELRI	Purchase of goods	—	634,451
Total		2,054,627,067	1,806,379,128

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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)

Sale of goods / rendering of service

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related parties	Related party transactions	Current period	Prior period
Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group	Sales of goods	192,532,104	208,081,788
Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group	Rendering of services	4,021,375	720,409
Associate of the ultimate holding group other than CRRC ZELRI Group	Sales of goods	47,639,869	126,434,107
Associate of the ultimate holding group other than CRRC ZELRI Group	Rendering of services	11,318,639	5,038,673
Company controlled by the ultimate holding party other than CRRC ZELRI Group	Sales of goods	6,810,450,748	5,391,854,996
Company controlled by the ultimate holding party other than CRRC ZELRI Group	Rendering of services	2,244,994,442	1,502,145,497
Joint ventures of the Company	Sales of goods	79,077,886	9,725,751
Joint ventures of the Company	Rendering of services	1,793,633	2,250,000
Associates of the Company	Sales of goods	54,669,361	367,399,315
Associates of the Company	Rendering of services	600,000	1,200,000
Company controlled by CRRC ZELRI	Sales of goods	79,728,465	154,966,494
Company controlled by CRRC ZELRI	Rendering of services	6,433,605	4,838,002
CRRC ZELRI	Sales of goods	206,715,700	133,773,449
CRRC ZELRI	Rendering of services	11,337,857	10,860,233
Joint venture of CRRC ZELRI	Rendering of services	35,790	—
Companies controlled by the joint venture of CRRC ZELRI	Sales of goods	19,511,687	25,711,937
Total		9,770,861,161	7,945,000,651

Descriptions on purchases and sales of goods, rendering and receipt of services

☐ Applicable ☒ Not applicable

(2) Related party trusteeship/contracting/outsourcing arrangement

Trusteeship/contracting of the Company

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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 (continued)

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
Company controlled by the ultimate holding party other than CRRC ZELRI Group	644,146	34,593
Joint ventures of the Company	6,759	6,367
Associates of the Company	553,480	589,647
Company controlled by CRRC ZELRI	6,175,875	5,772,176
CRRC ZELRI	4,266,722	3,473,582
Companies controlled by the joint venture of CRRC ZELRI	11,094,428	—
Total	22,741,410	9,876,365

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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
Company controlled by the ultimate holding party other than CRRC ZELRI Group	3,130,221	5,118,109	-	-	8,580,401	10,594,157	318,560	699,470	8,949,472	3,151,499
CRRC ZELRI	-	551,070	-	-	2,130,222	2,233,077	88,151	121,797	3,747,230	2,038,200
Company controlled by CRRC ZELRI	-	-	-	-	-	11,564,029	-	126,862	-	-
Joint ventures of the Company	-	-	-	-	-	-	-	2,944	-	-
Associate of the ultimate holding group other than CRRC ZELRI Group	132,110	-	-	-	-	-	-	-	-	298,265
Total	3,262,331	5,669,179	-	-	10,710,623	24,391,263	406,711	951,073	12,696,702	5,487,964

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	67,710,337	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	14,697,708	18,474,058

1) Remuneration of directors, supervisors and chief executive

Unit: Yuan Currency: RMB

Name of the entity	Current period	Prior period
Fees	777,809	1,001,986
Other emoluments:	—	—
Salaries, allowances and benefits in kind	1,268,868	3,583,894
Performance related bonuses	401,172	899,395
Social insurance charges and housing provident fund	197,145	363,822
Pension scheme contributions	195,654	417,996
Sub-total	2,062,839	5,265,107
Total	2,840,648	6,267,093

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(7) Remuneration of key management personnel (continued)

1) Remuneration of directors, supervisors and chief executive (continued)

Details of remuneration of directors, supervisors and chief executives in 2024 are listed as below:

Unit: Yuan Currency: RMB

	Fees	Basic salaries	Performance related bonuses	Total remuneration before tax	Social security contributions and housing fund	Pension scheme contributions	Total remuneration
Executive Directors							
Li Donglin	-	-	-	-	-	-	-
Liu Kean	-	-	-	-	-	-	-
Shang Jing	-	190,000	-	190,000	22,606	29,636	242,242
Xu Shaolong	-	280,300	95,000	375,300	40,722	48,424	464,446
Sub-total	-	470,300	95,000	565,300	63,328	78,060	706,688
Non-Executive Directors							
Zhang Xinyu	-	-	-	-	-	-	-
Independent Non-Executive Directors							
Li Kaiguo	119,048	-	-	119,048	-	-	119,048
Lin Zhaofeng	270,333	-	-	270,333	-	-	270,333
Zhong Ninghua	119,048	-	-	119,048	-	-	119,048
Feng Xiaoyun	50,745	-	-	50,745	-	-	50,745
Gao Feng	71,058	-	-	71,058	-	-	71,058
Sub-total	630,232	-	-	630,232	-	-	630,232
Supervisors							
She Zhulin	-	409,080	277,272	686,352	68,980	60,701	816,033
Liu Shaojie	28,529	389,488	28,900	446,917	64,837	56,893	568,647
Li lue	-	-	-	-	-	-	-
Geng Jianxin	119,048	-	-	119,048	-	-	119,048
Sub-total	147,577	798,568	306,172	1,252,317	133,817	117,594	1,503,728
Total	777,809	1,268,868	401,172	2,447,849	197,145	195,654	2,840,648



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(7) Remuneration of key management personnel (continued)

1) Remuneration of directors, supervisors and chief executive (continued)

Details of remuneration of directors, supervisors and chief executives in 2023 are listed as below:

Unit: Yuan Currency: RMB

	Fees	Basic salaries	Performance related bonuses	Total remuneration before tax	Social security contributions and housing fund	Pension scheme contributions	Total remuneration
Executive Directors							
Li Donglin	-	-	-	-	-	-	-
Liu Kean	-	-	-	-	-	-	-
Shang Jing	-	680,000	604,060	1,284,060	61,189	86,196	1,431,445
Yan Wu	-	689,111	117,873	806,984	61,189	81,373	949,546
Sub-total	-	1,369,111	721,933	2,091,044	122,378	167,569	2,380,991
Non-Executive Directors							
Zhang Xinning	-	-	-	-	-	-	-
Independent Non-Executive Directors							
Gao Feng	119,048	-	-	119,048	-	-	119,048
Li Kaiguo	119,048	-	-	119,048	-	-	119,048
Lin Zhao Feng	115,321	-	-	115,321	-	-	115,321
Zhong Ninghua	52,561	-	-	52,561	-	-	52,561
Chen Jinrong	153,317	-	-	153,317	-	-	153,317
Pu Bingrong	153,317	-	-	153,317	-	-	153,317
Liu Chunru	67,650	-	-	67,650	-	-	67,650
Chen Xiaoming	67,650	-	-	67,650	-	-	67,650
Sub-total	847,912	-	-	847,912	-	-	847,912
Supervisors							
Shen Zhulin	-	431,788	-	431,788	61,189	59,089	552,066
Liu Shaojie	13,321	308,881	111,218	433,420	57,877	51,658	542,955
Pang Yiming	-	482,065	-	482,065	61,189	55,839	599,093
Zhou Guifa	21,705	992,049	66,244	1,079,998	61,189	83,841	1,225,028
Li Lue	-	-	-	-	-	-	-
Geng Jianxin	119,048	-	-	119,048	-	-	119,048
Sub-total	154,074	2,214,783	177,462	2,546,319	241,444	250,427	3,038,190
Total	1,001,986	3,583,894	899,395	5,485,275	363,822	417,996	6,267,093

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(7) Remuneration of key management personnel (continued)

2) Five highest paid employees of the Group

	Current period	Prior period
Directors, supervisors and chief executives	–	1
Non-directors and non-supervisors	5	4
Total	5	5

The remuneration paid to the above non-directors, non-supervisors and non-chief executives with the highest remuneration is as follows:

Unit: Yuan Currency: RMB

	Current period	Prior period
Salaries, allowances and benefits in kind	2,264,600	3,228,280
Performance related bonuses	3,495,013	608,811
Social insurance charges and housing provident fund	344,898	248,516
Pension scheme contributions	395,585	328,150
Total	6,500,096	4,413,757

The number of the employees (who are neither directors, supervisors nor the chief executive officer) whose remuneration fell within the following band is as follows:

	Current period	Prior period
HKD 1,000,001 to HKD 1,500,000	4	4
HKD 1,500,001 to HKD 2,000,000	1	–



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(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>1,976,443,020</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>6,801,943</u>	<u>3,044,886</u>

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	<u>769,014</u>	<u>4,310,782</u>
Controlling shareholders of CRRC ZELRI	<u>—</u>	<u>821,509</u>
Total	<u>769,014</u>	<u>5,132,291</u>

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



XIV. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5. Transactions between the Group and its related parties (continued)

(8) Other related party transactions (continued)

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	1,490,342	2,169,778
Company controlled by CRRC ZELRI	—	42,966
Total	1,490,342	2,212,744

Sales of energy to related parties

Unit: Yuan Currency: RMB

Name of the entity	Current period	Prior period
Companies controlled by CRRC ZELRI	—	2,092,669
CRRC ZELRI	—	111,464
Associates of the company	—	4,307
Total	—	2,208,440



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	Company controlled by the ultimate holding party other than CRRC ZELRI Group	1,619,034,654	456,057,170
Bills receivable	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group	38,364,420	–
Bills receivable	Associate of the ultimate holding group other than CRRC ZELRI Group	2,800,000	–
Accounts receivable (including long-term receivables)	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group	123,851,293	214,092,679
Accounts receivable (including long-term receivables)	Associate of the ultimate holding group other than CRRC ZELRI Group	113,122,279	131,749,173
Accounts receivable (including long-term receivables)	Company controlled by the ultimate holding party other than CRRC ZELRI Group	3,697,052,940	2,217,414,614
Accounts receivable (including long-term receivables)	Joint ventures of the Company	65,162,707	7,702,351
Accounts receivable (including long-term receivables)	Associates of the Company	17,149,457	46,823,417
Accounts receivable (including long-term receivables)	Company controlled by CRRC ZELRI	61,162,725	43,682,951
Accounts receivable (including long-term receivables)	CRRC ZELRI	41,552,743	86,681,851
Accounts receivable (including long-term receivables)	Joint venture of CRRC ZELRI	8,582	–
Accounts receivable (including long-term receivables)	Companies controlled by the joint venture of CRRC ZELRI	99,630,276	68,822,472
Prepayments	Company controlled by the ultimate holding party other than CRRC ZELRI Group	1,808,084	111,925
Prepayments	CRRC ZELRI	1,410	–
Prepayments	Company controlled by CRRC ZELRI	6,379	2,220,000
Prepayments	Companies controlled by the joint venture of CRRC ZELRI	7,871,580	–
Contract assets	Associate of the ultimate holding group other than CRRC ZELRI Group	1,506,502	1,726,010

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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
Contract assets	Company controlled by the ultimate holding party other than CRRC ZELRI Group	160,543,528	88,176,397
Contract assets	Company controlled by CRRC ZELRI	1,910,798	282,009
Contract assets	Associates of the Company	1,639,426	115,000
Contract assets	CRRC ZELRI	12,879,300	1,350,894
Other receivables	Associate of the ultimate holding group other than CRRC ZELRI Group	25,000	10,000
Other receivables	Company controlled by the ultimate holding party other than CRRC ZELRI Group	20,553,714	477,666
Other receivables	Associates of the Company	13,796	159,000
Other receivables	Joint ventures of the Company	–	483,367
Other receivables	CRRC ZELRI	1,433,430	11,722,626
Other receivables	Associate of CRRC ZELRI	–	243,045
Other receivables	Company controlled by CRRC ZELRI	63,313	851,866
Other receivables	Companies controlled by the joint venture of CRRC ZELRI	13,021,500	1,000,000
Trade receivables financing	Associate of the ultimate holding group other than CRRC ZELRI Group	786,334,041	957,619,710
Trade receivables financing	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group	124,614,454	–
Trade receivables financing	Company controlled by the ultimate holding party other than CRRC ZELRI Group	1,390,236,093	1,625,470,597
Trade receivables financing	Company controlled by CRRC ZELRI	27,943,428	110,510,800
Trade receivables financing	CRRC ZELRI	253,299,795	52,146,345
Trade receivables financing	Associate of CRRC ZELRI	896,521	–
Trade receivables financing	Associates of the Company	–	17,872,454
Other non-current assets	Joint venture of Company controlled by the ultimate holding party other than CRRC ZELRI Group	80,747,134	80,932,781
Other non-current assets	Associate of the ultimate holding group other than CRRC ZELRI Group	18,408,175	2,828,905
Other non-current assets	Company controlled by the ultimate holding party other than CRRC ZELRI Group	272,393,184	113,473,344
Other non-current assets	Company controlled by CRRC ZELRI	390,364	5,233,184
Other non-current assets	CRRC ZELRI	9,000,093	22,707,708
Other non-current assets	Associates of the Company	430,274	378,329



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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 venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group	347,608	1,040,000
Bills payable	Associate of the ultimate holding group other than CRRZ ZELRI Group	370,189	274,341
Bills payable	Company controlled by the ultimate holding party other than CRRZ ZELRI Group	28,247,130	23,780,466
Bills payable	Company controlled by CRRZ ZELRI	15,312,416	20,748,001
Bills payable	Associate of CRRZ ZELRI	2,287,198	3,951,652
Bills payable	Associates of the Company	4,808,479	22,640,000
Bills payable	Joint ventures of the Company	7,832,315	5,900,000
Accounts payable	Company controlled by the ultimate holding party other than CRRZ ZELRI Group	434,746,207	412,197,006
Accounts payable	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group	1,182,317	5,329,400
Accounts payable	Associate of the ultimate holding group other than CRRZ ZELRI Group	8,600,879	4,308,343
Accounts payable	Associates of the Company	54,371,944	90,248,226
Accounts payable	Joint ventures of the Company	70,773,959	27,125,258
Accounts payable	Company controlled by CRRZ ZELRI	365,977,995	351,688,400
Accounts payable	Joint venture of CRRZ ZELRI	35,811,565	23,299,381
Accounts payable	CRRZ ZELRI	9,032,114	5,565
Accounts payable	Companies controlled by the joint venture of CRRZ ZELRI	57,358,694	20,110,404
Other payables	CRRZ ZELRI	381,183,018	398,483,984
Other payables	Company controlled by CRRZ ZELRI	7,434,002	8,180,063
Other payables	Associate of the ultimate holding group other than CRRZ ZELRI Group	292,911	139,250
Other payables	Joint venture of Company controlled by the ultimate holding party other than CRRZ ZELRI Group	20,000	446
Other payables	Company controlled by the ultimate holding party other than CRRZ ZELRI Group	72,651,285	15,883,705

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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
Other payables	Associates of the Company	5,754,096	12,463,111
Other payables	Joint venture of CRRC ZELRI	123,805	—
Other payables	Associate of CRRC ZELRI	5,191,917	4,520,565
Contract liabilities	Company controlled by the ultimate holding party other than CRRC ZELRI Group	21,356,657	4,778,138
Contract liabilities	Associate of the ultimate holding group other than CRRC ZELRI Group	—	645,808
Contract liabilities	CRRC ZELRI	7,256,637	—
Contract liabilities	Company controlled by CRRC ZELRI	3,265,487	1,032,832
Contract liabilities	Associate of CRRC ZELRI	9,975,190	11,271,965
Contract liabilities	Joint ventures of the Company	—	928,396
Contract liabilities	Associates of the Company	380,708	430,200
Non-current liabilities due within one year	Controlling shareholders of CRRC ZELRI	9,022,337	5,023,987
Non-current liabilities due within one year	Company controlled by the ultimate holding party other than CRRC ZELRI Group	4,231,252	6,211,839
Non-current liabilities due within one year	CRRC ZELRI	897,116	1,015,762
Long-term borrowings	Controlling shareholders of CRRC ZELRI	58,688,000	67,688,000
Lease liabilities	Company controlled by the ultimate holding party other than CRRC ZELRI Group	2,491,126	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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

XVI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

☒ Applicable ☐ Not applicable

Important external commitments, nature and amount existing on the balance sheet date

Item	Closing balance	Opening balance
Contracted but not recognised in the financial statements		
– Capital commitments	3,044,802,014	1,472,139,722
– Investments in associates/joint ventures	144,252,400	191,136,975
– Investments in other equity instruments	–	33,515,108
Total	3,189,054,414	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

3. Other information

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

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

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XVIII. OTHER SIGNIFICANT EVENTS (continued)

6. Segment reporting (continued)

(2) Financial information of reporting segments

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Segment off	Total
Chinese Mainland	23,528,651,385	—	23,528,651,385
Other countries and regions	1,380,286,163	—	1,380,286,163
Total	24,908,937,548	—	24,908,937,548

Total non-current assets

Unit: Yuan Currency: RMB

Countries or regions	Closing balance	Opening balance
Chinese Mainland	14,511,640,260	14,395,830,472
Other countries and regions	555,314,263	525,474,162
Total	15,066,954,523	14,921,304,634

Non-current assets are analysed by geographic locations where the assets are located, excluding financial assets and deferred tax assets.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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>9,349,759,507</u>	<u>37.54</u>	<u>7,209,923,154</u>	<u>32.83</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

Other financial information

(1) Net current assets and total assets less current liabilities

Unit: Yuan Currency: RMB

Item	31 December 2024		31 December 2023	
	The Group	The Company	The Group	The Company
Net current assets	<u>27,836,493,602</u>	<u>20,033,819,242</u>	24,096,011,451	17,379,481,740
Total assets less current liabilities	<u>46,072,724,105</u>	<u>38,860,511,528</u>	<u>40,108,887,427</u>	<u>36,786,491,764</u>



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XVIII. OTHER SIGNIFICANT EVENTS (continued)

8. Other information (continued)

Other financial information (continued)

(2) Payment of pension plan

Unit: Yuan Currency: RMB

Item	Current period	Prior period
Payment of pension plan (Note)	348,684,199	305,909,996

As at 31 December 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	3,702,585,914	3,040,760,113
Number of ordinary shares issued and outstanding during the period	1,411,931,512	1,416,236,912
Basic earnings per share (RMB per share)	2.62	2.15

(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.

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	6,536,082,691	5,698,038,855
6 months to 1 year	797,368,685	984,687,693
Sub-total within 1 year	7,333,451,376	6,682,726,548
1 to 2 years	1,121,162,448	690,795,277
2 to 3 years	394,535,520	315,699,319
Over 3 years	265,329,926	209,294,919
Total	9,114,479,270	7,898,516,063
Less: Provision for credit loss	551,192,273	366,478,707
Book value	8,563,286,997	7,532,037,356



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	0.24	21,650,233	100.00	-	17,682,233	0.22	17,682,233	100.00	-
Provision on portfolio basis	9,092,829,037	99.76	529,542,040	5.82	8,563,286,997	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	6,859,515,550	75.26	82,854,952	1.21	6,776,660,598	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	1,818,591,344	19.95	412,312,763	22.67	1,406,278,581	2,127,712,158	26.94	252,222,648	11.85	1,875,489,510
Receivables from China Railway Corporation	103,453,814	1.14	54,897	0.05	103,398,917	152,549,522	1.93	98,251	0.06	152,451,271
Receivables from other customers	311,268,329	3.41	34,319,428	11.03	276,948,901	309,619,544	3.92	39,110,888	12.63	270,508,656
Total	9,114,479,270	100.00	551,192,273	/	8,563,286,997	7,898,516,063	100.00	366,478,707	/	7,532,037,356

Provision on individual basis

✓ Applicable ☐ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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		Reason for provision
		Credit loss allowance	Proportion of provision (%)	
Customer 124285	16,035,328	16,035,328	100.00	Low probability of recovery
Customer 123510	2,390,000	2,390,000	100.00	Low probability of recovery
Customer 120284	898,144	898,144	100.00	Low probability of recovery
Customer 115455	748,761	748,761	100.00	Low probability of recovery
Customer 112865	740,000	740,000	100.00	Low probability of recovery
Customer 125521	585,000	585,000	100.00	Low probability of recovery
Customer 122537	253,000	253,000	100.00	Low probability of recovery
Total	21,650,233	21,650,233	100.00	/

Description of provision on individual basis:

☐ Applicable ☒ Not applicable

Provision on portfolio basis:

☒ Applicable ☐ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
Within 6 months	5,671,018,625	47,743,110	0.84
6 months to 1 year	547,014,942	6,443,235	1.18
1 to 2 years	523,268,454	11,705,191	2.24
2 to 3 years	73,401,966	4,444,963	6.06
Over 3 years	44,811,563	12,518,453	27.94
Total	6,859,515,550	82,854,952	

2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
Within 6 months	585,992,511	73,494,098	12.54
6 months to 1 year	215,125,550	31,353,879	14.57
1 to 2 years	548,358,937	124,847,383	22.77
2 to 3 years	255,891,709	79,471,954	31.06
Over 3 years	213,222,637	103,145,449	48.37
Total	1,818,591,344	412,312,763	

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance Credit loss allowance	Proportion of provision (%)
Within 6 months	77,981,371	41,975	0.05
6 months to 1 year	25,464,705	12,896	0.05
1 to 2 years	7,738	26	0.34
Total	103,453,814	54,897	

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
Total	152,549,522	98,251	

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

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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

2024

Unit: Yuan Currency: RMB

Item	Accounts receivable	Closing balance	Proportion of provision (%)
		Credit loss allowance	
Within 6 months	201,090,183	14,472,295	7.20
6 months to 1 year	9,763,488	924,901	9.47
1 to 2 years	48,975,012	7,409,303	15.13
2 to 3 years	48,621,517	10,316,218	21.22
Over 3 years	2,818,129	1,196,711	42.46
Total	311,268,329	34,319,428	

2023

Unit: Yuan Currency: RMB

Item	Accounts receivable	Opening balance	Proportion of provision (%)
		Credit loss allowance	
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

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

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

1. Accounts receivable (continued)

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

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

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	Others	
Lifetime ECL (not credit-impaired)	159,551,509	62,758,283	-47,823,403	-	-	-	174,486,389
Lifetime ECL (credit-impaired)	206,927,198	121,955,283	47,823,403	-	-	-	376,705,884
Total	366,478,707	184,713,566	-	-	-	-	551,192,273

Significant recoveries or reversals during the current period:

☐ Applicable ☒ Not applicable

Other information

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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

(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	2,523,858,224	12,751,828	2,536,610,052	24.54	43,050,835
Customer 93000	1,166,825,181	–	1,166,825,181	11.29	–
Customer 103233	339,218,890	117,878,761	457,097,651	4.42	106,759,663
Customer 99004	400,550,448	–	400,550,448	3.87	–
Customer 99083	373,883,887	–	373,883,887	3.62	–
Total	<u>4,804,336,630</u>	<u>130,630,589</u>	<u>4,934,967,219</u>	<u>47.74</u>	<u>149,810,498</u>

The closing balance of contract assets includes the contracts assets presented in Other Non-current Assets:

None

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	—	284,000,000
Other receivables	<u>882,837,150</u>	<u>744,279,958</u>
Total	<u><u>882,837,150</u></u>	<u><u>1,028,279,958</u></u>

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

Provision for bad debts 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

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Interest receivable (continued)

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

Provision for bad debts by general model of expected credit losses

☐ Applicable ☒ Not applicable

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

None

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

☐ Applicable ☒ Not applicable

(4) Provision for bad debts

☐ Applicable ☒ Not applicable

Significant amount of bad debt provision recovered or reversed during the period:

☐ Applicable ☒ Not applicable

Other information:

None

(5) Interest receivable actually written off in the current period

☐ Applicable ☒ Not applicable

Significant write-offs of interest receivable:

☐ Applicable ☒ Not applicable

Description of interest receivable write-offs:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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
Total	—	284,000,000

(2) Significant dividends receivable with ageing over 1 year

☐ Applicable ☒ Not applicable

(3) Disclosure by bad debt accrual accrual method

☐ Applicable ☒ Not applicable

Provision for bad debts 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

Provision for bad debts by general model of expected credit losses

☐ Applicable ☒ Not applicable

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

None

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

☐ Applicable ☒ Not applicable

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Dividends receivable (continued)

(4) Provision for bad debts

☐ Applicable ☒ Not applicable

Significant amount of bad debt provision recovered or reversed during the period:

☐ Applicable ☒ Not applicable

Other information:

None

(5) Dividends receivable actually written off in the current period

☐ Applicable ☒ Not applicable

Significant write-offs of dividends receivable:

☐ Applicable ☒ Not applicable

Description of dividends receivable write-offs:

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	251,561,883	561,052,857
6 months to 1 year	99,677,782	2,688,213
Subtotal within 1 year	351,239,665	563,741,070
1-2 years	461,950,343	111,392,511
2-3 years	9,719,184	31,235,602
Over 3 years	71,268,966	45,287,460
Less: provision for credit loss	11,341,008	7,376,685
Total	882,837,150	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	713,891,011	581,400,957
Deposits and guarantees	70,388,970	63,923,644
Subscribed capital receivable	50,000,000	50,000,000
Others	59,898,177	56,332,042
Total	894,178,158	751,656,643

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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
Additions during the period	4,992,139	-	-	4,992,139
Transfer out during the period	-1,027,816	-	-	-1,027,816
Reversals during the period	-	-	-	-
Written-off during the period	-	-	-	-
Other changes	-	-	-	-
Balance at 31 December 2024	11,341,008	-	-	11,341,008

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

As at 31 December 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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. Other receivables (continued)

Other receivables (continued)

(4) Provision for bad debts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Category	Change amount in the current period					Closing balance
	Opening balance	Transferred to credit-impaired losses	Provision	Recoveries or reversal	Transfers out or written-off	
Bad debt provision for other receivables	<u>7,376,685</u>	<u>4,992,139</u>	<u>-1,027,816</u>	<u>-</u>	<u>-</u>	<u>11,341,008</u>

Significant recoveries or reversals during the period:

☐ Applicable ☒ Not applicable

Other information:

None

(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

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

2. 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 202021	240,579,430	26.90	Others	Within 1 year, 1 to 2 years, and 2 to 3 years	–
Customer 99001	157,636,358	17.63	Others	Within 1 year, 1 to 2 years, and over 5 years	–
Customer 99013	141,808,513	15.86	Others	Within 1 year and 1 to 2 years,	–
Customer 99099	53,258,561	5.96	Others	Within 1 year and 1 to 2 years,	–
Customer 99069	51,118,511	5.72	Others	Within 1 year	–
Total	644,401,373	72.07	/	/	–

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

☐ Applicable ☒ Not applicable

Other information:

☐ Applicable ☒ Not applicable



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

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	11,485,150,062	450,771,551	11,034,378,511	10,944,115,191	450,771,551	10,493,343,640
Investments in joint ventures and associates	307,456,129	-	307,456,129	303,218,906	-	303,218,906
Total	11,792,606,191	450,771,551	11,341,834,640	11,247,334,097	450,771,551	10,796,562,546

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	Closing balance	Provision for impairment for the period	Closing balance of impairment provision
HK CRRC Times Electric	731,009,400	–	731,009,400	–	-450,771,551
Times Australia	1,814,037	–	1,814,037	–	–
Canada Dynex	282,478,220	–	282,478,220	–	–
Times USA	3,187,516	–	3,187,516	–	–
Baoji CRRC Times	1,108,727,100	–	1,108,727,100	–	–
Chengdu Times Electric	30,000,000	–	30,000,000	–	–
Guangzhou CRRC Electric	18,000,000	–	18,000,000	–	–
CRRC National Centre of Converters	398,254,981	500,000,000	898,254,981	–	–
Hangzhou CRRC Electric	33,000,000	–	33,000,000	–	–
Hunan CRRC Signal	549,000,000	–	549,000,000	–	–
Kunming CRRC Electric	55,000,000	–	55,000,000	–	–
Lanzhou CRRC Times	25,500,000	–	25,500,000	–	–
Ningbo CRRC Times	281,467,255	–	281,467,255	–	–
Ningbo CRRC Electric	110,000,000	–	110,000,000	–	–
Qingdao CRRC Electric	45,000,000	–	45,000,000	–	–
Shanghai CRRC SMD	720,000,000	–	720,000,000	–	–
Shanghai CRRC Rail Transit	25,500,000	–	25,500,000	–	–
Shenyang CRRC Times	56,000,000	–	56,000,000	–	–
CRRC Times Software	50,000,000	–	50,000,000	–	–
Times Electronics	182,977,618	–	182,977,618	–	–
CRRC Times Semiconductor	5,164,224,120	4,150,420	5,168,374,540	–	–
Chongqing CRRC Electric	90,000,000	–	90,000,000	–	–
FAW CRRC Electric Drive SystemCo., Ltd.	150,000,000	–	150,000,000	–	–
Hunan CRRC Electric Drive	832,974,944	–	832,974,944	–	–
CRRC Commercial Vehicle Power Technology	–	36,884,451	36,884,451	–	–
Total	10,944,115,191	541,034,871	11,485,150,062	–	-450,771,551



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

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	Investment income or loss recognised under equity method	Changes for the period			Closing balance	Closing balance of impairment provision
			Other equity changes	Cash dividend or profits declared	Provision for impairment		
I. Joint ventures							
Shiling	109,381,567	2,672,376	-	-	-	112,053,943	-
LANP Electrical	9,057,178	-4,146,279	-	-	-	4,910,899	-
Shanghai shenzhong	8,246,894	600,000	-	-	-	8,846,894	-
Zhengzhou Times	13,763,684	3,779,639	-	19,982	-	17,523,341	-
Sub-total	140,449,323	2,905,736	-	19,982	-	143,335,077	-
II. Associates							
Zhuzhou Siemens	47,056,480	-63,000	-	-	-	46,993,480	-
Guoxin Technology	53,236,290	550,000	-	2,128,359	-	51,657,931	-
Times Wabtec	16,351,096	2,140,368	-	-	-	18,491,464	-
CRRC India	12,042,295	4,500	-	-	-	12,046,795	-
Wuxi Times	25,673,111	1,872,200	-	808,200	-	26,737,111	-
Foshan Zhongshi	8,410,311	-216,040	-	-	-	8,194,271	-
Sub-total	162,769,583	4,288,028	-	2,936,559	-	164,121,052	-
Total	303,218,906	7,193,764	-	2,956,541	-	307,456,129	-

(3) Impairment testing of long-term equity investment

☐ Applicable ✓ Not applicable

Other information:

None

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

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	Revenue	Cost of sales
Principal operating activities	12,713,316,196	9,767,644,024	14,593,166,281	12,317,054,666
Other operating activities	110,301,796	94,906,788	516,115,099	469,036,068
Total	12,823,617,992	9,862,550,812	15,109,281,380	12,786,090,734

(2) Revenue from contracts

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: CNY

Contract classification	Current period	Prior period
By geographic areas of sales		
Chinese Mainland	12,609,925,927	14,971,274,089
Other countries and regions	213,692,065	138,007,291
Total	12,823,617,992	15,109,281,380

Other information of revenue from contracts:

☐ Applicable ☒ Not applicable

(3) Description of performance obligations

☒ Applicable ☐ Not applicable

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.



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XIX. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. Revenue and cost of sales (continued)

(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

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	7,193,764	8,762,224
Gains on disposal of held-for-trading financial assets/liabilities	37,218,813	55,545,854
Gain (loss) on derecognition of receivables financing	-1,468,401	—
Dividend income from other equity instrument investments during the holding period	-3,282,326	-24,755,202
Gains from long-term equity investments under cost method	371,200	360,000
Gains (losses) from disposal of subsidiaries	2,648,158,898	1,381,334,350
Others	-850,500	—
Total	2,687,341,448	1,421,247,226

Other information:

None

6. Others

☐ Applicable ☒ Not applicable

Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan



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	22,949,946	/
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)	593,927,636	/
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	86,249,997	/
Reversal of provision for accounts receivable that are tested for impairment losses individually	1,624,590	/
Net profit or loss of subsidiaries arising from business combinations under common control from the beginning of the period to the combination date	-95,649,424	
Gains or losses from debt restructuring	-898,131	
Other non-operating income or expenses other than the above	30,117,729	/
Less: Tax effect of non-recurring profit or loss	111,312,624	/
Effects of non-recurring profit or loss attributable to minority interests	50,021,652	/
Total	476,988,067	/

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



Notes to the Financial Statements

For the year ended 31 December 2024
Renminbi Yuan

XX. SUPPLEMENTARY INFORMATION (continued)

2. Return on net assets and earnings per share

✓ Applicable ☐ Not applicable

2024

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	9.31	2.62	2.62
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	8.11	2.28	2.28

2023

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	8.57	2.15	2.15
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	7.35	1.83	1.83

Notes to the Financial Statements



For the year ended 31 December 2024
Renminbi Yuan

XX. SUPPLEMENTARY INFORMATION (continued)

3. Differences between accounting information expressed under domestic and overseas accounting policies

☒ Applicable ☐ Not applicable

(1) The differences between the financial statements prepared under the International Financial Reporting Standards (IFRS) and the PRC accounting standards (PRC GAAP) in terms of net profit and net assets are as follows:

☐ Applicable ☒ Not applicable

(2) The differences between the financial statements prepared under overseas accounting standards and the PRC accounting standards (PRC GAAP) in terms of net profit and net assets are as follows:

☐ Applicable ☒ Not applicable

(3) Explanation of the differences between financial statements prepared under domestic and overseas accounting standards. If the difference adjustment is made based on the data audited by an overseas auditor, the name of the overseas auditor should be indicated:

☐ Applicable ☒ Not applicable

4. Others

☐ Applicable ☒ Not applicable

Chairman of the Board: Li Donglin
Reporting date approved by the Board of Directors: 28 March 2025

Modification Information

☐ Applicable ☒ Not applicable



Definitions

"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 Science and Technology Innovation Board of the SSE and subscribed for and traded in Renminbi
"Articles" or "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)
"Board" or "Board of Directors"	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)
"CRRC Group"	CRRC Group Co., Ltd. (中國中車集團有限公司)
"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)

"FAO"	fully automatic operation, fully automatic driving or unmanned driving system
"Group"	the Company and its subsidiaries
"H Share(s)"	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\$
"IGBT"	insulated gate bipolar transistor, a compound fully-controlled voltage-driven power semiconductor device composed of bipolar triode and insulated gate field effect transistor
"IPD"	integrated product development, a set of models, concepts and methods of product development
"MOSFET"	metal-oxide-semiconductor field-effect transistor, a field effect transistor which can be widely used in analog circuits and digital circuits
"PRC Accounting Standards"	Accounting Standards for Business Enterprises and relevant regulations issued by the Ministry of Finance of the PRC
"ROV"	remote operated vehicle, an underwater robot used for underwater observation, inspection and construction
"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)
"SiC"	silicon carbide, with excellent characteristics such as band gap, drift speed, breakdown voltage, thermal conductivity and high temperature resistance which are significantly superior to traditional silicon



Definitions

"SSE"	the Shanghai Stock Exchange
"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 year" or "the reporting period"	the financial year ended 31 December 2024



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