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中國中車股份有限公司
CRRC CORPORATION LIMITED

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

2025 INTERIM RESULTS ANNOUNCEMENT

The board of directors of CRRC Corporation Limited (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2025. This announcement, containing the main text of the 2025 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcements of interim results. The full text of the 2025 interim report of the Company will be published on the websites of the Stock Exchange at <http://www.hkex.com.hk> and of the Company at <http://www.crrcgc.cc> on or before 30 September 2025.

By order of the Board
CRRC Corporation Limited
Sun Yongcai
Chairman

Beijing, the PRC
22 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Sun Yongcai and Mr. Wang An; the independent non-executive directors are Mr. Shi Jianzhong, Mr. Weng Yiran and Mr. Ngai Ming Tak; and the employee director is Ms. Yi Ran.

IMPORTANT

- I. The board of directors (the “Board”) and the board of supervisors (the “Board of Supervisors”) of the Company and its director(s) (the “Director(s)”), supervisor(s) (the “Supervisor(s)”) and senior management (the “Senior Management”) hereby warrant the truthfulness, accuracy and completeness of the contents of this interim report and that there is no false representation, misleading statement or material omission in this interim report, for which they will assume, severally and jointly, legal responsibility.
- II. This report has been considered and approved at the thirty-fifth meeting of the third session of the Board of the Company and all Directors of the Company attended the board meeting.
- III. The interim report is unaudited.
- IV. Sun Yongcai, the Chairman of the Company, Wang Feng, the acting Chief Accountant, and Shi Jianfeng, the head of the Accounting Department (person in charge of accounting affairs) warrant the truthfulness, accuracy and completeness of the financial statements in this interim report.
- V. Proposal on profit distribution or transfer of capital reserve fund during the reporting period considered and approved by the Board

The Company proposes to distribute cash dividends to all shareholders based on the total share capital registered on the registration date for dividend distribution (the specific date will be clarified in the announcement on the implementation of dividend distribution). As of 30 June 2025, the total share capital of the Company was 28,698,864,088 shares, based on which and calculating at cash dividend of RMB0.11 (tax inclusive) per share, the Company proposes to distribute cash dividend of RMB3.157 billion (tax inclusive) in aggregate. In the case where from the date of disclosure of announcement on profit distribution plan to the registration date for dividend distribution, there are changes in the total share capital of the Company due to the conversion of convertible bonds, repurchase of shares, cancellation of repurchased shares granted under equity incentive schemes, cancellation of repurchased shares due to material asset restructuring, etc., the Company proposes to remain the total distribution amount unchanged, and to adjust the distribution proportion per share accordingly. If the total share capital of the Company changes subsequently, specific adjustments will be announced separately. The profit distribution plan is subject to the consideration and approval at the general meeting.

- VI. Disclaimer for forward-looking statements

This report contains forward-looking statements that are based on subjective assumptions and judgements on future policies and economic trends and are subject to a variety of uncertainties. The actual results or trends may differ from these forward-looking statements.

Investors should be aware that 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 are advised to pay attention to the investment risks.

- VII. There was no appropriation of funds by the controlling shareholder and its associates for non-operating purposes.
- VIII. There was no provision of guarantee by the Company in favour of any external party in violation of the prescribed decision-making procedures.
- IX. There are no circumstances where more than half of the Directors of the Company are unable to guarantee the truthfulness, accuracy and completeness of the interim report disclosed by the Company.
- X. Major risk reminder

The major risk factors faced by the Company include strategic risks, market risks, product quality risks, exchange rate risks, overseas operating risks and industrial structure adjustment risks, which have been described in detail in this report. Please refer to the description of “Potential Risks” in “Report of Directors”.
- XI. The 2025 interim results of the Company have been prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and the relevant rules.
- XII. Unless specified otherwise, the recording currency used in this report is Renminbi.

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COMPANY INFORMATION

1. Name of the Company in Chinese 中國中車股份有限公司
Short name of the Company in Chinese 中國中車
Name of the Company in English CRRC Corporation Limited
Short name of the Company in English CRRC
Legal representative of the Company Sun Yongcai
2.

	Secretary to the Board	Securities Affairs Representative
Name	Wang Jian	Jin Yonggang
Contact address	No. 16, Central West Fourth Ring Road, Haidian District, Beijing	No. 16, Central West Fourth Ring Road, Haidian District, Beijing
Telephone	010-51862188	010-51862188
Facsimile	010-63984785	010-63984785
E-mail	crrc@crrcgc.cc	crrc@crrcgc.cc
3. Registered address of the Company No. 16, Central West Fourth Ring Road, Haidian District, Beijing
Postal code of registered address of the Company 100036
Business address of the Company No. 16, Central West Fourth Ring Road, Haidian District, Beijing
Postal code of business address of the Company 100036
Company website www.crrcgc.cc
E-mail crrc@crrcgc.cc
4. Newspapers designated for A-share information disclosure by the Company China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website designated by CSRC for publication of A-share interim report www.sse.com.cn
Website designated by the Stock Exchange for publication of H-share interim report www.hkex.com.hk
Place where the interim report of the Company is available for inspection The Board Office at No. 16, Central West Fourth Ring Road, Haidian District, Beijing
5.

Type of shares	Place of listing of the shares	Stock abbreviation	Stock code	Stock abbreviation before change
A shares	SSE	中國中車	601766	中國南車
H shares	Stock Exchange	CRRC	1766	CSR
6. During the reporting period, there was no change in the registration details of the Company.
7. Independent auditor: KPMG Huazhen LLP
Certified Public Accountants
Registered PIE Auditor
8/F, Tower E2, Oriental Plaza,
1 East Chang'an Avenue, Dongcheng District, Beijing, PRC
8. Joint company secretaries Wang Jian, Xiao Shaoping

- | | | |
|-----|---|---|
| 9. | Authorized representatives | Sun Yongcai, Xiao Shaoping |
| 10. | Legal advisors | |
| | As to Hong Kong law | Baker & McKenzie
14th Floor, One Taikoo Place,
979 King's Road, Quarry Bay, Hong Kong |
| | As to the PRC law | Jia Yuan Law Offices
F408 Ocean Plaza, 158 Fuxingmennei Avenue, Beijing, PRC |
| 11. | Principal place of business in Hong Kong | Room 4601, 46/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong |
| 12. | Correspondence address of domestic registrar and transfer office | Shanghai Branch of China Securities Depository and Clearing Corporation Limited
188 Yanggao South Road, Pudong New District, Shanghai |
| 13. | Correspondence address of Hong Kong registrar and transfer office | Computershare Hong Kong Investors Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong |

RESULTS HIGHLIGHTS

(I) PRINCIPAL ACCOUNTING DATA

Unit: '000 Currency: RMB

Principal accounting data	The reporting period (January to June)	Same period last year		Increase/ decrease in the reporting period compared with the same period of last year (%)
		After adjustment	Before adjustment	
Revenue	119,758,127	90,049,062	90,039,351	32.99
Total profit	10,695,092	6,618,976	6,618,641	61.58
Net profit attributable to shareholders of the Company	7,245,652	4,200,950	4,200,827	72.48
Net profit after non-recurring profit or loss attributable to shareholders of the Company	6,661,007	3,359,942	3,359,942	98.25
Net cash flow from operating activities	-8,997,544	1,841,248	1,845,139	–

	The end of the reporting period	The end of last year		Increase/ decrease at the end of the reporting period compared with the end of last year (%)
		After adjustment	Before adjustment	
Net asset attributable to shareholders of the Company	169,936,878	168,799,788	168,773,774	0.67
Total asset	542,823,600	512,845,527	512,823,630	5.85
Total share capital at the end of the period (Shares)	28,698,864,088	28,698,864,088	28,698,864,088	–

Note: The subsidiaries of the Company, CRRC Logistics Co., Ltd. and CRRC Smart Technology (Xiongan) Co., Ltd., completed the acquisition of 100% equity of CRRC Zhicheng Company, which is controlled by CRRC Group, on April 3, 2025, thus constituting a business combination under the common control. The data of the same period of the previous year was restated and adjusted in accordance with the accounting standards for enterprises.

(II) PRINCIPAL FINANCIAL INDICATORS

Principal financial indicators	The reporting period (January to June)	For the same period of last year		Increase/ decrease in the reporting period compared with the same period of last year (%)
		After adjustment	Before adjustment	
Basic earnings per share (RMB/share)	0.25	0.15	0.15	66.67%
Diluted earnings per share (RMB/share)	0.25	0.15	0.15	66.67%
Basic earnings per share after non-recurring profit or loss (RMB/share)	0.23	0.12	0.12	91.67%
Return on weighted average net assets (%)	4.20	2.57	2.57	Increased by 1.63 percentage points
Return on weighted average net assets after non-recurring profit or loss (%)	3.87	2.06	2.06	Increased by 1.81 percentage points

A. BUSINESS OVERVIEW

I. Industry and main business of the Company during the reporting period

Internationally, the slowdown of global economic growth, the progress of the “Dual Carbon” strategy worldwide as well as the acceleration of the global green energy transformation have brought about new changes in the development of the industry, new adjustments in the industrial landscape, stable growth in market demand and new features in market competition. Domestically, the entry barriers for rail transit equipment market and foreign investment have been further lowered. Various investment entities and operating entities of rail transit have become increasingly diversified, and business awareness has continued to increase. Some regions and some enterprises have continued to accelerate the deployment of the entire rail transit industry chain and formed the ability to provide system solutions. The new business situation of the rail transit industry has become increasingly competitive. During the reporting period, the passenger and freight transportation of domestic railway have both achieved their record high in performance with their continuous growth. With the gradual implementation of the domestic demand expansion strategy and the promotion of State Railway Group’s “high-quality development of railways taking the lead in the realization of railway modernization”, the demand for the safety, comfort, environmentally-friendliness and intelligence of the main line railways equipment has become more intense. Demand for urban rail transit vehicles has been diversified, and users have higher requirements for the applicability, safety, reliability and comfort of rail transit equipment products. At the same time, the implementation of the “Dual Carbon” strategy has also opened up a broad space for the development of green transportation such as rail transit and new energy vehicles, as well as green energy industries such as wind power, photovoltaics, and hydrogen energy. As the world’s leading and diverse rolling stock and important clean energy equipment supplier with advanced technologies, CRRC should be market-oriented and customer-centric to optimize business structure, establish and improve the service system with full life cycle, accelerate the transformation to a provider of “manufacturing + service” and system solutions, provide customers with more valuable products and services, and make contribution to building China into a country with strong manufacturing capabilities and transportation network leveraging on “CRRC Wisdom” and “CRRC Power”.

(I) Main business

1. Railway equipment business

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

Facing the global market, the Company stayed abreast of changes in the domestic and international railway transport markets and trends in the development of technology with an aim to become a world-leading provider of system solutions for rail transportation equipment. The Company accelerated innovations in its technology, products, services and business models, and created systematic, modular and standardized product platforms and technology platforms, with a view to continuously meeting the requirements for developing an advanced and widely applicable railway system and for intelligent, environmentally-friendly and safe development. The position of the Company in the industry has been further consolidated, and the railway equipment business has developed steadily. The Company will continue to further its strategic cooperation with State Railway Group and other key customers, and actively participate in the reform in the mileage, life cycle, and other rules for rail transportation equipment overhaul and the digital and intelligent construction of the locomotive and rolling stock system advocated by the State Railway. In addition, the Company will give full play to its edge in the integration of manufacturing, maintenance and service, deepen the post-overhaul services market, and accelerate the optimisation and improvement of the service capacity for the full life cycle of rail equipment products under the support of digitalization, intelligentization and greenization.

2. Urban rail transit vehicles and urban infrastructure business

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

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

3. New industry business

The new industry business mainly includes: (1) mechanical and electrical business; (2) emerging industry business; (3) digital intelligence business.

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

4. Modern service business

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

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

5. International business

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

(II) Major products

Product structure	Main product functions
MUs	Mainly include various electric multiple units and diesel multiple units at the speed of 200 km/hour and below, 200-250 km/hour, 300-350 km/hour and above, which are mainly used to provide main line railway and inter-city railway passenger transport services. On the basis of “import, digestion, absorption and re-innovation”, the MU products represented by “Fuxing” EMUs have independent intellectual property rights.
Locomotives	Mainly include various DC driving and AC driving electric locomotives, diesel locomotives and new energy locomotives with the largest traction power of 28,800 KW and the highest speed of 200 km/hour, which are mainly used to provide passenger and goods transport services and vehicle marshalling and grouping services in main line railway. The Company's locomotive products have independent intellectual property rights.
Passenger carriages	Mainly include seater car, sleeping car, dining car, luggage van, generator car, special vehicles, plateau cars and double-deck railway passenger carriages at the speed of 120-160 km/hour, which are mainly used to provide passenger transport services in main line railway. The Company's passenger carriages have independent intellectual property rights.
Freight wagons	Mainly include various railway gondola trucks, box wagon, flatcar, tank truck, hopper car and other special goods transport trucks, which are mainly used to transport goods for main line railway and industrial and mining enterprises. The Company's freight wagons have independent intellectual property rights.

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

(III) Operation model

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

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

3. **Sales model:** The Company takes advantage of industry technologies to build and improve technology platforms and product platforms for a variety of rail transit equipment and clean energy equipment in response to user needs, and, for the purpose of providing safe, reliable and affordable products and services, actively participates in open tender or negotiated tender of users inside and outside China, signs supply contracts through bidding and rigorous business negotiations to form orders to guarantee quality and quantity and production on schedule and finally achieve sales.
4. **Distribution of the industrial chain:** The Company has a number of rolling stock equipment and clean energy equipment manufacturing bases and research bases at an internationally advanced level. The Company has formed a complete nationwide industrial chain and production system with the main machinery companies of high-speed MUs, locomotives, urban rail transit vehicles, passenger carriages and freight wagons, and complete machine companies of clean energy equipment as its core and supporting companies as its backbone.
5. **Distribution of the value chain:** The product value of the Company mainly lies in the value chain distribution system of the comprehensive rolling stock equipment and clean energy equipment with the production of high-speed MUs, high-power locomotives, urban rail transit vehicles, passenger carriages and freight wagons as well as the manufacturing and repairing of related supporting products and manufacturing of clean energy equipment and related supporting products as core value and supplemented with financial products, financial-related products and financial leasing products.
6. **Scientific and technological innovation model:** The Company adheres to the innovation roadmap of “exploring for a generation, pre-researching for a generation, researching and manufacturing for a generation and equipping for a generation”, set the strategic positioning of “One Core, Two Providers, First Class”, created a landscape of industrial development of “Two Tracks and Two Clusters” for the rail transit equipment and clean energy equipment, and has a two-level research and development management model of “centralizing research and development of technology, jointly developing products and building and sharing capability” in place, gradually building a technological innovation system with “development, synergy, integration, global distribution and autonomy and control”, and forming an innovation landscape of “two verticals, two horizontals and one connect”.

(IV) Industry position

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

II. Analysis of the core competitiveness during the reporting period

(I) Continued leading market position

Since its establishment, CRRC has focused on its principal responsibilities and major businesses, strengthened strategic leadership, deeply grasped opportunities, and actively responded to challenges. It has developed into the world's leading, diverse rolling stock supplier with advanced technology, and received great attention from leaders of the Party and the state. The series of rolling stock equipment represented by Chinese standard high-speed MUs of “China Fuxing” EMUs became the “golden card” of China's high-end equipment going global. In the first half of 2025, the Company accelerated the construction of a world-class enterprise, focusing on the layout optimization and structural adjustment. The Company has been enjoying a stable position in the rail transit equipment industry; the business of clean energy power generation equipment and low-carbon and zero-carbon transportation equipment has experienced rapid growth; the ability of providing system solutions and the level of integration of industry and financing, informatization and industrialization, etc., has been further enhanced. The Company continued to take a lead in the global rail transit equipment manufacturing industry in terms of economies of scale index. The revenue of rail transit equipment business ranked first in the world, and wind power equipment, energy storage equipment and polymer composite materials entered the forefront in China.

(II) Innovation-driven technological capabilities

CRRC insisted on self-reliance in science and technology, vigorously implemented the innovation-driven development strategy, deepened the reform of the science and technology system, accelerated the construction of sources of original technologies, continued to advance proprietary innovation capabilities, sped up the cultivation and development of new quality productivity, and seized the initiative of future development. In the first half of 2025, the Company accelerated the promotion of integrating technological and industrial innovation in an in-depth manner, with the competing emergence of innovation achievements. The Company promoted the modernization of its technological innovation governance system and capacity by formulating a series of institutional documents, including the implementation plan of further deepening the reform of technological innovation system, the guiding opinion of formulating the big innovation system, the administration measures of product research and development and the “One Guideline with Four Regulatory Codes” for the research and development digitalisation system. The Company established the coordination and promotion mechanism of major projects, optimized functions of synergized office platform, formulated quantifiable evaluation targets and promoted the implementation of major projects. The prototype of CR450 MUs, the maglev train with the highest speed of 600 km/h, and 22 models of other serieswise new energy locomotives with in-vehicle scenarios debuted at the World Congress on High-Speed Rail. The International PV and Energy Storage Conference showcased the photovoltaic inverter called “Chixiao” (赤霄), polyurethane composite photovoltaic frames, grid-forming PCS, and other products, fully demonstrating photovoltaic, energy storage, and integrated energy solutions. The hydrogen-powered rail tram called “Qingchun” (氢春 號) officially began operating, offering solutions for customized systems featuring green economy for modern urban transportation. The floating wind turbine ‘Qihang’ completed the trial operation under the mode of wind turbine network. The Company strengthened its patent layout by adding 1,630 new patent applications, including 1,216 invention patents and 37 overseas patents.

(III) The development direction of transnational operations

CRRC adhered to the path of internationalization, focused on infrastructure interconnection brought about by the Belt and Road Initiative and international production capacity cooperation as an opportunity, leveraged the new trend of multilateral and bilateral regional investment and trade cooperation, strived to broaden the reach of the international market, and actively responded to challenges such as the new trend of globalization and intensified industry competition. It also promoted the “going out” of the whole industrial chain, built a respected international company and achieved the transformation and upgrading as well as steady and healthy development of international operations. In the first half of 2025, international business achieved synergy. With the continuous promotion of the “platform-centric ecosystem with key industry players” DLS business development model, the newly signed Dubai Metro Blue Line project in February represented a major breakthrough in the high-end market in the GCC (Gulf Cooperation Council) region, marking the growth of DLS business into an important part of the international business map. The Company maintained high standards to promote the key cooperation projects under the “Belt and Road” Initiative. The Jakarta-Bandung High-Speed Railway and the China-Laos Railway have won praise for their operation and maintenance services. In the past 20 months since the official opening of the Jakarta-Bandung High-Speed Railway, the cumulative number of passengers carried has exceeded 9.9 million, which has accelerated the generation of happiness of the Indonesian people and become a flagship project of China-Indonesia cooperation under the Belt and Road Initiative; since its official opening for operation, the China-Laos Railway has accumulated safe operation of more than 3.2 million kilometers, carrying more than 9.7 million passengers and achieving good social and economic benefits and positive demonstration effects; the testing and production of the Budapest-Belgrade high-speed railway have gained positive appraisal from Siberia for the smooth progress of the project as planned.

III. Discussion and analysis on the Company’s future development

The discussion and analysis on the Company’s future development is not materially different from the information contained in the Company’s 2024 Annual Report.

B. THE BOARD'S DISCUSSION AND ANALYSIS ON THE OPERATION OF THE COMPANY DURING THE REPORTING PERIOD

I. Discussion and analysis of operation

In the first half of 2025, the Company achieved revenue of RMB119.758 billion, representing an increase of 32.99%; net profit attributable to shareholders of the Company was RMB7.246 billion, representing an increase of 72.48%.

(I) Analysis of main business

1. Analysis of changes in relevant items in financial statements

Unit: '000 Currency: RMB

Item	Amount for the current period	Amount for the same period of previous year (restated)	Change (%)
Revenue	119,758,127	90,049,062	32.99
Operating costs	93,633,993	70,772,091	32.30
Selling expenses	2,386,657	2,127,399	12.19
Administrative expenses	6,515,047	5,836,487	11.63
Financial expenses	-274,626	-8,062	—
Research and development expenses	6,779,531	5,794,794	16.99
Net cash flow from operating activities	-8,997,544	1,841,248	—
Net cash flow from investing activities	-11,007,126	-12,434,254	—
Net cash flow from financing activities	9,046,120	-2,876,638	—

(1) Analysis of revenue and cost

Revenue increased by 32.99% as compared to the same period of the previous year, mainly due to the increase in revenue from railway equipment and new industry.

Operating costs increased by 32.30% as compared to the same period of the previous year, mainly because of the increase in revenue from railway equipment and new industry. Operating costs increased followed by the increase in revenue. Operating costs increased at a slightly lower rate than revenue due to the different product mix.

Information on main business by industry, product and region*Main business by industry*

Unit: '000 Currency: RMB

By industry	Revenue	Operating costs	Gross profit margin (%)	Increase/decrease in revenue from the same period of the previous year (%)	Increase/decrease in operating costs from the same period of the previous year (%)	Increase/decrease in gross profit margin from the same period of the previous year (%)
Railway transportation equipment and their extended industries	119,758,127	93,633,993	21.81	32.99	32.30	Increased by 0.40 ppt

Main business by product

By product	Revenue	Operating costs	Gross profit margin (%)	Increase/decrease in revenue from the same period of the previous year (%)	Increase/decrease in operating costs from the same period of the previous year (%)	Increase/decrease in gross profit margin from the same period of the previous year (%)
Railway equipment	59,706,288	44,679,684	25.17	42.21	37.69	Increased by 2.46 ppt
Urban rail transit vehicles and urban infrastructure	17,401,636	14,120,039	18.86	6.27	5.22	Increased by 0.81 ppt
New industry	40,732,864	33,508,538	17.74	35.59	40.74	Decreased by 3.01 ppt
Modern service	1,917,339	1,325,732	30.86	16.39	21.06	Decreased by 2.67 ppt
Total	119,758,127	93,633,993	21.81	32.99	32.30	Increased by 0.40 ppt

Main business by region

By region	Revenue	Increase/decrease in revenue from the same period of the previous year (%)
Mainland of China	106,524,326	36.84
Other countries or regions	13,233,801	8.43

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

Revenue from the railway equipment business increased by 42.21% as compared to the same period of the previous year, mainly due to the increase in revenue from the MUs business and the freight wagon business. Operating costs increased by 37.69% as compared to the same period of the previous year, mainly because the operating costs increased following the increase in revenue. The increase in operating costs was lower than the increase in revenue due to the different product category.

Revenue from the urban rail transit vehicles and urban infrastructure business increased by 6.27% as compared to the same period of the previous year, mainly due to the increase in new business from urban rail rapid transit vehicles. Operating costs increased by 5.22% as compared to the same period of the previous year, mainly because the operating costs increased following the increase in revenue.

Revenue from the new industry business increased by 35.59% as compared to the same period of the previous year, mainly due to the increase in revenue of clean energy equipment. Operating costs increased by 40.74% as compared to the same period of the previous year, mainly because the operating costs increased following the increase in revenue. The increase in operating costs was higher than the increase in revenue due to the different product category.

Revenue from the modern service business increased by 16.39% as compared to the same period of the previous year, mainly due to the increase in the revenue of the service businesses during the period. Operating costs increased by 21.06% as compared to the same period of the previous year, mainly because the operating costs increased following the increase in revenue.

Revenue of the Company increased by 32.99% as compared to the same period of the previous year, and revenue from railway equipment business, urban rail transit vehicles and urban infrastructure business, new industry business and modern service business accounted for 49.86%, 14.53%, 34.01%, 1.60%, respectively, of the total revenue. In particular, revenue generated by the locomotive business of the railway equipment business was RMB9.758 billion; revenue generated by the passenger carriage business was RMB4.393 billion; revenue generated by the MUs business was RMB37.395 billion; revenue generated by the freight wagon business was RMB8.16 billion. Revenue from non-rail transit parts and components business under the new industry business was RMB29.654 billion. Revenue generated by the urban rail vehicles of the urban rail transit vehicles and urban infrastructure business was RMB15.849 billion. Revenue generated by the railway equipment repair and modification business of the railway equipment business was RMB22.358 billion. During the reporting period, the Company signed new orders worth approximately RMB146 billion, of which newly signed overseas orders amounted to approximately RMB30.9 billion.

During the reporting period, the Company's revenue from the mainland of China increased by 36.84%. Revenue from other countries or regions increased by 8.43%, mainly due to the increase in new business of overseas MUs and business of freight wagons during the period.

(2) Analysis of cost

Unit: '000 Currency: RMB

By industry

By industry	Amount for the current period	Proportion in total cost for the current period (%)	Amount for the same period of the previous year (restated)	Proportion in total cost for the same period of the previous year (%)	Proportion of change of amount for the current period as compared to amount for the same period of the previous year (%)
Railway transportation equipment and their extended industries	93,633,993	100.00	70,772,091	100.00	32.30

By product

By product	Amount for the current period	Proportion in total cost for the current period (%)	Amount for the same period of the previous year (restated)	Proportion in total cost for the same period of the previous year (%)	Proportion of change of amount for the current period as compared to amount for the same period of the previous year (%)
Direct materials	76,524,943	81.73	57,318,269	80.99	33.51
Direct labor costs	5,424,312	5.79	4,569,161	6.46	18.72
Manufacturing costs	5,370,362	5.74	4,477,744	6.33	19.93
Others	6,314,376	6.74	4,406,917	6.22	43.28
Total	93,633,993	100.00	70,772,091	100.00	32.30

(3) Information on major customers and suppliers

Sales to top 5 customers amounted to RMB65.807 billion, accounting for 54.95% of the total sales for the period, of which sales to related parties was RMB0, representing 0% of total sales for the period.

Purchases from top 5 suppliers amounted to RMB5.334 billion, accounting for 7.94% of the total purchases for the period, of which procurement from related parties was RMB0, representing 0% of total purchases for the period.

Other descriptions

State Railway Group (including its affiliated railway bureau group company and its subsidiaries) is the largest customer of the Company, sales to which accounted for 48.03% of the total sales for the period.

(4) Expenses

Selling expenses increased by approximately 12.19% as compared to the same period of the previous year, primarily due to the increase in employee benefits and operating expenses.

Administrative expenses increased by approximately 11.63% as compared to the same period of the previous year, primarily due to the increase in employee benefits, amortization expenses and other general & administrative expenses.

Financial expenses were RMB-275 million, compared to RMB-8 million in the same period of the previous year, mainly due to the impact of exchange rate fluctuations, which contributed to exchange losses in the corresponding period of the previous year and exchange gains in the current period.

(5) R&D investment

During the reporting period, the total R&D investments amounted to approximately RMB6.940 billion, representing 5.79% of the revenue during the reporting period. The Company accelerated to promote the in-depth integration of scientific and technological innovation with industrial innovation, while continuing to conduct technical research and product development, strengthening basic and cutting-edge research on common technologies, and making every effort to tackle the challenges from key core technologies and commercialise the achievements from scientific and technological innovation, for all of which the R&D projects are currently under smooth progress.

(6) Cash flow

The net cash flow from operating activities was a net outflow of RMB8.998 billion, compared to a net inflow of RMB1.841 billion in the same period of the previous year, mainly due to the increase in the cash payments for purchase of goods and receipt of services by the Company during the reporting period as compared to the same period of the previous year.

The net cash flow from investing activities was a net outflow of RMB11.007 billion, compared to a net outflow of RMB12.434 billion in the same period of the previous year, mainly due to the increase in cash receipts from recovery of investments by the Company during the reporting period as compared to the same period of the previous year.

The net cash flow from financing activities was a net inflow of RMB9.046 billion, compared to a net outflow of RMB2.877 billion in the same period of the previous year, mainly due to the fact that the issuance of super short-term financing bills was made during the reporting period.

2. Detailed explanation on significant changes in business type, composition of profit or source of profit of the Company during the period

During the reporting period, the Company had no significant changes in business type, composition of profit or source of profit.

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

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

(III) Analysis of assets and liabilities

1. Assets and liabilities

Unit: '000 Currency: RMB

Item	Amount at the end of the period	Amount at the end of the period as a percentage of total assets (%)	Amount at the end of the previous period (restated)	Amount at the end of the previous period as a percentage of total assets (%)	Proportion of change of amount at the end of the period compared to amount at the end of the previous period (%)
Other current assets	11,072,485	2.04	7,366,106	1.44	50.32
Employee benefits payable	2,751,765	0.51	2,104,519	0.41	30.76
Tax payable	2,107,075	0.39	3,628,950	0.71	-41.94
Other payables	23,579,406	4.34	15,427,955	3.01	52.84
Other current liabilities	11,263,190	2.07	2,804,161	0.55	301.66

Other explanations

Other current assets increased by approximately 50.32%, mainly due to the increase in the purchased certificates of large amount deposit by CRRC Finance under the Company during the reporting period;

Employee benefits payable increased by approximately 30.76%, mainly due to the increase in the short-term remuneration payable during the reporting period;

Tax payable decreased by approximately 41.94%, mainly due to the payment of various taxes by the Company during the reporting period;

Other payables increased by approximately 52.84%, mainly due to dividends declared by the Company during the reporting period that have not yet been paid;

Other current liabilities increased by approximately 301.66%, mainly due to the issuance of super short-term financing bills during the reporting period.

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

For details, please refer to "27. Assets with restrictive ownership title or right of use" under "V. Notes of Consolidated Financial Statements" in "Financial Report".

(IV) Debt structure, liquidity and cash flow**1. Debt structure**

As of 30 June 2025, the Company's gearing ratio increased to 60.96% from 59.00% at the beginning of the year (the ratio was calculated by dividing the Group's total liabilities by its total assets as at 30 June 2025).

2. Significant capital expenditure and capital commitment**(1) Significant capital expenditure**

From January to June 2025, the significant capital expenditure of the Company is as the following table:

Item	From January to June 2025 Amount (RMB'000)
Fixed assets	695,288
Construction in progress	2,245,609
Intangible assets	61,965
Development expenditures	6,933,378
Total	9,936,240

(2) Capital commitment

As at 30 June 2025, the capital commitments that the Company had contracted but not yet undertaken was RMB3,325 million, which will be used mainly for property, plant and equipment, land lease prepayments and other intangible assets.

3. Detailed information on contingent liabilities of the Company

The Company has no significant contingent liabilities other than the guarantees provided by the Company as set out in the section headed "Significant Events" in this interim report.

4. Detailed information on mortgaged assets of the Company

Item	30 June 2025 Amount (RMB'000)
Cash and bank balances	3,485,153
Bills receivable	1,181,098
Accounts receivable	1,698
Contract assets	529,702
Fixed assets	124,455
Intangible assets	687,205
Long-term equity investment	409,382
	6,418,693

5. Borrowings, corporate bonds and notes

As at 30 June 2025, the Group had total borrowings, bonds and notes of approximately RMB27,843 million, as compared to the total amount of approximately RMB17,498 million as at 31 December 2024.

As at 30 June 2025, out of the total borrowings, bonds and notes of the Group, RMB18,717 million was denominated in Renminbi, RMB1,843 million was denominated in USD, and RMB2,218 million was denominated in Euro.

The Group's long-term interest-bearing borrowings, bonds and notes and short-term borrowings, bonds and notes interest-bearing borrowings as at 30 June 2025 were RMB6,309 million and RMB21,534 million, respectively.

As at 30 June 2025, the total bank and other borrowings of the Group with floating interest rates amounted to RMB8,103 million, as compared to RMB8,736 million as at 31 December 2024.

The following table sets out the maturity profile of the Company's repayable borrowings, bonds and notes as at 31 December 2024 and 30 June 2025:

	30 June 2025 Amount (RMB'000)	31 December 2024 Amount (RMB'000)
Within one year (starting date and ending date inclusive)	21,534,157	11,849,310
One to two years	253,047	235,399
Two to five years	1,015,196	989,501
Over five years	5,040,645	4,423,697
Total	27,843,045	17,497,907

The Company's borrowings, bonds and notes as at 30 June 2025 totalled RMB27,843 million, representing an increase of 59.12% as compared to RMB17,498 million as at 31 December 2024, primarily due to the issuance of super short-term financing bills by the Company during the reporting period.

6. Cash and cash equivalents

As at 30 June 2025, the cash and cash equivalents owned by the Company amounted to approximately RMB35,884 million, of which RMB28,911 million was denominated in RMB, RMB1,407 million was denominated in USD, and RMB1,253 million was denominated in Euro.

(V) Analysis of investment**1. Overall analysis of external equity investment**

As of the end of the reporting period, the long-term equity investment of the Company was RMB23.604 billion, representing an increase of RMB1.188 billion or 5.30% from the beginning of the year, primarily due to the additional investments. For details, please refer to “15. Long-term equity investments” under “V. Notes of Consolidated Financial Statements” in “Financial Report”.

(1) Significant equity investment

There was no significant equity investment during the reporting period.

(2) Significant non-equity investment

There was no significant non-equity investment during the reporting period.

(3) Financial assets measured at fair value

Unit: '000 Currency: RMB

Asset class	Opening balance	Gains/losses from changes in fair value during the current period	Aggregate changes in fair value included in equity	Provision for impairment loss during the current period	Amount purchased during the current period	Amount disposed/redeemed during the current period	Other changes	Closing balance
1. Held-for-trading financial assets	8,222,272	115,358	-	-	3,529,381	-5,566,774	-3,085	6,297,152
2. Other equity instrument investment	2,703,385	-	114,243	-	-	-2,977	-10,534	2,804,117
3. Receivables at FVTOCI	8,353,838	-	11,079	-	-	-	2,063,892	10,428,809
4. Other non-current financial assets	222,840	-	-	-	-	-	-923	221,917
Total	19,502,335	115,358	125,322	-	3,529,381	-5,569,751	2,049,350	19,751,995

(VI) Significant sales of assets and equity

There was no significant sales of assets and equity during the reporting period.

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

Major subsidiaries and invested companies affecting 10% or more of the Company's net profit

Unit: '000 Currency: RMB

Company name	Type of company	Main business	Registered capital	Total assets at the end of the period	Net assets at the end of the period attributable to the parent company	Revenue from January to June 2025	Operating profit from January to June 2025	Net profit from January to June 2025 attributable to the shareholders of the parent company
CRRC Sifang	Subsidiary	R&D and manufacturing of railway MUs, passenger carriages and urban rail transit vehicles; and repair services for railway MUs and high-end passenger carriages etc.	7,103,383	87,148,196	25,241,634	24,877,411	3,491,231	2,909,615
CRRC Changchun	Subsidiary	Design, manufacturing, repair, sale and lease of railway passenger carriages, MUs, urban rail transit vehicles and the accessories thereof, as well as related technical services and technical consultancy etc.	6,317,053	70,861,068	25,779,460	18,231,071	2,420,471	2,055,115
CRRC ZIC	Subsidiary	Research and manufacturing on electric drive and control technologies related to rail transit and relevant electrical equipment; R & D and manufacturing on new energy power generation equipment; R&D and manufacturing of railway locomotives and accessories thereof etc.	9,126,840	129,082,357	27,356,502	29,556,973	2,237,337	624,650
CRRC ZELC	Subsidiary	R&D and manufacturing of railway electric locomotives, MUs and urban rail transit vehicles	5,613,927	46,259,242	13,190,150	9,241,670	674,436	505,491

Acquisitions and disposals of subsidiaries during the reporting period

Company name	Method of acquisition of subsidiaries during the reporting period	Impacts on overall production, operations and performance
CRRC Zhicheng	Business combination under the common control	For details, please refer to "VII. CHANGES IN THE SCOPE OF COMBINATIONS" in the "Financial Report"

(VIII) Structured entities controlled by the Company

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

II. Other Discloseable Matters

Potential Risks

1. Strategic risks

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

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

2. Market risks

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

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

3. Product quality risks

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

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

4. Foreign exchange risks

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

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

5. Overseas operating risks

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

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

6. Industrial structure adjustment risks

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

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

CORPORATE GOVERNANCE

I. CHANGE IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Change
Ma Yunshuang	President	Resignation
	Executive Director	Resignation
Yi Ran	Employee Director	Election
Li Zheng	Chief Financial Officer (Chief Accountant)	Resignation

Description of changes in Directors, Supervisors and Senior Management of the Company

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

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

On 15 July 2025, Ms. Li Zheng resigned as the chief financial officer (chief accountant) due to work adjustment.

II. PROPOSAL FOR PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE TO SHARE CAPITAL

The interim proposed profit distribution proposal or proposal for capital increase by way of transfer from reserves

Whether to allocate or convert to increment	Yes
Bonus share for every 10 shares (shares)	Not applicable
Dividend for every 10 shares (yuan) (tax inclusive)	1.10
Conversion into share capital for every 10 shares (shares)	Not applicable

Explanation on profit distribution proposal or proposal for capital increase by way of transfer from reserves

On 22 August, 2025, the Company held the thirty-fifth meeting of the third session of the Board of Directors and considered and approved the “Resolution on the 2025 Interim Profit Distribution Proposal of CRRC Corporation Limited.” The Company proposed to distribute cash dividends to all shareholders based on the total share capital registered on the registration date for dividend distribution (the specific date will be clarified in the announcement on the implementation of dividend distribution). As of 30 June 2025, the total share capital of the Company was 28,698,864,088 shares, based on which and calculating at cash dividend of RMB0.11 (tax inclusive) per share, the Company proposes to distribute cash dividend of RMB3.157 billion (tax inclusive) in aggregate. In the case where from the date of disclosure of announcement on profit distribution plan to the registration date for dividend distribution, there are changes in the total share capital of the Company due to the conversion of convertible bonds, repurchase of shares, cancellation of repurchased shares granted under equity incentive schemes, cancellation of repurchased shares due to material asset restructuring, etc., the Company proposes to remain the total distribution amount unchanged, and to adjust the distribution proportion per share accordingly. If the total share capital of the Company changes subsequently, specific adjustments will be announced separately. The profit distribution plan is subject to the consideration and approval at the general meeting.

If the aforementioned profit distribution plan is considered and approved by the general meeting of the Company, the Company expects to pay the cash dividends on or before 31 December 2025. The Company will announce further details regarding the closure of register of members of H shares for the dividend payments and (if updated) the expected cash dividend payment date after determining the specific date of the general meeting.

III. SHARE OPTION SCHEME, EMPLOYEE STOCK OWNERSHIP SCHEME AND OTHER STAFF INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACTS

During the reporting period, the Company had no related share option scheme, employee stock ownership scheme and other staff incentive measures.

IV. EMPLOYEES OF THE COMPANY AND THEIR REMUNERATION AND TRAINING

As of the end of the reporting period, there were no significant changes in the total number, remuneration and training plan of the employees of the Company.

V. CORPORATE GOVERNANCE

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

(I) Compliance with the Corporate Governance Code

The Board has reviewed the documents in relation to corporate governance adopted by the Company, and is of the opinion that, during the reporting period, the Company was in compliance with the principles and code provisions in the Corporate Governance Code, and adopted part of the recommended best practices specified therein. In certain aspects, the corporate governance practices adopted by the Company are more stringent than the code provisions set out in the Corporate Governance Code.

(II) Securities Transactions by Directors and Supervisors

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

The Company has strictly complied with the relevant requirements of the Hong Kong Listing Rules (especially the Model Code) and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》), and published notices on a regular basis to inform important notes for securities transactions by the Directors and Supervisors. The Company also imposed similar requirements on those key personnel who may have knowledge of inside information. Upon the specific enquiries made on all the Directors and Supervisors, the Company has confirmed that during the reporting period, all of them have complied with the requirements for securities transactions mentioned above.

(III) Review of the Interim Report by the Audit and Risk Management Committee

The audit and risk management committee has reviewed the Company's unaudited interim condensed consolidated financial statements and the interim report for the six months ended 30 June 2025 and has agreed on their submission to the Board for consideration and approval.

I. PERFORMANCE OF UNDERTAKINGS

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

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

SIGNIFICANT EVENTS

Background	Type	Covenants	Undertakings	Validity date	Whether duration specified	Validity period	Whether timely and strictly performed	If not performed timely, describe the specific reasons	If not performed timely, describe plans in next steps
	Resolution of same industry competitions	CRRCG	Non-competition undertaking with CRRC: CNRG issued the Letter of Undertaking of Non-competition with CRRC Corporation Limited (《關於避免與中國中車股份有限公司同業競爭的承諾函》) on 5 August 2015 in order to avoid competition between CNRG (which has completed restructuring and been renamed as CRRCG) and CRRC after completion of merger of CNRG with CSRG. Pursuant to the Letter of Undertaking: (1) CRRCG undertook that CRRCG itself will not engage, and will, through legal procedures, procure its wholly-owned and non-wholly-owned subsidiaries to not engage in any businesses which might directly compete with the current operating businesses of CRRC; (2) subject to the aforesaid undertaking (1), if CRRCG (including its wholly-owned subsidiaries and non-wholly-owned subsidiaries or other related entities) provide any products or services that might be in competition with the principal products or services of CRRC in the future, CRRCG will agree to grant CRRC pre-emptive right to acquire the assets or its entire equity interests in such subsidiaries related to such products or services from CRRCG; (3) subject to the aforesaid undertaking (1), CRRCG may develop advanced and lucrative projects in the future which fall within the business scope of CRRC, but it should preferentially transfer any achievement on such projects to CRRC for its own operation on equal terms of transfer; and (4) CRRCG should compensate CRRC for its actual losses arising from any failure to comply with the aforesaid undertakings.	5 August 2015	No	during the course of performance	Yes	-	-

Background	Type	Covenantors	Undertakings	Validity date	Whether duration specified	Validity period	Whether timely and strictly performed	If not performed timely, describe the specific reasons	If not performed timely, describe plans in next steps
	Others	CRRCG	Undertaking to maintain the independence of CRRC: CNRG issued the Letter of Undertaking to Maintain the Independence of CRRC Corporation Limited (《關於保持中國中車股份有限公司獨立性的承諾函》) on 5 August 2015 in order to ensure that CNRG (which has completed restructuring and been renamed as CRRCG) will not interfere with the independence of CRRC after completion of the merger of CNRG with CSRG. Pursuant to the Letter of Undertaking: CRRCG undertook to be separate from CRRC in respect of areas such as assets, personnel, finance, organization and business and will, in strict compliance with the relevant requirements on the independence of a listed company imposed by the CSRC, not to use its position as the controlling shareholder to violate the standardized operation procedures of a listed company to intervene in the operating decisions of CRRC and to damage the legitimate interests of CRRC and other shareholders. CRRCG and other companies under its control undertook not to, by any means, use the funds of CRRC and companies under its control.	5 August 2015	No	during the course of performance	Yes	-	-
	Resolution of related-party transactions	CRRCG	Undertaking for regulating related-party transactions with CRRC: in order to regulate related-party transactions entered into between CNRG (which has completed the restructuring and been renamed as CRRCG) and CRRC after the merger between CNRG and CSRG, CNRG issued the Letter of Undertaking to Regulate the Related-party Transactions with CRRC Corporation Limited (《關於規範與中國中車股份有限公司關聯交易的承諾函》) on 5 August 2015, pursuant to which CRRCG and other companies controlled by CRRCG will endeavor not to enter into or reduce the related-party transactions with CRRC and other companies in which it holds a controlling interest. For related-party transactions that are inevitable or reasonable, CRRCG will continue to perform the obligations under the related-party transaction framework agreements entered into between CRRCG and CRRC and will comply with the approval procedures and information disclosure obligations in accordance with the relevant laws and regulations as well as the provisions under the Articles of Association of CRRC. Prices of the related-party transactions will be determined based on prices of the same or comparable transactions conducted with other independent third parties.	5 August 2015	No	during the course of performance	Yes	-	-

SIGNIFICANT EVENTS

Background	Type	Covenantors	Undertakings	Validity date	Whether duration specified	Validity period	Whether timely and strictly performed	If not performed timely, describe the specific reasons	If not performed timely, describe plans in next steps
Undertakings in relation to the initial public issuance	Others	CRRCG	Undertakings on property ownership issues: CSR (which has completed merger and been renamed as CRRC) disclosed in its prospectus that CSR has not yet obtained proper property ownership certificates for 326 properties with a total gross floor area of 282,019.03 square meters, representing 7.85% of the total gross floor area of the property in use of CSR. As at 31 December 2024, there were still 3 properties with a total gross floor area of 1,788.67 square meters which failed to apply for property ownership certificates due to historical reasons. As for the property for which CSR has not yet obtained property ownership certificates, CSRG has made a written undertaking which was inherited by CRRCG after the merger. Pursuant to the undertaking: for properties that could not obtain complete property ownership certificates due to reasons such as incomplete procedures in planning and constructions and, which were included in the asset injection to CRRC by CRRCG, CRRCG undertook that such properties satisfy the usage requirements necessary for the production and operations of CRRC. Moreover, if there is any loss incurred to CRRC due to such properties, CRRCG shall undertake all compensation liabilities and all economic losses that CRRC incurred.	18 August 2008	No	during the course of performance	Yes	-	-
	Others	CRRCG	Undertakings on the state-owned land use certificate without specifying the land use terms or termination date: CNR (the relevant matters were inherited by CRRC after the merger) disclosed in the prospectus that the land use terms or termination date were not specified in the state-owned land use certificate for part of the authorized lands acquired by CNR. As such, CNRG (which has completed restructuring and been renamed as CRRCG) has made a written undertaking. Pursuant to the undertaking: CRRCG will compensate the relevant wholly-owned subsidiaries of CRRC for the loss caused as a result of the state-owned land use certificate not specifying the land use terms or termination date for the authorized land.	10 December 2009	No	during the course of performance	Yes	-	-

Background	Type	Covenantors	Undertakings	Validity date	Whether duration specified	Validity period	Whether timely and strictly performed	If not performed timely, describe the specific reasons	If not performed timely, describe plans in next steps
Undertakings in relation to the refinancing	Others	Directors, Senior Management of the Company	Undertaking to adopt measures of mitigating the potential dilution of return for the current period: the Directors and Senior Management of the Company have made the following undertakings on 27 May 2016: (1) not to transfer interests to other entities or individuals without consideration or with unfair consideration nor otherwise damage the Company's interests in any other ways; (2) to constrain expenses relating to the performance of their duties; (3) not to use the Company's assets for investments and consumption activities unrelated to the performance of their duties; (4) that the remuneration system formulated by the Board or the Remuneration and Evaluation Committee is in line with implementation of the remedial measures for the returns by the Company; (5) that the vesting conditions of share incentives to be formulated by the Company will be in line with the implementation of the remedial measures for returns by the Company if the Company were to make such share incentive plans in the future; (6) to perform the remedial measures for returns formulated by the Company as well as any commitment made by them for such remedial measures. The Directors and Senior Management will be liable for indemnifying the Company or the investors for their losses in the event of failure to perform the commitment.	27 May 2016	No	during the course of performance	Yes	-	-
	Others	CRRCG	Undertaking to adopt measures of mitigating the potential dilution of return for the current period: on 27 May 2016, CRRCG committed not to intervene in the operation and management activities of the Company or unlawfully infringe upon the Company's interests.	27 May 2016	No	during the course of performance	Yes	-	-

II. BANKRUPTCY AND REORGANIZATION

The Company was not involved in any matters related to bankruptcy and reorganization during the reporting period.

III. MATERIAL LITIGATION AND ARBITRATION

The Company was not involved in any material litigation or arbitration during the reporting period.

IV. MATERIAL CONTRACTS AND THEIR IMPLEMENTATION

(I) Trusteeship, contracting or leasing

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

(II) Guarantee situation

Unit: '000 Currency: RMB

Guarantor	Relationship between the guarantor and the listed company	Guaranteed	Guarantees provided by the Company to external parties (excluding guarantees provided by the Company in favour of its subsidiaries)										
			Guaranteed amount	Date of guarantee (date of signing agreement)	Commencement date	Maturity date	Guarantee type	Whether the guarantee has been fulfilled	Whether the guarantee is overdue or not	Outstanding amount of guarantee overdue	Counter guarantee	Whether the guarantee is provided to a related party or not	Related relationship
CRRC Corporation Limited, Suzhou CRRC Construction Engineering Co., Ltd. (蘇州中車建設工程有限公司), a wholly-owned subsidiary of the Company, and CRRC China Merchants (Tianjin) Equity Investment Fund Management Co., Ltd.* (中車招銀(天津)股權投資基金管理有限公司), a non-wholly-owned subsidiary of the Company	CRRC Corporation Limited, its wholly-owned subsidiary and non-wholly-owned subsidiary	Wuhu Yunda Rail Transport Construction and Operation Limited (無湖市運達軌道交通建設運營有限公司)	1,192,980	27 April 2017	20 June 2017	20 June 2047	Joint and several liability guarantee	No	No	-	No	No	-
CRRC Zhuzhou Locomotive Co., Ltd.	Wholly-owned subsidiary	CRRC E-LOCO SUPPLY (PTY) LTD	1,163,237	21 March 2014	17 March 2014	Date of completion of project execution	Performance guarantee	No	No	-	Yes	Yes	Subsidiary of the controlling shareholder of the listed company
CRRC Hongkong Co., Ltd. (中國中車(香港)有限公司)	Wholly-owned subsidiary	CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V. ("4 Guadalajara Project Company")	210,550	15 September 2023	27 October 2023	25 October 2059	Performance guarantee	No	No	-	No	No	-
CRRC Hongkong Co., Ltd. (中國中車(香港)有限公司)	Wholly-owned subsidiary	4 Guadalajara Project Company	381,438	5 June 2024	5 June 2024	30 April 2039	Financing guarantee	No	No	-	No	No	-
CRRC Hongkong Co., Ltd. (中國中車(香港)有限公司)	Wholly-owned subsidiary	TIC TRENS S.A. ("Brazil Project Company")	369,143	2 June 2024	2 June 2024	2 June 2031	Performance guarantee	No	No	-	No	No	-
CRRC Hongkong Co., Ltd. (中國中車(香港)有限公司)	Wholly-owned subsidiary	MLCC BLUE LINE CONTRACTING LLC ("Dubai Project Company")	726,247	6 January 2025	5 March 2025	31 July 2029	Performance guarantee	No	No	-	No	No	-
CRRC Hongkong Co., Ltd. (中國中車(香港)有限公司)	Wholly-owned subsidiary	Dubai Project Company	363,123	6 January 2025	15 May 2025	31 July 2029	Performance guarantee	No	No	-	No	No	-

CRRC Hongkong Co., Ltd. (中國中車(香港)有限公司)	Wholly-owned subsidiary	Dubai Project Company	290,499	6 January 2025	5 March 2025	20 September 2032	Performance guarantee	No	No	-	No	No	-
Total guarantee amount provided during the reporting period (excluding guarantees provided by the Company in favour of its subsidiaries)													1,379,869
Total guarantee balance at the end of the reporting period (A) (excluding guarantees provided by the Company in favour of its subsidiaries)													4,697,217
Guarantees provided by the Company to subsidiaries													
Total guarantee amount provided to the Company's subsidiaries during the reporting period													6,329,447
Total guarantee balance provided to the Company's subsidiaries at the end of the reporting period (B)													54,162,500
Aggregate guarantee amount provided by the Company (including guarantees provided by the Company in favour of its subsidiaries)													
Total guarantee amount (A+B)													58,859,717
Percentage of total guarantee amount to net assets of the Company (%)													34.64%
In which:													
Provision of guarantee to shareholders, actual controller and their respective related persons (C)													1,163,237
Amount of guarantees directly or indirectly provided in favour of parties with gearing ratios over 70% (D)													30,436,652
The total amount of guarantees provided which exceeds 50% of the net assets (E)													-
Total amount of the three above-stated guarantees (C+D+E)													31,599,889
Explanation on guarantees undue that might be involved in any joint and several liability													/
Explanation on guarantees													

Percentage of total guarantee amount to net assets of the Company = amount of guarantees/owner's equity attributable to the parent company. The balance of guarantee as of 30 June 2025 was RMB58.86 billion, accounting for 34.64% of net assets, among which:

The balance of guarantee for wholly-owned subsidiaries is RMB19.091 billion; the balance of guarantee for non-wholly-owned subsidiaries is RMB35.072 billion; the balance of guarantee for Wuhu Yunda Rail Transit Construction and Operation Company Limited is RMB1.193 billion; the balance of guarantee for CRRC E-LOCO SUPPLY (PTY) LTD is RMB1.163 billion; the balance of guarantee for 4 Guadalajara Project Company is RMB592 million; the balance of performance guarantees for Brazil Project Company is RMB369 million; and the balance of performance guarantees for Dubai Project Company is RMB1.38 billion.

As far as guarantee type is concerned, RMB2.767 billion was provided for bank acceptance bills; RMB5.594 billion was provided for loans and medium term notes; and RMB50.499 billion was provided for letters of guarantee, letters of credit and credit, etc.

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

(III) Other material contracts

As of the date of this report, the Company signed a number of sales contracts. For details, please refer to announcements dated 12 May 2025 and 29 July 2025 published by the Company on the websites of the SSE and the Stock Exchange.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Changes in shares

1. Changes in shares

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

2. Public float

During the reporting period, the public float of the Company satisfied the requirement under the Hong Kong Listing Rules.

3. Purchase, sale or redemption of securities of the Company

During the reporting period, neither the Company nor its subsidiaries purchased, sold or redeemed any of the securities (including treasury shares) of the Company under the Hong Kong Listing Rules. As of the end of the reporting period, no treasury share was held by the Company.

II. PARTICULARS OF SHAREHOLDERS

(I) Total number of shareholders:

Total number of holders of ordinary shares as of the end of the reporting period (shareholder)^{Note 1} 513,174

Note 1: As of the end of the reporting period, the Company had 511,114 holders of A shares and 2,060 registered holders of H shares.

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

Unit: share

Shareholdings of the top ten shareholders (excluding shares lent through the refinancing business)							
Name of shareholder	Change during the reporting period	Number of shares held at the end of the reporting period	Percentage (%)	Shares pledged, marked or frozen			
				Number of shares held subject to trading moratorium	Pledged, marked or frozen	Number	Nature of shareholder
CRRCG ^{Note 1}	0	14,587,578,250	50.83	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED ^{Note 2}	685,590	4,359,337,131	15.19	0	Unknown	-	Overseas legal person
Hong Kong Securities Clearing Company Limited	-38,038,963	842,057,328	2.93	0	Unknown	-	Overseas legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	0	605,663,637	2.11	0	Unknown	-	State-owned legal person
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	0	298,064,400	1.04	0	Unknown	-	State-owned legal person
Industrial and Commercial Bank of China-Shanghai 50 Trading Open Index Securities Investment Fund (中國工商銀行—上證50交易型開放式指數證券投資基金)	10,015,468	238,563,617	0.83	0	Unknown	-	Unknown
Bosera Funds – Agricultural Bank of China – Bosera China Securities and Financial Assets Management Plan (博時基金—農業銀行—博時中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
E Fund – Agricultural Bank of China – E Fund China Securities and Financial Assets Management Plan (易方達基金—農業銀行—易方達中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities and Financial Assets Management Plan (大成基金—農業銀行—大成中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
Harvest Fund – Agricultural Bank of China – Harvest China Securities and Financial Assets Management Plan (嘉實基金—農業銀行—嘉實中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
GF Fund – Agricultural Bank of China – GF China Securities and Financial Assets Management Plan (廣發基金—農業銀行—廣發中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
Zhong'ou Asset – Agricultural Bank of China – Zhong'ou China Securities and Financial Assets Management Plan (中歐基金—農業銀行—中歐中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
China AMC – Agricultural Bank of China – China AMC China Securities and Financial Assets Management Plan (華夏基金—農業銀行—華夏中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
Yinhua Fund – Agricultural Bank of China – Yinhua China Securities and Financial Assets Management Plan (銀華基金—農業銀行—銀華中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
China Southern Asset Management – Agricultural Bank of China – China Southern Asset Management China Securities and Financial Assets Management Plan (南方基金—農業銀行—南方中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown
ICBCCS Fund – Agricultural Bank of China – ICBCCS China Securities and Financial Assets Management Plan (工銀瑞信基金—農業銀行—工銀瑞信中證金融資產管理計劃)	0	234,982,900	0.82	0	Unknown	-	Unknown

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Shareholdings of the top ten holders of shares not subject to trading moratorium

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
CRRCG ^{Note 1}	14,587,578,250	Ordinary shares denominated in RMB	14,587,578,250
HKSCC NOMINEES LIMITED ^{Note 2}	4,359,337,131	Overseas listed foreign shares	4,359,337,131
Hong Kong Securities Clearing Company Limited	842,057,328	Ordinary shares denominated in RMB	842,057,328
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	605,663,637	Ordinary shares denominated in RMB	605,663,637
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	298,064,400	Ordinary shares denominated in RMB	298,064,400
Industrial and Commercial Bank of China-Shanghai 50 Trading Open Index Securities Investment Fund (中國工商銀行－上證50交易型開放式指數證券投資基金)	238,563,617	Ordinary shares denominated in RMB	238,563,617
Bosera Funds – Agricultural Bank of China – Bosera China Securities and Financial Assets Management Plan (博時基金－農業銀行－博時中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
E Fund – Agricultural Bank of China – E Fund China Securities and Financial Assets Management Plan (易方達基金－農業銀行－易方達中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities and Financial Assets Management Plan (大成基金－農業銀行－大成中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Harvest Fund – Agricultural Bank of China – Harvest China Securities and Financial Assets Management Plan (嘉實基金－農業銀行－嘉實中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
GF Fund – Agricultural Bank of China – GF China Securities and Financial Assets Management Plan (廣發基金－農業銀行－廣發中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Zhong'ou Asset – Agricultural Bank of China – Zhong'ou China Securities and Financial Assets Management Plan (中歐基金－農業銀行－中歐中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
China AMC – Agricultural Bank of China – China AMC China Securities and Financial Assets Management Plan (華夏基金－農業銀行－華夏中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Yinhua Fund – Agricultural Bank of China – Yinhua China Securities and Financial Assets Management Plan (銀華基金－農業銀行－銀華中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
China Southern Asset Management – Agricultural Bank of China – China Southern Asset Management China Securities and Financial Assets Management Plan (南方基金－農業銀行－南方中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
ICBCCS Fund – Agricultural Bank of China – ICBCCS China Securities and Financial Assets Management Plan (工銀瑞信基金－農業銀行－工銀瑞信中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Explanations of the repurchase of special accounts among the top 10 shareholders			N/A
Explanation of the above-mentioned shareholders' entrusted voting rights, been entrusted voting rights, and waiver of voting rights			N/A
Details relating to the related relationship of the above shareholders or the parties acting in concert			N/A
Explanations on the shares and voting rights restored of preferred shareholders			N/A

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

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

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

As at 30 June 2025, the person set out in the table below had an interest or short position in the shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholder	Capacity	H shares or A shares	Nature of interest	Number of H shares or A shares interested in	Percentage of H shares or A shares interested in of the total issued H shares or total issued A shares (%)	Percentage of total share capital of the Company (%)
CRRCG	Beneficial owner	A shares	Long position	14,587,578,250	59.96	50.83
	Beneficial owner	H shares	Long position	177,863,000	4.07	0.62

Save as disclosed above, as far as the Directors of the Company are aware, as at 30 June 2025, no other person had interests and/or short positions in the shares or underlying shares (as the case may be) of the Company which were, pursuant to section 336 of Part XV of the SFO, required to be recorded in the register referred to therein, or was otherwise a substantial shareholder (as defined in the Hong Kong Listing Rules) of the Company.

(IV) Strategic investors or ordinary legal persons who became top ten shareholders resulting from the placing of new shares

During the reporting period, no strategic investor or ordinary legal person became top ten shareholders resulting from the placing of new shares.

III. PARTICULARS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in shareholding by current and resigned Directors, Supervisors and Senior Management during the reporting period

During the reporting period, there was no change in the shareholding of current and resigned Directors, Supervisors and Senior Management of the Company.

(II) Share incentives granted to Directors, Supervisors and Senior Management during the reporting period

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

(III) Shareholding interests of Directors, Supervisors and chief executive

As at 30 June 2025, the following Director had interests in the A shares of the Company, relevant details of which are set out as follows:

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

Save as disclosed above, as at 30 June 2025, none of the Directors, Supervisors and chief executive of the Company had interests and short positions in any shares or underlying shares of the Company or associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register required to be maintained under section 352 of the SFO, or were required to be notified to the Company and the Stock Exchange by the Directors and Supervisors pursuant to the Model Code.

IV. CHANGES IN CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

During the reporting period, there were no changes in the controlling shareholder or actual controller.

RELEVANT INFORMATION OF BONDS

I. DEBENTURES CORPORATE BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

(I) Debt Financing Instruments of Non-financial Enterprises in the Inter-bank Bond Market

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

The Company had the following debt financing instruments of non-financial enterprises in existence during the reporting period, and the funds raised from these financing instruments were mainly used to repay interest-bearing liabilities and complement its working capital.

Unit: '00 million Currency: RMB

Name of bonds	Short name	Bond Code	Date of Issuance	Interest Accrual Date	Maturity Date	Bond Balance	Interest Rate (%)	Methods of Principal and Interest Repayment	Trading venues	Arrangement to Ensure the Suitability of Investors (if any)	Trading Mechanism	Risk of Termination of Listing and Trading
CRRC Corporation Limited's Phase I Super Short-term Financing Bills in 2025	25 CRRC SCP001	012581471.IB	2025-06-23	2025-06-23	2025-09-23	30.00	1.46	One-off repayment of principal and interest on maturity	Interbank bond market	Institutional investors in the national interbank bond market	Enquiry and one-click-order	No
CRRC Corporation Limited's Phase II Super Short-term Financing Bills in 2025	25 CRRC SCP002	012581490.IB	2025-06-24	2025-06-25	2025-12-25	30.00	1.47	One-off repayment of principal and interest on maturity	Interbank bond market	Institutional investors in the national interbank bond market	Enquiry and one-click-order	No
CRRC Corporation Limited's Phase III Super Short-term Financing Bills in 2025	25 CRRC SCP003	012581483.IB	2025-06-24	2025-06-25	2025-09-23	20.00	1.46	One-off repayment of principal and interest on maturity	Interbank bond market	Institutional investors in the national interbank bond market	Enquiry and one-click-order	No

(II) Principal Accounting Data and Financial Indicators

Unit:'000 Currency: RMB

Principal indicators	The end of the reporting period	The end of the previous year (restated)	Increase/decrease at the end of the reporting period compared with the end of the previous year (%)
Current ratio	1.21	1.24	-2.42
Quick ratio	0.90	0.96	-6.25
Gearing ratio (%)	60.96	59.00	Increased by 1.96 ppt
	The reporting period	The same period of the previous year (restated)	Increase/decrease during the reporting period compared with the same period of the previous year (%)
Net profit after non-recurring profit or loss	6,661,007	3,359,942	98.25
Debt-to-EBITDA ratio	4.92	6.22	Decreased by 1.30 ppt
Interest coverage ratio	21.90	13.25	65.28
Cash interest coverage ratio	-19.37	4.74	-
EBITDA interest coverage ratio	30.49	20.59	48.08
Loan repayment ratio(%)	100.00	100.00	-
Interest repayment ratio(%)	98.37	100.63	Declined by 2.26 ppt

The calculation process of the reconciliation for earnings before interest, taxes, depreciation and amortisation (EBITDA) is as follows:

	The reporting period (January to June)
Total profit	10,695,092
Interest charges	511,706
Depreciation of fixed assets	3,228,006
Amortisation of intangible assets	623,826
Depreciation of right-of-use assets	427,705
Depreciation of investment properties	13,902
Amortisation of long-deferred charges	100,012
EBITDA	15,600,249

CONSOLIDATED BALANCE SHEET

30 June 2025

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note V	30 June 2025	31 December 2024 (restated)
Net current assets			
Cash and bank balances	1	56,289,277	67,512,614
Held-for-trading financial assets	2	6,297,152	8,222,272
Bills receivable	3	12,928,280	11,392,953
Accounts receivable	4	123,224,668	110,846,856
Receivables at fair value through other comprehensive income	6	10,428,809	8,353,838
Prepayments	7	9,531,556	8,673,683
Other receivables	8	2,663,086	2,368,101
Inventories	9	96,791,031	78,951,355
Contract assets	5	38,400,418	37,738,998
Non-current assets due within one year	10	3,729,424	4,887,643
Other current assets	11	11,072,485	7,366,106
Total current assets		371,356,186	346,314,419
Non-current assets			
Loans and advances to customers	12	—	—
Debt investments	13	604,044	606,157
Long-term receivables	14	7,537,312	7,222,428
Long-term equity investments	15	23,604,335	22,416,806
Investments in other equity instruments	16	2,804,117	2,703,385
Other non-current financial assets	17	221,917	222,840
Investment properties	18	769,304	772,208
Fixed assets	19	64,537,694	64,241,583
Construction in progress	20	4,717,329	5,419,828
Right-of-use assets	21	2,911,065	2,619,386
Intangible assets	22	16,551,759	16,706,995
Development expenditures	23	896,055	956,787
Goodwill	24	322,263	306,816
Long-term deferred expenses		445,232	453,183
Deferred tax assets	25	4,558,408	4,438,113
Other non-current assets	26	40,986,580	37,444,593
Total non-current assets		171,467,414	166,531,108
Total assets		542,823,600	512,845,527

CONSOLIDATED BALANCE SHEET

30 June 2025

ITEM	Note V	30 June 2025	31 December 2024 (restated)
Current liabilities			
Short-term borrowings	28	8,800,647	7,065,648
Placements from banks and other financial institutions		—	—
Held-for-trading financial liabilities		4,223	4,587
Bills payable	29	45,276,568	47,347,867
Accounts payable	30	169,397,970	161,945,924
Receipts in advance	31	10,913	9,151
Contract liabilities	32	33,288,953	28,198,249
Deposits from banks and other financial institutions	33	5,021,691	5,208,170
Employee benefits payable	34	2,751,765	2,104,519
Tax payable	35	2,107,075	3,628,950
Other payables	36	23,579,406	15,427,955
Non-current liabilities due within one year	37	4,225,726	4,930,756
Other current liabilities	38	11,263,190	2,804,161
Total current liabilities		305,728,127	278,675,937
Non-current liabilities			
Long-term borrowings	39	6,308,888	5,648,597
Lease liabilities	40	2,406,825	2,136,919
Long-term payables	41	163,687	188,312
Long-term employee benefits payable	42	2,343,259	2,248,623
Provisions	43	7,578,973	7,168,426
Deferred income	44	5,726,291	5,691,226
Deferred tax liabilities	25	463,621	521,994
Other non-current liabilities	45	172,995	319,891
Total non-current liabilities		25,164,539	23,923,988
Total liabilities		330,892,666	302,599,925
Shareholders' equity			
Share capital	46	28,698,864	28,698,864
Capital reserve	47	42,482,431	42,474,101
Other comprehensive income	48	(699,067)	(610,891)
Special reserve	49	49,957	49,957
Surplus reserve	50	6,851,689	6,851,689
General risk reserve		755,846	755,846
Retained earnings	51	91,797,158	90,580,222
Total equity attributable to shareholders of the Company		169,936,878	168,799,788
Non-controlling interests		41,994,056	41,445,814
Total shareholders' equity		211,930,934	210,245,602
Total liabilities and shareholders' equity		542,823,600	512,845,527

Sun Yongcai
Legal representative

Wang Feng(Acting)
Chief Accountant

Shi Jian Feng
Person in Charge of the Accounting Department

THE COMPANY'S BALANCE SHEET

30 June 2025

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note XIV	30 June 2025	31 December 2024
Current assets			
Cash and bank balances	1	5,591,123	6,599,184
Accounts receivable		59,685	3,610
Prepayments		248	19,267
Other receivables	2	19,552,668	16,103,502
Non-current assets due within one year		453,379	153,910
Other current assets		12,167	5,727
Total current assets		25,669,270	22,885,200
Non-current assets			
Long-term receivables		8,709,885	9,059,694
Long-term equity investments	3	119,942,840	119,501,986
Investments in other equity instruments		532,449	531,546
Fixed assets		11,915	14,481
Construction in progress		17,454	17,609
Right-of-use assets		23,284	13,741
Intangible assets		98,541	109,072
Other non-current assets		16,506	53,256
Total non-current assets		129,352,874	129,301,385
Total assets		155,022,144	152,186,585
Current liabilities			
Employee benefits payable		16,853	57,027
Taxes payable		2,812	4,007
Other payables		44,643,799	46,458,652
Non-current liabilities due within one year		16,918	4,956
Other current liabilities	4	8,002,165	—
Total current liabilities		52,682,547	46,524,642
Non-current liabilities			
Lease liabilities		8,227	10,562
Deferred income		194	194
Total non-current liabilities		8,421	10,756
Total liabilities		52,690,968	46,535,398
Shareholders' equity			
Share capital		28,698,864	28,698,864
Capital reserve		62,810,518	62,809,231
Other comprehensive income		(3,926)	2,217
Surplus reserve		6,851,689	6,851,689
Retained earnings		3,974,031	7,289,186
Total shareholders' equity		102,331,176	105,651,187
Total liabilities and shareholders' equity		155,022,144	152,186,585

Sun Yongcai
Legal representative

Wang Feng(Acting)
Chief Accountant

Shi Jian Feng
Person in Charge of the Accounting Department

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note V	Six months ended 30 June	
		2025	2024 (restated)
I. Total operating income	52	119,758,127	90,049,062
Including: Operating income	52	119,758,127	90,049,062
II. Total operating costs		109,977,235	85,278,215
Including: Operating costs	52	93,633,993	70,772,091
Taxes and surcharges	53	936,633	755,506
Selling expenses	54	2,386,657	2,127,399
Administrative expenses	55	6,515,047	5,836,487
Research and development expense	56	6,779,531	5,794,794
Financial expense	57	(274,626)	(8,062)
Including: Interest expenses		511,706	540,362
Interest income		637,024	778,855
Add: Other income	58	1,279,644	1,456,985
Investment income	59	358,430	326,842
Including: Gains from investments in associates and joint ventures		336,080	277,348
Loss arising from derecognition of financial assets measured at amortised cost		(21,497)	(21,470)
Gains from changes in fair value	60	112,635	257,953
Impairment losses under expected credit loss model	61	(739,942)	(119,192)
Assets impairment losses	62	(207,856)	(246,039)
Gains on disposal of assets	63	16,125	25,022
III. Operating profit		10,599,928	6,472,418
Add: Non-operating income	64	214,891	223,198
Less: Non-operating expenses	65	119,727	76,640
IV. Total profit		10,695,092	6,618,976
Less: Income tax expenses	66	1,777,657	1,107,185
V. Net profit		8,917,435	5,511,791
(I) Net profit classified by operating continuity			
1. Net profit from continuing operations		8,917,435	5,511,791
(II) Net profit classified by ownership			
1. Net profit attributable to shareholders of the Company		7,245,652	4,200,950
2. Net profit attributable to non-controlling interests		1,671,783	1,310,841

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

ITEM	Note V	Six months ended 30 June	
		2025	2024 (restated)
VI. Other comprehensive income, net of income tax	48	21,522	30,883
(I) Other comprehensive income attributable to shareholders of the Company, net of income tax		(88,176)	26,804
1. Items that will not be reclassified to profit or loss		115,349	(49,067)
(1) Remeasurement of the changes in net liabilities or net assets of defined benefit plan		3,221	(32)
(2) Changes in fair value of investments in other equity instruments		107,886	(49,035)
(3) other		4,242	—
2. Items that may be reclassified to profit or loss		(203,525)	75,871
(1) Other comprehensive income that may be reclassified to profit or loss under equity method		(11,279)	18,346
(2) Changes in fair value of other debt investments		799	54,920
(3) Translation differences arising from translation of foreign currency financial statements		(193,045)	(92,876)
(4) Cash flow hedge reserve		—	95,481
(II) Other comprehensive income attributable to non-controlling interests, net of income tax		109,698	4,079
VII. Total comprehensive income		8,938,957	5,542,674
(I) Total comprehensive income attributable to shareholders of the Company		7,157,476	4,227,754
(II) Total comprehensive income attributable to non-controlling interests		1,781,481	1,314,920
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/per share)		0.25	0.15
(II) Diluted earnings per share (RMB/per share)		0.25	0.15

In the current period, a business merger under the same control occurred, and the net profit realized by the merged party before the merger was RMB52,000, in the previous period was RMB240,000.

Sun Yongcai
Legal representative

Wang Feng(Acting)
Chief Accountant

Shi Jian Feng
Person in Charge of the Accounting Department

THE COMPANY'S INCOME STATEMENT

For the six months ended 30 June 2025

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note XIV	Six months ended 30 June	
		2025	2024
I. Operating income	5	103,868	2,729
Less: Operating costs	5	2,023	2,023
Taxes and surcharges		—	1,741
Selling expenses		—	1,776
Administrative expenses		164,108	110,786
Research and development expenses		106,611	65,245
Financial expenses		82,838	50,186
Including: Interest expenses		383,348	480,637
Interest income		272,205	450,475
Add: Other income		—	1,368
Investment income	6	2,970,680	40,614
Including: Income from investment in associates and joint ventures		183,303	176,634
Impairment losses under expected credit loss model		(6,862)	(1,954)
II. Operating profit		2,712,106	(189,000)
Less: Non-operating expenses		500	—
III. Total profit		2,711,606	(189,000)
Less: Income tax expenses		—	—
IV. Net profit		2,711,606	(189,000)
(I) Net profit from continuing operations		2,711,606	(189,000)
V. Other comprehensive income, net of income tax		(6,143)	(23,867)
(I) Items that will not be reclassified to profit or loss		903	(42,006)
1. Changes in fair value of investments in other equity instruments		903	(42,006)
(II) Items that may be reclassified to profit or loss		(7,046)	18,139
1. Other comprehensive income recognized under equity method		(7,046)	18,139
VI. Total comprehensive income for the year		2,705,463	(212,867)

Sun Yongcai
Legal representative

Wang Feng(Acting)
Chief Accountant

Shi Jian Feng
Person in Charge of the Accounting Department

THE CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note V	Six months ended 30 June	
		2025	2024 (restated)
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		120,711,231	108,498,617
Net decrease in loans and advances to customers		162,114	1,852,495
Receipts of tax refunds		908,395	1,168,265
Other cash receipts relating to operating activities	68	1,530,844	1,214,180
Sub-total of cash inflows from operating activities		123,312,584	112,733,557
Cash payments for goods purchased and services received		100,382,689	81,888,386
Net decrease in deposits from banks and other financial institutions		186,479	1,463,819
Cash payments to and on behalf of employees		16,549,824	15,431,988
Payment of various taxes		7,843,026	6,050,430
Other cash payments relating to operating activities	68	7,348,110	6,057,686
Sub-total of cash outflows from operating activities		132,310,128	110,892,309
Net cash flow (used in)/from operating activities	69	(8,997,544)	1,841,248
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		18,704,676	11,390,097
Cash receipts from investment income		418,390	238,486
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		198,649	84,726
Sub-total of cash inflows from investing activities		19,321,715	11,713,309
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		3,514,780	3,577,674
Payment for acquisition of investments		26,814,061	20,559,889
Other cash payments relating to investing activities		–	10,000
Sub-total of cash outflows from investing activities		30,328,841	24,147,563
Net cash flow used in investing activities		(11,007,126)	(12,434,254)
III. Cash flows from financing activities:			
Cash receipts from capital contributions		1,319,578	4,620,043
Including: Cash receipts from capital contributions by non-controlling interests of subsidiaries		1,319,578	4,620,043
Cash receipts from borrowings		7,720,968	5,359,507
Cash receipts from bonds issuing		8,000,000	–
Proceeds from other financing activities		92,031	–
Sub-total of cash inflows from financing activities		17,132,577	9,979,550
Cash repayments of borrowings		6,389,778	11,787,671
Cash payments for distribution of dividends or profits or settlement of interest expense		1,098,992	686,061
Including: Payments for distribution of dividends or profits to non-controlling interests of subsidiaries		656,064	201,487
Other cash payments relating to financing activities		597,687	382,456
Sub-total of cash outflows from financing activities		8,086,457	12,856,188
Net cash flow from/(used in) financing activities		9,046,120	(2,876,638)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		289,094	(126,112)
V. Net increase in cash and cash equivalents	69	(10,669,456)	(13,595,756)
Add: Opening Balance of Cash and Cash Equivalents	69	46,553,233	46,108,163
VI. Closing Balance of Cash and Cash Equivalents	69	35,883,777	32,512,407

Sun Yongcai
Legal representative

Wang Feng(Acting)
Chief Accountant

Shi Jian Feng
Person in Charge of the Accounting Department

THE COMPANY'S CASH FLOW STATEMENT

For the six months ended 30 June 2025

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	Note XIV	Six months ended 30 June	
		2025	2024 (restated)
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and rendering of services		103,868	2,975
Other cash receipts relating to operating activities		164,148	67,797
Sub-total of cash inflows from operating activities		268,016	70,772
Cash payments to and on behalf of employees		86,526	79,600
Payment of various taxes		10,236	27,804
Other cash payments relating to operating activities		181,174	155,411
Sub-total of cash outflows from operating activities		277,936	262,815
Net cash flow used in operating activities	7	(9,920)	(192,043)
II. Cash flows from investing activities:			
Cash receipts from recovery of investments		12,215,350	9,626,076
Cash receipts from investment income		6,028,626	5,912,193
Sub-total of cash inflows from investing activities		18,243,976	15,538,269
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		157	3,062
Payment for acquisition of investments		22,245,886	16,456,114
Sub-total of cash outflows from investing activities		22,246,043	16,459,176
Net cash flow used in investing activities		(4,002,067)	(920,907)
III. Cash flows from financing activities:			
Cash receipts from bonds issuing		8,000,000	—
Other cash receipts relating to financing activities		29,869,762	24,660,000
Sub-total of cash inflows from financing activities		37,869,762	24,660,000
Cash repayments of borrowings		—	5,900,000
Cash payments for distribution of dividends or profits or settlement of interest expenses		354,344	392,214
Other cash payments relating to financing activities		37,781,668	31,932,233
Sub-total of cash outflows from financing activities		38,136,012	38,224,447
Net cash flow used in financing activities		(266,250)	(13,564,447)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(25,708)	(17,992)
V. Net increase in cash and cash equivalents	7	(4,303,945)	(14,695,389)
Add: Opening Balance of Cash and Cash Equivalents	7	5,704,430	15,718,647
VI. Closing Balance of Cash and Cash Equivalents	7	1,400,485	1,023,258

Sun Yongcai
Legal representative

Wang Feng(Acting)
Chief Accountant

Shi Jian Feng
Person in Charge of the Accounting Department

THE CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2025

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	For the six months ended 30 June 2025									
	Equity attributable to shareholders of the Company								Non-controlling interests	Total
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Sub-total		
I. Balance at the end of the previous year	28,698,864	42,448,601	(610,891)	49,957	6,851,689	755,846	90,579,708	168,773,774	41,420,820	210,194,594
Plus: Business combinations under the same control	-	25,500	-	-	-	-	514	26,014	24,994	51,008
II. Balance at the beginning of the current period (restated)	28,698,864	42,474,101	(610,891)	49,957	6,851,689	755,846	90,580,222	168,799,788	41,445,814	210,245,602
III. Changes in equity during the period	-	8,330	(88,176)	-	-	-	1,216,936	1,137,090	548,242	1,685,332
(I) Total comprehensive income	-	-	(88,176)	-	-	-	7,245,652	7,157,476	1,781,481	8,938,957
(II) Shareholders' contributions and reduction	-	8,330	-	-	-	-	-	8,330	(1,539)	6,791
1. Contribution by ordinary shareholders	-	706	-	-	-	-	-	706	1,321,640	1,322,346
2. Others	-	7,624	-	-	-	-	-	7,624	(1,323,179)	(1,315,555)
(III) Profit distribution	-	-	-	-	-	-	(6,028,716)	(6,028,716)	(1,231,700)	(7,260,416)
1. Distributions to shareholders	-	-	-	-	-	-	(6,026,761)	(6,026,761)	(1,230,225)	(7,256,986)
2. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	-
3. Appropriation to general risk reserve	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	(1,955)	(1,955)	(1,475)	(3,430)
(IV) Transfers within shareholders' equity	-	-	-	-	-	-	-	-	-	-
1. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-
1. Appropriation of special reserve	-	-	-	136,513	-	-	-	136,513	28,540	165,053
2. Amount utilised in the period	-	-	-	(136,513)	-	-	-	(136,513)	(28,540)	(165,053)
IV. Balance at the end of the current period	28,698,864	42,482,431	(699,067)	49,957	6,851,689	755,846	91,797,158	169,936,878	41,994,056	211,930,934

THE CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2025

	For the six months ended 30 June 2024									
	Equity attributable to shareholders of the Company									
ITEM	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Sub-total	Non-controlling interests	Total
I. Balance at the end of the previous year	28,698,864	41,568,178	(900,051)	49,957	6,319,090	670,960	84,566,375	160,973,373	35,549,942	196,523,315
Plus: Business combinations under the same control	-	20,400	-	-	-	-	253	20,653	19,843	40,496
II. Balance at the beginning of the current period (restated)	28,698,864	41,588,578	(900,051)	49,957	6,319,090	670,960	84,566,628	160,994,026	35,569,785	196,563,811
III. Changes in equity during the period (restated)	-	932,059	26,771	-	-	-	(1,542,186)	(583,356)	3,966,893	3,383,537
(I) Total comprehensive income (restated)	-	-	26,804	-	-	-	4,200,950	4,227,754	1,314,920	5,542,674
(II) Shareholders' contributions and reduction	-	932,059	-	-	-	-	-	932,059	3,449,756	4,381,815
1. Contribution by ordinary shareholders	-	956,027	-	-	-	-	-	956,027	3,474,583	4,430,610
2. Others	-	(23,968)	-	-	-	-	-	(23,968)	(24,827)	(48,795)
(III) Profit distribution	-	-	-	-	-	-	(5,743,169)	(5,743,169)	(797,783)	(6,540,952)
1. Distributions to shareholders	-	-	-	-	-	-	(5,739,773)	(5,739,773)	(796,482)	(6,536,255)
2. Appropriation for surplus reserve	-	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	(3,396)	(3,396)	(1,301)	(4,697)
(IV) Transfers within shareholders' equity	-	-	(33)	-	-	-	33	-	-	-
1. Other comprehensive income carried forward to retained earnings	-	-	(33)	-	-	-	33	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-
1. Appropriation of special reserve	-	-	-	129,036	-	-	-	129,036	28,103	157,139
2. Amount utilised in the period	-	-	-	(129,036)	-	-	-	(129,036)	(28,103)	(157,139)
IV. Balance at the end of the current period	28,698,864	42,520,637	(873,280)	49,957	6,319,090	670,960	83,024,442	160,410,670	39,536,678	199,947,348

Sun Yongcai
Legal representative

Wang Feng(Acting)
Chief Accountant

Shi Jian Feng
Person in Charge of the Accounting Department

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended 30 June 2025

Prepared by: CRRC Corporation Limited

RMB'000

ITEM	For the six months ended 30 June 2025					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Closing balance of the previous year	28,698,864	62,809,231	2,217	6,851,689	7,289,186	105,651,187
II. Opening balance of the current period	28,698,864	62,809,231	2,217	6,851,689	7,289,186	105,651,187
III. Changes in equity during the period	-	1,287	(6,143)	-	(3,315,155)	(3,320,011)
(I) Total comprehensive income	-	-	(6,143)	-	2,711,606	2,705,463
(II) Owners' contributions and reduction in capital	-	1,287	-	-	-	1,287
1. Others	-	1,287	-	-	-	1,287
(III) Profit distribution	-	-	-	-	(6,026,761)	(6,026,761)
1. Appropriation for surplus reserve	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	(6,026,761)	(6,026,761)
(IV) Transfers within shareholders' equity	-	-	-	-	-	-
IV. Closing balance of the current period	28,698,864	62,810,518	(3,926)	6,851,689	3,974,031	102,331,176

ITEM	For the six months ended 30 June 2024					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Closing balance of the previous year	28,698,864	62,809,965	(6,296)	6,319,090	8,235,563	106,057,186
II. Opening balance of the current period	28,698,864	62,809,965	(6,296)	6,319,090	8,235,563	106,057,186
III. Changes in equity during the period	-	1,382	(23,867)	-	(5,928,773)	(5,951,258)
(I) Total comprehensive income	-	-	(23,867)	-	(189,000)	(212,867)
(II) Owners' contributions and reduction in capital	-	1,382	-	-	-	1,382
1. Others	-	1,382	-	-	-	1,382
(III) Profit distribution	-	-	-	-	(5,739,773)	(5,739,773)
1. Appropriation for surplus reserve	-	-	-	-	-	-
2. Distributions to owners (or shareholders)	-	-	-	-	(5,739,773)	(5,739,773)
(IV) Transfers within shareholders' equity	-	-	-	-	-	-
IV. Closing balance of the current period	28,698,864	62,811,347	(30,163)	6,319,090	2,306,790	100,105,928

Sun Yongcai
Legal representative

Wang Feng(Acting)
Chief Accountant

Shi Jian Feng
Person in Charge of the Accounting Department

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

I. BASIC INFORMATION ABOUT THE COMPANY

1. General information

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

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

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

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

I. BASIC INFORMATION ABOUT THE COMPANY (continued)

2. Scope of consolidated financial statements

Company name	Principal place of business	Registered office	Type of legal entity	Legal representative	Business scope/ Nature of business	Unified social credit code	Paid-in capital (RMB'000)	Shareholding proportion (%)	Voting proportion (%)
CRRC Changchun Railway Vehicles Co., Ltd. ("CRRC Changchun")	China	Changchun	Limited company	Liu Changqing	Manufacturing	91220000735902224D	6,317,053	93.54	93.54
CRRC Zhuzhou Institute Co., Ltd. ("CRRC Zhuzhou Institute")	China	Zhuzhou	Limited liability company	Li Donglin	Manufacturing	9143020044517525X1	9,126,840	100.00	100.00
CRRC Zhuzhou Locomotive Co., Ltd. ("CRRC Zhuzhou Locomotive")	China	Zhuzhou	Limited liability company	Wang Qiaolin	Manufacturing	914302007790310965	5,613,927	100.00	100.00
CRRC Tangshan Co., Ltd. ("CRRC Tangshan")	China	Tangshan	Limited liability company	Zhou Junnian	Manufacturing	911302216636887669	4,030,920	100.00	100.00
CRRC Dalian Co., Ltd. ("CRRC Dalian")	China	Dalian	Limited liability company	Sun Rongkun	Manufacturing	91210200241283929E	4,388,870	100.00	100.00
CRRC Qiqihar Group Co., Ltd. ("CRRC Qiqihar Group")	China	Qiqihar	Limited liability company	Wang Huirong	Manufacturing	91230200057435769W	7,900,000	100.00	100.00
CRRC Yangtze River Transportation Equipment Group Co., Ltd. ("CRRC Yangtze River Group")	China	Wuhan	Limited liability company	Zhang Lei	Manufacturing	91420115MA4KYAEH3B	5,716,509	100.00	100.00
CRRC Asset Management Co., Ltd. ("CRRC Asset Management")	China	Shanghai	Limited liability company	Tan Xiaofeng	Trading and financing lease	911100007109247853	2,909,285	100.00	100.00
CRRC Qishuyan Co., Ltd. ("CRRC Qishuyan")	China	Changzhou	Limited liability company	Xu Shibao	Manufacturing	913204006638182170	2,298,020	100.00	100.00
CRRC Qishuyan Locomotive & Rolling Stock Technology Research Institute Co., Ltd. ("CRRC Qishuyan Institute")	China	Changzhou	Limited company	Wang Chenglong	Manufacturing	91320400137168058A	650,000	84.20	84.20
CRRC Capital Management Co., Ltd. ("CRRC Capital Management")	China	Beijing	Limited liability company	Lu Jianzhou	Finance	91110108MA00314Q4L	3,300,000	100.00	100.00
CRRC Nanjing Puzhen Co., Ltd. ("CRRC Nanjing Puzhen")	China	Nanjing	Limited liability company	Li Dingnan	Manufacturing	91320191663764650N	5,138,144	100.00	100.00
CRRC Hong Kong Capital Management Co., Ltd. ("CRRC Hong Kong Capital Management")	China	Hong Kong	Limited liability company	Li Jin	Investment and capital operation	Not applicable	3,503,568	100.00	100.00
CRRC ITET Co., Ltd. ("CRRC ITET")	China	Beijing	Limited liability company	Liu Chuntao	Housing industry	91110106590663663T	1,500,000	50.00	50.00
CRRC Yongji Electric Co., Ltd. ("CRRC Yongji Electric")	China	Yongji	Limited liability company	Wang Bin	Manufacturing	91140881664458751J	1,867,231	100.00	100.00
CRRC Qingdao Sifang Institute Co., Ltd. ("CRRC Sifang Institute")	China	Qingdao	Limited liability company	Xing Xiaodong	Manufacturing	91370200264582788W	2,212,573	100.00	100.00
CRRC Finance Co., Ltd. ("CRRC Finance")	China	Beijing	Limited liability company	Dong Xuzhang	Financing	911100000573064301	3,200,000	91.36	91.36
CRRC Zhuzhou Electric Co., Ltd. ("CRRC Zhuzhou Electric")	China	Zhuzhou	Limited liability company	Nie Ziqiang	Manufacturing	9143020076071871X7	1,342,200	100.00	100.00
CRRC Ziyang Co., Ltd. ("CRRC Ziyang")	China	Ziyang	Limited liability company	Chen Zhixin	Manufacturing	91512000786693055N	2,028,889	99.60	99.60
CRRC Beijing Nankou Co., Ltd. ("CRRC Beijing Nankou")	China	Beijing	Limited liability company	Tao Lu	Manufacturing	91110000664625580F	1,008,000	100.00	100.00
CRRC Datong Electric Locomotive Co., Ltd. ("CRRC Datong")	China	Datong	Limited liability company	Fu Yongjun	Manufacturing	91140200602161186E	1,140,000	100.00	100.00

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

I. BASIC INFORMATION ABOUT THE COMPANY (continued)

2. Scope of consolidated financial statements (continued)

Company name	Principal place of business	Registered office	Type of legal entity	Legal representative	Business scope/ Nature of business	Unified social credit code	Paid-in capital (RMB'000)	Shareholding proportion (%)	Voting proportion (%)
CRRC Dalian Institute Co., Ltd. ("CRRC Dalian Institute")	China	Dalian	Limited liability company	Zhang Bo	Manufacturing	91210200243024402A	903,000	100.00	100.00
CRRC Sifang Co., Ltd. ("CRRC Sifang")	China	Qingdao	Limited liability company	Xu Lei	Manufacturing	9137020016357624X1	206,475	100.00	100.00
CRRC Logistics Co., Ltd. ("CRRC Logistics")	China	Beijing	Limited liability company	Pan Shuping	Logistics and trade	91110108737682982M	810,560	100.00	100.00
CRRC Industrial Institute Co., Ltd. ("CRRC Industrial Institute")	China	Beijing	Limited liability company	Liang Jianying	Research and development	911101063066897448	250,830	100.00	100.00
CRRC International Co., Ltd. ("CRRC International")	China	Beijing	Limited liability company	Wu Yan	Trade	911101067109217367	2,590,000	100.00	100.00
CRRC Information Technology Co., Ltd. ("CRRC Information Technology")	China	Beijing	Limited liability company	Chen Kai	Software development	91110108700035941C	748,350	100.00	100.00
CRRC SA (PTY) LTD	South Africa	South Africa	Limited liability company	Han Xiaobo	Manufacturing	Not applicable	ZAR 1,000	66.00	66.00
Zhuzhou CRRC Times Electric Co., Ltd. (Times Electric) (Note 1)	China	Zhuzhou	Limited company	Li Donglin	Manufacturing	914300007808508669	1,357,948	49.77	49.77
Zhuzhou Times New Material Technology Co., Ltd. (Times New Material) (Note 2)	China	Zhuzhou	Limited company	Peng Huawen	Manufacturing	91430200712106524U	931,181	34.11	43.99
CRRC Qihang New Energy Technology Co., Ltd.	China	Beijing	Limited liability company	Liu Jianxun	Research and development	91110108MAD3W43D43	700,000	100.00	100.00
CRRC (Chongqing) Smart Rail Transit Technology Co., Ltd. (Chongqing Smart Rail Transit)	China	Chongqing	Limited liability company	Zhang Hongquan	Research and development	91500112MAD9CP0C01	200,000	100.00	100.00
CRRC Digital Intelligence Technology (Xiongan) Co., Ltd.	China	Beijing	Limited liability company	Chen Kai	Software development	91133100MAE8YDTG6C	200,000	100.00	100.00

Note 1: CRRC Times Electric is a subsidiary of CRRC Zhuzhou Institute. On September 7, 2021, CRRC Times Electric was listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688187) and publicly issued 240,760,275 new shares. As a result, the equity ratio of CRRC Times Electric held by the Group was passively diluted from 53.19% to 44.14%, and the voting rights ratio was reduced from 53.19% to 44.14%. After the dilution of this stock ratio, the group is still able to control CRRC Times Electric. From 2022 to 2023, CRRC Hong Kong Capital Company, a subsidiary of the company, purchased 49,260,000 shares of Time Electric in the public market, and the group's shareholding in CRRC Time Electric was changed to 47.72%. In 2024, the Company conducted a series of repurchases of H Shares on the Exchange of Hong Kong. As of December 31, 2024, the Company repurchased a total of 13,916,900 H Shares, of which 9,584,100 H Shares were cancelled. During the 6-month period ending June 30, 2025, the Company has repurchased 44,371,600 H Shares and cancelled 48,704,400 H Shares.

Note 2: Zhuzhou Times New Materials is a subsidiary of CRRC Zhuzhou Institute. On April 25, 2023, Zhuzhou Times New Materials held the 24th meeting of the 9th Board and the 17th meeting of the 9th Board of Supervisors, and reviewed and passed the Proposal on Adjusting the List of Incentive Objects and the Number of Restricted Stocks Granted for the First Time in the Company's 2022 Restricted Stock Incentive Plan and the Proposal on Granting Restricted Stocks to the Incentive Objects of the Company's 2022 Restricted Stock Incentive Plan. On June 27, 2023, Zhuzhou Times New Materials held the 25th (temporary) meeting of the 9th Board and the 18th (temporary) meeting of the 9th Board of Supervisors, reviewed and passed the Proposal on Reserving and Granting Restricted Stocks to the Incentive Objects of the Company's 2022 Restricted Stock Incentive Plan. On May 14, 2025, the Company obtained the approval of China Securities Regulatory Commission [2025] Approval of Approval for the Registration of Issuance of Shares by Zhuzhou Times New Materials Technology Co., Ltd. to Specific Objects (Document No. 996) approved the non-public issuance of 106732348 shares, with a face value of 1 yuan per share, and a net amount of raised funds of RMB1289.3701 million to specific objects. The Group's shareholding in Zhuzhou Times New Materials has been passively diluted from 38.53% to 34.11%. At the same time, CRRC Group, the parent company of our company, holds 9.88% of the equity in Zhuzhou Times New Materials, and has authorized its proposal and voting rights at the shareholders' meeting of Zhuzhou Times New Materials to our group. Therefore, our group's voting rights in Zhuzhou Times New Materials have been passively diluted from 49.55% to 43.99%.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

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

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

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

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

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

2. Going concern

The Group evaluated the going concern capability for the next six months from 30 June 2025 and found no matters or circumstances that could raise serious doubts about the going concern capability. These financial statements have been prepared on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1 Statement of compliance with the ASBE

These financial statements are in compliance with the ASBE to truly and completely reflect consolidated and the Company’s financial position as at 30 June 2025, and consolidated and the Company’s operating results, changes in shareholders’ equity and cash flows for the 6 month period then ended.

2 Accounting period

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

3 Business cycle

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

4 Reporting currency

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

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

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

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

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

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

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

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

III. 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)*

(1) Business combinations involving enterprises under common control

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

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

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

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

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

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

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

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

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

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

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

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

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

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

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

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

8 Classification of joint arrangements and accounting methods for joint management

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

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***9 Recognition criteria of cash and cash equivalent**

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

10 Translation of transactions and financial statements denominated in foreign currencies

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

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

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

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

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

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

11 Financial instruments

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

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

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

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

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

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

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

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

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

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

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

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

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

11 Financial instruments *(continued)*

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

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

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

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

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

(b) Subsequent measurement of financial assets

– Financial assets at FVTPL

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

– Financial assets at amortised cost

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

– Debt investments at FVOCI

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

– Equity investments at FVOCI

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

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

11 Financial instruments *(continued)*

(3) Classification and subsequent measurement of financial liabilities

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

– Financial liabilities at FVTPL

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

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

– Financial liabilities at amortised cost

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

(4) Offsetting

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

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

(5) Derecognition of financial assets and financial liabilities

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

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

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

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

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***11 Financial instruments** *(continued)***(6) Impairment**

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

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

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

Measurement of ECLs

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

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

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

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

11 Financial instruments *(continued)*

(6) Impairment *(continued)*

Provisions for bad and doubtful debts arising from receivables

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

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

(b) Criteria for individual assessment

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

Financial instruments that have low credit risk

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***11 Financial instruments** *(continued)***(6) Impairment** *(continued)***Significant increases in credit risk**

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

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

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

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

Credit-impaired financial assets

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

11 Financial instruments *(continued)*

(6) Impairment *(continued)*

Presentation of allowance for ECL

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

Write-off

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

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

(7) Equity instruments

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

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

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

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

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

11 Financial instruments *(continued)*

(8) Convertible instruments

– Convertible instruments containing an equity component

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

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

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

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

– Other convertible instruments not containing an equity component

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

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

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

(9) Preference shares and perpetual bonds

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

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

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

12 Inventories

(1) Categories

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

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

(2) Measurement method of cost of inventories

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

(3) Inventory count system

The perpetual inventory system is maintained for stock system.

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

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

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

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

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

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

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

13 Non-current assets held for sale or disposal group

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

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

Non-current assets or disposal groups classified as held for sale are required to satisfy both of the following conditions: (i) 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; (ii) the sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

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

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

(2) Recognition criteria and presentation method of discontinued operations

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

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

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

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

14 Long-term equity investments

(1) Judgment criteria for joint control and significant influence

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

(2) Determination of investment cost

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

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

(3) Subsequent measurement and recognition of profit or loss

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

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

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

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

14 Long-term equity investments *(continued)*

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

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

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

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

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

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

(c) Disposal of long-term equity investments

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

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

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For the six months ended 30 June 2025

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

15 Investment properties

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

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

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

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

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

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

16 Fixed assets

(1) Recognition criteria

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

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***16 Fixed assets** *(continued)***(2) Depreciation method**

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

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

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

17 Construction in progress

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

18 Borrowing Costs

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

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

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

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

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

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

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

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

19 Intangible assets

(1) Valuation method, useful life and impairment test

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

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***19 Intangible assets** *(continued)***(1) Valuation method, useful life and impairment test** *(continued)*

The useful lives of the intangible assets are as follows:

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

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

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

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

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

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

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

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

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

19 Intangible assets *(continued)*

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

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

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

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

20 Impairment of long-term assets

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

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

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

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

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

21 Long-term deferred expenses

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***22 Employee benefits**

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

(1) Accounting for short-term employee benefits

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

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

(2) Accounting for retirement benefits

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

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

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

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

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

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

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

22 Employee benefits *(continued)*

(3) Accounting for termination benefits

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

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

23 Provisions

Except for contingent consideration 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 consideration of the factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

24 Share-based payments

(1) Classification of share-based payments

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

(2) Accounting treatment of share-based payments

– Equity-settled share-based payments

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

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

24 Share-based payments *(continued)*

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

– Equity-settled share-based payments *(continued)*

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

– Cash-settled share-based payments

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

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

25 Revenue

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

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

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

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

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

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For the six months ended 30 June 2025

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

25 Revenue *(continued)*

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

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

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

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

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

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

If the contract contains a significant financing component, the Group determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when "control" of the goods or services is obtained by the customer. The difference between the transaction price and the contract consideration shall be amortised within the contract period using effective interest rate. If the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less, the Group needs not to consider the significant financing component.

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

25 Revenue *(continued)*

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

The Group determines whether it is a principal or an agent at the time of the transaction based on whether it owns the “control” of the goods or services before the transfer of such goods or services to the customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and the revenue shall be recognised based on the total consideration received or receivable; otherwise, the Group is an agent, and the revenue shall be recognised based on the amount of commission or handling fee that is expected to be charged, and such amount is determined based on the net amount of the total consideration received or receivable after deducting the prices payable to other related parties or according to the established commission amount or proportion.

For a change in the scope or price of a contract that is approved by the parties to the contract, the Group accounts for the contract modification according to the following situations:

- (i) The addition of promised goods or services are distinct and the price of the contract increases by an amount of consideration reflects stand-alone selling prices of the additional promised goods or services, the Group shall account for a contract modification as a separate contract;
- (ii) If the above criteria are not met, and the remaining goods or services are distinct from the goods or services transferred on the date of the contract modification, the Group accounts for the contract modification as if it were a termination of the existing contract and the creation of a new contract;
- (iii) If the above criteria are not met, and the remaining goods or services are not distinct from the goods or services transferred on the date of the contract modification, the Group accounts for the contract modification as if it were a part of the existing contract. The effect that the contract modification has on the revenue is recognised as an adjustment to revenue in the reporting period.

When the Group collects amounts of sold goods or services in advance from the customer, the Group will firstly recognise the amounts as a liability and then transfer to revenue until satisfying relevant performance obligations.

Contract asset refers to the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Accounting policies relating to contract asset are specified in Note III. 11. The Group’s unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Contract liabilities refer to the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

Contract assets and contract liabilities under the same contract are presented at net amount.

Except for the income arising from contracts with customers, income of the Group includes interest income and lease income from daily operating activities. Relevant accounting policies are detailed in Note III. 11 and 28.

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For the six months ended 30 June 2025

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

26 Contract costs

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

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract that it would not have incurred if the contract had not been obtained, e.g. an incremental sales commission. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- (i) the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;
- (ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (iii) the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period.

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;
- (ii) the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

27 Deferred tax assets/Deferred tax liabilities

The income tax expenses include current income tax and deferred tax. Except for that (1) goodwill arising from the business combination or (2) the current income tax and deferred income tax related to transactions or events recognised in other comprehensive income or shareholders’ equity are included in other comprehensive income or shareholders’ equity, other current income tax and deferred income tax expenses or gains are included in profit or loss for the period.

(1) Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid according to the taxation laws and regulations.

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

27 Deferred tax assets/Deferred tax liabilities *(continued)*

(2) Deferred tax assets/deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

A deferred tax liability is recognised for all taxable temporary differences, except:

- Where taxable temporary differences arise from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, it affects neither accounting profit nor taxable profit or loss;
- For taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for deductible temporary differences, carry forward of unused deductible tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of deductible tax losses and tax credits can be utilised, except:

- Where the deferred tax asset arises from a transaction that is not a business combination and, at the time of the transaction, neither affects the accounting profit nor taxable profit or loss;
- Deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss).

At the balance sheet date, deferred income tax assets and liabilities are measured, subject the tax laws, at the applicable rate in the period in which deferred tax assets or liabilities are expected to be realised or settled, and the tax effects arising from the expected reversal of assets or liabilities are reflected at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at the balance sheet date and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

Deferred tax assets and deferred tax liabilities are offset and presented on a net basis if the Group has a legal right to set off the current tax assets against current tax liabilities on a net basis and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

28 Leases

As the judgement basis and accounting treatment method for the lessee to simplify short-term lease and low value asset lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into on the date of initial application, the Group assesses whether a contract is or contains a lease at commencement date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(1) As a lessee

(a) Allocation

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

(b) Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use asset is initially measured at cost. This cost includes:

- The initial measurement amount of the lease liabilities;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the Group; and
- An estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, excluding the costs that are incurred to produce inventories.

After the commencement date of the lease, the carrying amount of right-of-use assets shall be adjusted when lease liability is remeasured.

The Group makes depreciation for the right-of-use assets in accordance with the relevant depreciation regulations under the Accounting Standards for Business Enterprises No. 4-Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

For the method of testing the impairment of the right-of-use asset and the method of determining impairment provision, please refer to Note III. 20 for details.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***28 Leases** *(continued)***(1) As a lessee** *(continued)***(c) Lease liabilities**

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Lease payment refers to the amount paid by the Group to the lessor relating to the right to use an underlying asset during the lease term, including:

- Fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- Variable lease payments depending on the index or ratio;
- The exercise price of a purchase option reasonably certain to be exercised by the Group;
- Payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate; and
- Amounts expected to be paid under residual value guarantees.

The variable lease payments, depending on the index or ratio, are determined at the initial measurement based on the index or proportion at the beginning of the lease term. The variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss or related asset costs when incurred.

After the commencement date of the lease term, the Group calculates the interest expense of the lease liabilities for each period of the lease term based on a fixed periodic interest rate, and includes it in profit and loss or related asset costs.

After the commencement date of the lease term, the Group re-measures the lease liabilities and adjusts the corresponding right-of-use asset in the following circumstances. If the book value of the right-of-use asset has been reduced to zero, while the lease liabilities still need to be further reduced, the difference shall be included in the profit and loss:

- The Group re-measures the lease liabilities based on the present value of the post-change lease payments and the revised discount rate as a result of changes in the lease term or changes in the purchase option;
- The Group re-measures the lease liabilities based on the present value of the changed lease payments and the original discount rate, based on the amount of the amount payable or the index or proportion used to determine the lease payments. If the change in lease payments comes from changes in floating interest rates, the revised discount rate shall be adopted to calculate the present value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

28 Leases *(continued)*

(1) As a lessee *(continued)*

(d) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to short-term leases of housing and buildings, machinery and equipment, motor vehicles, office equipment and other equipment and leases of low-value assets. Short-term leases are leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. A lease of low value asset refers to a single lease asset, when new, is of low value.

Lease payments on short-term leases and leases of low-value assets are recognised in profit or loss or the cost of underlying assets on a straight-line basis over the lease term.

(e) Lease modifications

The Group accounts for a lease modification as a separate lease if there is a lease modification and both of the following apply:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

If the scope of the lease is narrowed or the lease term is shortened as a result of the lease modification, the Group reduces the carrying amount of the right-of-use assets accordingly, and record the relevant gains or losses of partial or complete termination of the lease into the current profit and loss. In case of remeasurement of lease liabilities due to other lease modifications, the Group adjusts the carrying amount of the right-of-use assets accordingly.

(2) Sales and lease back

The Group acts as the seller and lessee

The Group determines whether the asset transfer in the sale and leaseback transaction is a sale in accordance with Note III. 25. If the transfer of assets is not a sale, the Group continues to recognise the transferred assets and recognises a financial liability equal to the transfer income, and accounts for the financial liabilities in accordance with Note III 11. Where the transfer of assets belongs to sales, the Group measures the right-of-use assets formed by the sale and leaseback based on the portion of the original asset's book value that is related to the use rights obtained from the leaseback, and only recognises the relevant gains or loss of the rights to transfer to the lessor.

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

28 Leases *(continued)*

Lease classification standard and accounting treatment method as lessor

(1) As a lessor

(a) Allocation

Where the contract includes both the lease and non-lease components, the Group apportions the contract consideration according to the provisions of Note III. 25 on the transaction price sharing. The basis of the apportionment is the individual selling price of the leased part and the non-lease part.

(b) Classification of lease

A lease that has substantially transferred almost all the risks and rewards related to the ownership of the leased asset is a financial lease. Leases other than finance leases are operating leases.

(i) The Group records the operating lease business as a lessor

During each period of the lease term, the Group uses the straight-line method to recognise the lease payments from operating leases as rental income. The initial direct costs incurred by the Group in relation to the operating leases are capitalised at the time of the acquisition, and are recognised in profit or loss.

(ii) The Group records the finance leasing business as a lessor

The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The amount of the lease receivable refers to the amount that the Group should collect from the lessee for the purpose of transferring the leased assets during the lease term, including:

- The fixed payment amount and the substantial fixed payment amount to be paid by the lessee, if there is a lease incentive, the amount related to the lease incentive is deducted;
- Variable lease payments depending on the index or ratio;
- The exercise price of the purchase option, provided that it is reasonably determined that the lessee will exercise the option;
- The lessee exercises the amount to be paid for the termination of the lease option, provided that the lease period reflects the lessee's exercise of the option to terminate the lease;
- The residual value of the guarantee provided by the lessee, the party concerned with the lessee and the independent third party with the financial ability to perform the guarantee obligation.

The Group calculates and recognises interest income for each period of the lease term based on a fixed periodic interest rate.

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

28 Leases *(continued)*

Lease classification standard and accounting treatment method as lessor *(continued)*

(1) As a lessor *(continued)*

(c) Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

If the finance lease changes and meets the following conditions, the Group will account for the change as a separate lease:

- The modification expands the scope of the lease by increasing the right to use one or more leased assets;
- The increased consideration is equal to the individual price of the expanded portion of the lease, as adjusted by the contractual situation.

If the modification of the finance lease is not treated as a separate lease, the Group will deal with the lease modification in the following cases:

- If the lease is classified as an operating lease when the change becomes effective on the lease start date, the Group begins accounting as a new lease from the effective date of the lease change and uses the net lease investment before the effective date of the lease change as the book value of the leased asset;
- If the change is effective on the lease start date and the lease is classified as a finance lease, the Group performs accounting treatment in accordance with the “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments” provisions for the modification or re- arrangement of contracts.

(2) Sales and leaseback

The Group acts as the buyer and lessor

If the asset transfer in the sale and leaseback transaction is not a sale, the Group does not recognise the transferred asset, but recognises a financial asset equal to the transfer income and performs accounting treatment on the financial asset in accordance with Note V. 11. If the asset transfer belongs to sales, the Group will account for the asset purchase according to other applicable accounting standards and conduct accounting treatment for the asset lease.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***29 Other significant accounting policies and accounting estimates****1. Other significant accounting policies****(1) Profit distribution**

The proposed dividend distribution after balance sheet date will not be included in liabilities on balance sheet date, and will be disclosed individually in notes.

(2) Production safety expenses

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period, and provided as a fund in the special reserve. When the expenditures are utilised as expenses, they should be recognised in the statement of profit or loss and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognised in the cost of fixed assets, which will be recognised when it is ready for use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

(3) Debt restructuring*Recording debt restructuring obligation as a creditor*

When a debt is settled by assets in a debt restructuring, the assets other than the transferred financial assets are initially recognised and measured at cost, including other costs such as the fair value of abandoned creditor's rights and taxes directly attributable to the asset. The difference between the fair value and the carrying amount of the abandoned creditor's right is included in the current profit or loss.

Where debt restructuring is carried out by modifying other terms, the Group recognises and measures the debt restructuring in accordance with the accounting policies described in Note III. 11.

(4) Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the state and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

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

29 Other significant accounting policies and accounting estimates *(continued)*

2. Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions, which will affect the presented amounts of revenue, cost, assets and liabilities and the disclosure of contingent liabilities on balance sheet date. However, the uncertainty of assumptions and estimates may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods.

The following is key assumption and uncertainty in accounting estimates at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods.

(1) Credit loss allowance for receivables and contract assets

Except for that the Group recognises credit loss for receivables and contract assets that are individually significant or have credit impaired on an individually basis, the Group determines the expected credit loss of receivables and contract assets on a collectively basis using a provision matrix. For receivables and contract assets whose credit loss are determined individually, the Group determines the credit loss by estimating the expected cash flows based on reasonable and evidenced information available on the balance sheet date with forward-looking information taken into consideration. For receivables and contract assets other than the above, the Group, based on the historical collection condition, determines the proportion of corresponding loss provision for each type of receivables and contract assets with similar credit risk characteristics on a portfolio basis. The provision matrix is based on the Group's historical credit loss experience and is based on reasonable and evidence-based forward-looking information that is available without undue cost or effort. As at 30 June 2025, the Group has reassessed the historical actual credit loss rate and considered changes in forward-looking information.

(2) Impairment of goodwill

For goodwill arising from business combination, the Group tests it for impairment at the year end. Impairment test requires an estimate of the recoverable amount of the relevant asset group containing goodwill, that is, the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. In determining the present value of the future cash flows of the relevant asset group or the fair value of such asset group under equity method, the Group needs to properly determine the expected growth rate of future cash flow prediction of related asset group, the gross profit margin, the investment income proportion of long-term assets, average growth rate and reasonable discount rate, etc. When the market conditions change, the recoverable amount of the relevant asset group may differ from the existing estimates, which will affect the profit and loss for the period. Relevant details of impairment of goodwill are set out in Note V. 24.

(3) Depreciation and amortisation of investment properties, fixed assets and intangible assets

Investment properties, fixed assets and intangible assets with a definite life are depreciated and amortised in their useful lives respectively by the Group after considering residual values. The Group reviews useful life of assets periodically so as to determine the amounts for depreciation and amortisation in each reporting period. The useful life of assets is determined on the basis of previous experiences and estimated technology upgrading. If prior estimates change significantly, make adjustment to depreciation and amortisation expenses.

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

29 Other significant accounting policies and accounting estimates *(continued)*

2. Significant accounting estimates and judgements *(continued)*

(4) Supplementary pension benefits and other supplementary benefits plan liabilities

The Group has recognised supplementary pension benefits and other supplementary benefits plan as liabilities. The estimated amounts of such benefits expenses and liabilities are calculated on the basis of various assumption conditions, including discount rate, growth rate of related benefits and others. The difference between actual results and actuarial assumption may affect the accuracy of accounting estimations. The changes in above assumptions will affect amount of liabilities for supplementary pension benefits and other supplementary benefits plan liabilities, even though the management considers the assumptions are reasonable.

(5) Provision for impairment of inventories

The Group determines the write-down for obsolescence and slow movement of inventories. These estimates are made with reference to aged inventory analyses, projections of expected future salability of goods and management experience and judgement. Based on this review, write-down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable values. Due to changes in market conditions, actual salability of goods may be different from estimation and profit or loss could be affected by differences in this estimation.

(6) Deferred tax assets

Besides the exceptions that have been illustrated in the Note III. 27, deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(7) Long-term assets impairment (excluding goodwill)

The Group determines if there is any indication showing impairment in long-term assets other than goodwill on balance sheet date. If there is any indication that it is unlikely to recover the carrying amount, the Group will make impairment assessment. Where the carrying amount of assets or assets group is higher than recoverable amount, namely the higher of net amount of fair value less disposal expense, and the present value of future estimated cash flow, the Group determines that impairment exists. The management must make estimation on future cash flow of such assets or assets group, and select reasonable discount rate to determine the present value of future cash flow.

(8) Warranties for product quality

Based on the recent experience in product maintenance, the Group will estimate the provisions for aftersales quality maintenance commitment provided to customers for the sale, maintenance and transformation of locomotives, vehicles and spare parts. As the recent maintenance experience may not reflect the maintenance situation of the sold products in the future, the management's judgments are required to estimate the provisions. Any increase or decrease in the provision would affect profit or loss in future years.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

IV. TAXES

1 Major categories of taxes and tax rates

Summary of major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate
VAT	Output VAT is calculated by applying applicable rate to the taxable income, less deductible input VAT of the current year.	6 – 13%
City maintenance and construction tax	Computed by value added tax payable	5 – 7%
Enterprise income tax	Computed by taxable income	25%

2 Tax incentive

(1) VAT

According to The Notice of the MoF and the State Administration of Taxation on the Policy of Value Added Tax on Software Products (Cai Shui [2011] No. 100), the part of the actual tax burden of VAT exceeding 3% was levied and refunded upon collection, when CRRC Information Technology, CRRC Qiqihar Group, CRRC Sifang Institute and CRRC Dalian Institute, CRRC Zhuzhou Institute, CRRC Zhuzhou Locomotive and its holding subsidiaries sell their self- developed and self-produced software products in 2025.

According to the Announcement on the Additional VAT Deduction Policy for Advanced Manufacturing Enterprises (Announcement No. 43 [2023] of the State Administration of Taxation of the Ministry of Finance), some subsidiaries of the Group will be eligible to offset the VAT payable by an additional 5% of the deductible input tax of the current period as advanced manufacturing enterprises from 1 January 2023 to 31 December 2027.

(2) Enterprise income tax

As approved by relevant Provincial Department of Science and Technology, Provincial Department of Finance, Provincial Office of the State Administration of Taxation, and Provincial Local Taxation Bureau, CRRC Industrial Institute and CRRC Nanjing Puzhen obtained high-tech enterprise certificate in 2024, and is subject to an enterprise income tax at a reduced rate of 15% from 2024 to 2026.

As approved by Beijing Municipal Science & Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Office of the State Administration of Taxation and Beijing Local Taxation Bureau, CRRC Information Technology obtained high-tech enterprise certificate in 2022, and is subject to an enterprise income tax at a reduced rate of 15% from 2023 to 2025.

As approved by relevant Provincial Department of Science and Technology, Provincial Department of Finance, Provincial Office of the State Administration of Taxation, and Provincial Local Taxation Bureau, CRRC Changchun, CRRC Zhuzhou Institute, CRRC Zhuzhou Locomotive, CRRC Qishuyan, CRRC Yongji Moto, CRRC Zhuzhou Moto, CRRC Datong, CRRC Tangshan and CRRC Qishuyan Institute obtained high-tech enterprise certificate in 2023, and are subject to an enterprise income tax at a reduced rate of 15% from 2023 to 2025.

IV. TAXES *(continued)***2 Tax incentive** *(continued)***(2) Enterprise income tax** *(continued)*

As approved by relevant Municipal Department of Science and Technology, Municipal Department of Finance, Municipal Office of the State Administration of Taxation, and Municipal Local Taxation Bureau, CRRC Sifang Institute and CRRC Dalian Institute obtained high-tech enterprise certificate in 2023, and is subject to an enterprise income tax at a reduced rate of 15% from 2023 to 2025.

As approved by relevant Municipal Department of Science and Technology, Municipal Department of Finance, Municipal Office of the State Administration of Taxation, and Municipal Local Taxation Bureau, CRRC Dalian obtained high-tech enterprise certificate in 2024, and is subject to an enterprise income tax at a reduced rate of 15% from 2024 to 2026.

According to the Announcement on Continuing the Enterprise Income Tax Policy of the Western Development Strategy issued by the MoF, the General Administration of Customs and the State Administration of Taxation ([2020] No. 23), for the period from 1 January 2021 to 31 December 2030, the enterprise income tax imposed upon any enterprise established in western regions and included among the encouraged industries shall be collected at the reduced rate of 15%. As approved by the Sichuan Provincial Office of the State Administration of Taxation, CRRC Ziyang and Chongqing Smart Rail Transit is subject to an enterprise income tax at a reduced rate of 15% since its primary business is included among the encouraged industries.

According to the PRC Enterprise Income Tax Law and its implementing regulations, as well as the Notice of the MoF and the State Administration of Taxation on Extending the Period for Carryover of Losses of High-tech Enterprises and Small and Medium-sized Technological Enterprises (Cai Shui [2018] No.76), the enterprises with the qualification of high-tech enterprises or small and medium-sized technological enterprises (hereinafter referred to as "qualification") in 2018, are allowed to carry forward the losses occurred from 2013 to 2017 that have not yet been covered to subsequent years, regardless of whether they are the enterprises with the qualification from 2013 to 2017. The maximum carry-over period is 10 years. Enterprises that are qualified from the year after 2018 carry forward losses to offset tax on the same basis. A number of companies under the Group, as high-tech enterprises, will carry forward the deductible losses for 10 years since 2018 according to the provisions.

According to the Notice of MoF and SAT on Further Improvements to the Policy of Weighted Pre-tax Deduction for R&D Expenses (Cai Shui [2023] No. 7) and the Notice of MoF and SAT on Increasing the Proportion of Weighted Pre-tax Deduction for R&D Expenses, since 1 January 2023, for some subsidiaries of the Group, the R&D expenses, which do not form intangible assets and are included in the current P/L, can be deducted in accordance with provisions, with 100% of the actual amount deducted before tax additionally. If intangible assets are formed, 200% of R&D expenses can be deducted before tax during the aforementioned period with the aim of motivating R&D activities.

According to the Inland Revenue (Amendment) (No. 2) Ordinance 2016 of the Government of the Hong Kong Special Administrative Region of the PRC ("the Amendment"), CRRC Hong Kong Capital Management is a qualified enterprise treasury center, therefore, the taxable profit from the business types specified in the Amendment (such as certain types of fund lending business, financial asset investment business, etc.) is subject to a preferential tax rate of 8.25%, and the statutory tax rate of 16.5% is still applicable to enterprise business.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

1 Cash and bank balances

	RMB'000	
Item	Closing balance	Opening balance (restated)
Cash on hand	686	2,810
Bank deposits	55,401,322	65,058,783
Other cash and bank balances	887,269	2,451,021
Total	56,289,277	67,512,614
Including: Total amount deposited overseas	5,533,873	5,218,039

Other descriptions:

Restricted funds of the Group:

	RMB'000	
Item	Closing balance	Opening balance
Statutory reserve deposited by CRRC Finance at central bank	1,812,669	2,014,017
Guarantee deposits for acceptances	594,818	713,213
Guarantee deposits for letter of credit	35,576	20,866
Guarantee deposits for letter of guarantee	103,866	94,607
Other deposits subject to restrictions	938,224	2,412,616
Total	3,485,153	5,255,319

As at 30 June 2025, the term deposits that have not been pledged or restricted for use for three months or over three months is RMB16,920,347,000 (as at 31 December 2024: RMB15,704,062,000).

2 Held-for-trading financial assets

	RMB'000		
Item	Closing balance	Opening balance	Rationale and basis for designation
Investments in equity instruments	4,548,041	4,373,071	/
Derivatives	—	—	/
Others (Note)	1,749,111	3,849,201	/
Total	6,297,152	8,222,272	/

Other descriptions:

Note Others are mainly short-term floating income wealth certificate of deposits purchased by the Group.

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Bills receivable

(1) Category of bills receivable

	RMB'000	
Item	Closing balance	Opening balance
Bank acceptances	1,323,601	1,127,735
Commercial acceptances	11,622,631	10,278,622
Less: Credit loss allowance	(17,952)	(13,404)
Total	12,928,280	11,392,953

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

	RMB'000	
Item	Pledged amount at the end of the period	
Bank acceptances	11,517	
Commercial acceptances	29,191	
Total	40,708	

(3) Bills receivable endorsed or discounted but not matured at the balance sheet date

	RMB'000	
Item	Amount not derecognised at the end of the period	
Bank acceptances	496,503	
Commercial acceptances	643,887	
Total	1,140,390	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

3 Bills receivable (continued)

(4) Analysis of bill receivable by categories based on method of provision for credit loss allowance

RMB'000

Category	Book value		Closing balance Credit loss allowance		Carrying amount	Book value		Opening balance Credit loss allowance		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision on portfolio basis	12,946,232	100	(17,952)	0.14	12,928,280	11,406,357	100.00	(13,404)	0.12	11,392,953
Total	12,946,232	100	(17,952)	/	12,928,280	11,406,357	100.00	(13,404)	/	11,392,953

Provision on portfolio basis

RMB'000

Item	Closing balance Credit loss allowance		
	Bill receivable	Credit loss allowance	Proportion (%)
Bank acceptances	1,323,601	–	–
Commercial acceptances	11,622,631	(17,952)	0.1-2.0
Total	12,946,232	(17,952)	/

Provision on ECL basis

RMB'000

Credit loss allowance	Phase 2 Lifetime ECL (Non-credit impaired)	Total
Balance at 1 January 2025	13,404	13,404
Provision	20,400	20,400
Reversal	(15,852)	(15,852)
Balance at 30 June 2025	17,952	17,952

Other descriptions:

As at 30 June 2025, bills receivable due from related parties are set out in Note XI.5.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

4 Accounts receivable

(1) Aging analysis of accounts receivable

	RMB'000	
Ageing	Closing book value	Opening book value (restated)
Within 1 year	108,201,557	95,843,713
1 – 2 years	10,499,870	11,280,597
2 – 3 years	4,734,195	4,207,887
3 – 4 years	2,465,965	2,056,960
4 – 5 years	859,997	504,569
Over 5 years	3,122,705	3,120,016
Sub-total	129,884,289	117,013,742
Less: Credit loss allowance	(6,659,621)	(6,166,886)
Total	123,224,668	110,846,856

The aging of accounts receivable of the Group is classified based on the related invoice dates.

(2) Analysis of accounts receivable by categories based on method of provision for credit loss allowance

	RMB'000									
Category	Closing balance					Opening balance (restated)				
	Book value		Credit loss allowance		Carrying amount	Book value		Credit loss allowance		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision on individual basis	5,109,171	3.9	(3,345,484)	65.5	1,763,687	4,885,862	4.2	(3,288,942)	67.3	1,596,920
Provision on portfolio basis	124,775,118	96.1	(3,314,137)	2.7	121,460,981	112,127,880	95.8	(2,877,944)	2.6	109,249,936
Total	129,884,289	100.0	(6,659,621)	/	123,224,668	117,013,742	100.0	(6,166,886)	/	110,846,856

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4 Accounts receivable *(continued)*

(2) Analysis of accounts receivable by categories based on method of provision for credit loss allowance *(continued)*

(i) Analysis of accounts receivable for which credit loss allowance is provided on an individual basis:

RMB'000

Item	Book value	Closing balance		Reason for provision
		Credit loss allowance	Proportion (%)	
Accounts receivable with individual provision for bad debts	5,109,171	(3,345,484)	65.5	Note

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

Note: The Group considered the reasonable and evidenced information (including forward-looking information) available in relation to the counterparty, assessed the expected credit losses and accrued loss allowance.

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

Provision on portfolio basis:

RMB'000

Ageing	Expected credit loss rate (%)	Closing balance		Carrying amount at 30 June 2025
		Book value at 30 June 2025	Credit loss allowance	
Within 1 year	0.1-2.0	106,509,423	(887,118)	105,622,305
1 – 2 years	1.0-10.0	9,977,682	(479,950)	9,497,732
2 – 3 years	5.0-25.0	4,460,454	(520,000)	3,940,454
3 – 4 years	20.0-30.0	2,394,080	(645,085)	1,748,995
4 – 5 years	35.0-50.0	732,254	(303,459)	428,795
Over 5 years	60.0-70.0	701,225	(478,525)	222,700
Total	/	124,775,118	(3,314,137)	121,460,981

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4 Accounts receivable *(continued)*

(2) Analysis of accounts receivable by categories based on method of provision for credit loss allowance *(continued)*

(ii) Analysis of accounts receivable for which credit loss allowance is provided on a portfolio basis: *(continued)*

If credit loss allowance is made based on the general model of expected credit loss, please refer to disclosures of other receivables:

RMB'000

Credit loss allowance	Lifetime ECL (Non-credit impaired)	Lifetime ECL (Credit impaired)	Total
At 1 January 2025 (restated)	2,877,944	3,288,942	6,166,886
Provision	639,714	131,105	770,819
Reversal	(180,948)	(84,575)	(265,523)
Write-off	—	(27,148)	(27,148)
Other changes	(22,573)	37,160	14,587
At 30 June 2025	3,314,137	3,345,484	6,659,621

(3) Five largest accounts receivable and contract assets by debtor at the end of the period:

RMB'000

Entity name	Closing balance			Proportion to total accounts receivable and contract assets (%)	Credit loss allowance
	Account receivable	Contract assets	Accounts receivable and contract assets		
Entity 1	46,847,816	6,955,169	53,802,985	27.2	154,513
Entity 2	—	6,822,732	6,822,732	3.5	33,230
Entity 3	2,116,698	2,509,515	4,626,213	2.3	224,676
Entity 4	1,464,969	2,746,047	4,211,016	2.1	43,221
Entity 5	1,592,765	1,323,016	2,915,781	1.5	80,458
Total	52,022,248	20,356,479	72,378,727	36.6	536,098

Other descriptions:

As at 30 June 2025, the Group had accounts receivable with a carrying value equivalent to RMB1,698,000 (as at December 31, 2024: RMB45,864,000) as a pledge for the Group to obtain bank loans.

As at 30 June 2025, the accounts receivable balance includes amounts due from related parties of the Group, as detailed in note XI.5

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

5 Contract assets

(1) Details of contract assets:

RMB'000

Item	Closing balance			Opening balance		
	Book value	Credit loss allowance	Carrying amount	Book value	Credit loss allowance	Carrying amount
Sale of goods related (Note 1)	54,505,136	(748,923)	53,756,213	52,994,913	(695,423)	52,299,490
Engineering business related (Note 2)	13,363,141	(70,101)	13,293,040	16,044,229	(78,898)	15,965,331
Sub-total	67,868,277	(819,024)	67,049,253	69,039,142	(774,321)	68,264,821
Less: Contract assets presented under other non-current assets	/	/	(28,648,835)	/	/	(30,525,823)
Total	/	/	38,400,418	/	/	37,738,998

Note 1: For the sales of goods provided by the Group, it is agreed in the contract that the Group shall pay separately at different phases according to the proportion. The Group recognises revenue at the time of acceptance and delivery of goods, and the right to receive consideration that does not meet the unconditional right to receive payment is recognised as contract assets and presented under contract assets/other non-current assets according to the liquidity.

Note 2: Revenue from project engineering services provided by the Group shall be recognised based on the performance progress, and the contract consideration shall be collected after the customer completes the acceptance check and work settlement. The difference between the revenue recognised based on the performance progress and such consideration shall be recognised as contract assets and presented under contract assets/other non-current assets according to the liquidity.

Warranty provisions from project engineering services provided by the Group and customer settlement, the Group has the unconditional right to collect consideration from customers after the expiration of the warranty period without material quality problems. Therefore, the contract assets formed from this part of the warranty provisions should be recognised as receivable after the end of the quality guarantee period without material quality problems.

As at 30 June 2025, the carrying amount of the Group's contract assets used for pledging amounted to RMB529,702,000 (as at December 31, 2024: contract assets with a carrying amount of RMB537,761,000 were used as pledges for the Group's acquisition of bank loans)

As at 30 June 2025, details of current account balances with related parties included in the balance of contract assets are set out in Note XI.5.

(2) Analysis of contract assets by categories based on method of provision for credit loss allowance

RMB'000

Category	Closing balance					Opening balance				
	Book value		Credit loss allowance		Carrying amount	Book value		Credit loss allowance		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision on individual basis	212,483	0.3	(171,450)	80.7	41,033	154,372	0.2	(98,687)	63.9	55,685
Provision on portfolio basis	67,655,794	99.7	(647,574)	1.0	67,008,220	68,884,770	99.8	(675,634)	1.0	68,209,136
Total	67,868,277	100.0	(819,024)	/	67,049,253	69,039,142	100.0	(774,321)	/	68,264,821

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)***5 Contract assets** *(continued)***(2) Analysis of contract assets by categories based on method of provision for credit loss allowance** *(continued)***(i) Analysis of accounts receivable for which credit loss allowance is provided on an individual basis:**

RMB'000

Item	Book value	Closing balance		Reason for provision
		Credit loss allowance	Proportion (%)	
Contract assets with individual provision for bad debts	212,483	(171,450)	80.7	Note

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

Note: The Group considered the reasonable and evidenced information (including forward-looking information) available in relation to the counterparty, assessed the expected credit losses and accrued loss allowance.

(ii) Analysis of contract assets for which credit loss allowance is provided on a portfolio basis:

Provision on portfolio basis:

RMB'000

	Contract assets	Closing balance	
		Credit loss allowance	Proportion (%)
Portfolio 1	19,911,611	(48,940)	0.2
Portfolio 2	35,365,702	(433,816)	1.2
Portfolio 3	12,378,481	(164,818)	1.3
Total	67,655,794	(647,574)	/

(3) Provision for credit loss allowance of contract assets

RMB'000

Credit loss allowance	Lifetime ECL (Non-credit impaired)	Lifetime ECL (Credit impaired)	Total
Balance at 1 January 2025	675,634	98,687	774,321
Provision	37,688	74,962	112,650
Reversal	(61,400)	(1,750)	(63,150)
Write-off	—	(34)	(34)
Other changes	(4,348)	(415)	(4,763)
Balance at 30 June 2025	647,574	171,450	819,024

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

6 Receivables at FVTOCI

(1) Category of bills receivables at FVTOCI

	RMB'000	
Item	Closing balance	Opening balance
Bills receivable	7,256,428	5,350,470
Accounts receivable	3,172,381	3,003,368
Total	10,428,809	8,353,838

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

	RMB'000	
Item	Closing balance	
Bank acceptances	—	
Total	—	

(3) Bills receivable endorsed or discounted but not matured at the balance sheet date:

	RMB'000	
Item	Closing balance	
Bank acceptances	4,887,693	
Commercial acceptances	34,944	
Total	4,922,637	

(4) Analysis of accounts receivable by categories based on method of provision for credit loss allowance

	Closing balance					Opening balance				
Category	Book value Amount	Percentage (%)	Credit loss allowance Amount	Percentage (%)	Carrying amount	Book value Amount	Percentage (%)	Credit loss allowance Amount	Percentage (%)	Carrying amount
Provision on portfolio basis	10,428,809	100.0	—	—	10,428,809	8,353,838	100.0	—	—	8,353,838
Total	10,428,809	100.0	—	/	10,428,809	8,353,838	100.0	—	/	8,353,838

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6 Receivables at FVTOCI *(continued)*

(5) Changes in receivables at FVTOCI and fair value movements during the period

RMB'000

Item	Closing balance
Cost	10,561,810
Fair value	10,428,809
Fair value changes accumulated included in other comprehensive income	(133,001)

(6) Other descriptions

As at 30 June 2025, amounts due from related parties of the Group are set out in Note XI.5.

7 Prepayments

(1) Prepayments presented by aging

RMB'000

Ageing	Closing balance		Opening balance (restated)	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	8,323,659	87.3	7,194,713	83.0
1 – 2 years	546,205	5.7	678,891	7.8
2 – 3 years	112,371	1.2	113,397	1.3
Over 3 years	549,321	5.8	686,682	7.9
Total	9,531,556	100.0	8,673,683	100.0

(2) Details of prepayments with Top five closing balance

RMB'000

Entity name	Relationship with the Group	Closing balance	Proportion to total prepayments (%)
Top 5 prepayments	Third party	1,145,626	12.02

(3) As at 30 June 2025, prepayments made to related parties of the Group are set out in Note XI.5.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8 Other receivables

Presentation by categories

	RMB'000	
Item	Closing balance	Opening balance (restated)
Interest receivable	—	—
Dividends receivable	150,587	112,244
Other receivables	2,512,499	2,255,857
Total	2,663,086	2,368,101

Dividends receivable

	RMB'000	
Item (or investee)	Closing balance	Opening balance
Related party	151,904	114,873
Third party	1,658	346
Sub-total	153,562	115,219
Less: Credit loss allowance	(2,975)	(2,975)
Total	150,587	112,244

Other receivables

(1). Analysis by aging

	RMB'000	
Ageing	Closing book value	Opening book value (restated)
Within 1 year	2,040,429	1,777,874
1 – 2 years	302,025	276,689
2 – 3 years	157,542	196,721
3 – 4 years	107,849	120,182
4 – 5 years	157,459	275,362
Over 5 years	929,305	814,504
Sub-total	3,694,609	3,461,332
Less: Credit loss allowance	(1,182,110)	(1,205,475)
Total	2,512,499	2,255,857

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

8 Other receivables (continued)

Other receivables (continued)

(2). Categorised by nature:

Nature	RMB'000	
	Closing book value	Opening book value (restated)
Advances paid for others	1,338,830	1,136,872
Deposits and securities	670,146	739,494
Others	503,523	379,491
Total	2,512,499	2,255,857

(3). Details of provision for credit loss allowance

Credit loss allowance	RMB'000			
	Phase 1 12-month ECL	Phase 2 Lifetime ECL (Non-credit impaired)	Phase 3 Lifetime ECL (Credit impaired)	Total
Balance at 1 January 2025 (restated)	131,819	–	1,073,656	1,205,475
Provision	14,132	–	5,984	20,116
Reversal	(27,968)	–	(18,562)	(46,530)
Write-off	–	–	(2,533)	(2,533)
Other changes	2,854	–	2,728	5,582
Balance at 30 June 2025	120,837	–	1,061,273	1,182,110

(4). Details of other receivables from debtors with Top 5 closing balance

		RMB'000	
Company name	Nature	Closing balance	Proportion to total closing balance of other receivables (%)
Top 5 other receivables	Related party/Third party	806,331	21.82

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

9 Inventories

(1) Category of inventories

RMB'000

Item	Closing balance			Opening balance (restated)		
	Book value	Provision for impairment of inventories	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Raw materials	25,434,832	(807,868)	24,626,964	20,989,808	(754,230)	20,235,578
Work in progress	50,168,949	(1,073,558)	49,095,391	39,401,630	(1,089,245)	38,312,385
Finished goods	23,183,422	(568,364)	22,615,058	20,645,587	(636,477)	20,009,110
Turnover materials	395,774	(20,553)	375,221	349,671	(16,897)	332,774
Commissioned processing materials	78,424	(27)	78,397	61,525	(17)	61,508
Total	99,261,401	(2,470,370)	96,791,031	81,448,221	(2,496,866)	78,951,355

(2) Provision for impairment of inventories and costs to fulfil a contract with a customer

RMB'000

Item	Opening balance	Increases			Decreases		Closing balance
		Provision	Others	Reversal	Write-off	Others	
Raw materials	754,230	99,523	–	11,361	34,080	444	807,868
Work in progress	1,089,245	36,053	–	35,733	15,146	861	1,073,558
Finished goods	636,477	71,268	6,878	5,054	141,205	–	568,364
Turnover materials	16,897	4,054	–	135	12	251	20,553
Commissioned processing materials	17	10	–	–	–	–	27
Total	2,496,866	210,908	6,878	52,283	190,443	1,556	2,470,370

10 Non-current assets due within one year

RMB'000

Item	Closing balance	Opening balance (restated)
Loans and advances due within one year (Note V. 12)	4,913	158,798
Long-term receivables due within one year (Note V. 14)	1,887,579	1,959,151
Other non-current assets due within one year (Note V. 26)	1,836,932	2,769,694
Total	3,729,424	4,887,643

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11 Other current assets

	RMB'000	
Item	Closing balance	Opening balance
Withholding VAT	4,885,370	5,080,440
Large deposit certificate	6,027,214	2,154,545
Others	159,901	131,121
Total	11,072,485	7,366,106

12 Loans and advances to customers

	RMB'000	
Item	Closing balance	Opening balance (restated)
Loans and advances made by CRRC Finance	11,140	173,254
Less: Credit loss allowance	(6,227)	(14,456)
Sub-total	4,913	158,798
Including: Loans and advances due within one year (Note V. 10)	4,913	158,798

	RMB'000			
Credit loss allowance	Phase 1 12-month ECL	Phase 2 Lifetime ECL (Non-credit impaired)	Phase 3 Lifetime ECL (Credit impaired)	Total
Balance at 1 January 2025	3,277	11,179	–	14,456
Provision	4,680	1,547	–	6,227
Reversal	(3,277)	(11,179)	–	(14,456)
Balance at 30 June 2025	4,680	1,547	–	6,227

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

13 Debt investments

(1) Details of debt investments

RMB'000

Item	Closing balance			Opening balance		
	Book value	Credit loss allowance	Carrying amount	Book value	Credit loss allowance	Carrying amount
Ten-year US dollar bonds of China Life	379,444	—	379,444	380,943	—	380,943
Ten-year US dollar bonds of CITIC Bank	214,209	—	214,209	215,145	—	215,145
Others	51,958	(41,567)	10,391	50,342	(40,273)	10,069
Sub-total	645,611	(41,567)	604,044	646,430	(40,273)	606,157
Less: Debt investments included in non-current assets due within one year	—	—	—	—	—	—
Total	645,611	(41,567)	604,044	646,430	(40,273)	606,157

14 Long-term receivables

(1) Details of long-term receivables:

RMB'000

Item	Closing balance			Opening balance			
	Book value	Credit loss allowance	Carrying amount	Book value	Credit loss allowance	Carrying amount	Discount rate interval
Financing lease	1,690,810	(1,419,718)	271,092	1,693,651	(1,139,289)	554,362	4.75%-5.5%
Sales by instalments and others	9,374,034	(301,835)	9,072,199	8,865,375	(334,158)	8,531,217	1.0%-4.9%
Construction payment and Built-transfer receivables	480,000	(398,400)	81,600	480,000	(384,000)	96,000	4.75%
Total	11,544,844	(2,119,953)	9,424,891	11,039,026	(1,857,447)	9,181,579	/
Less: Long-term receivables due within one year (Note V. 10)	/	/	(1,887,579)	/	/	(1,959,151)	/
Long-term receivables due after one year	/	/	7,537,312	/	/	7,222,428	/

(2) Analysis of Long-term receivables by categories based on method of provision for credit loss allowance

RMB'000

Category	Closing balance					Opening balance				
	Book value		Credit loss allowance		Carrying amount	Book value		Credit loss allowance		Carrying amount
	Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Provision on individual basis	11,544,844	100.0	(2,119,953)	18.4	9,424,891	11,039,026	100.0	(1,857,447)	16.8	9,181,579
Total	11,544,844	100.0	(2,119,953)	/	9,424,891	11,039,026	100.0	(1,857,447)	/	9,181,579

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)***14 Long-term receivables** *(continued)***(2) Analysis of Long-term receivables by categories based on method of provision for credit loss allowance** *(continued)*

Analysis of Long-term receivables for which credit loss allowance is provided on an individual basis:

RMB'000

Item	Book value	Closing balance		Reason for provision
		Credit loss allowance	Proportion (%)	
Long-term receivable 1	3,870,865	(24,973)	0.6	Note
Long-term receivable 2	3,357,507	(3,538)	0.1	Note
Long-term receivable 3	1,156,282	(5,305)	0.5	Note
Others	3,160,190	(2,086,137)	66.0	Note
Total	11,544,844	(2,119,953)	18.4	/

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

Note: The Group considered the reasonable and evidenced information (including forward-looking information) available in relation to the counterparty, assessed the expected credit losses and accrued loss allowance.

(3) Provision for credit loss allowance:

RMB'000

Credit loss allowance	Phase 2 Lifetime ECL (Non-credit impaired)	Phase 3 Lifetime ECL (Credit impaired)	Total
At 1 January 2025	605,760	1,251,687	1,857,447
Provision	–	296,115	296,115
Reversal	(32,675)	–	(32,675)
Other changes	(38)	(896)	(934)
At 30 June 2025	573,047	1,546,906	2,119,953

As at 30 June 2025, long-term receivables (inclusive of the portion due within one year) due from related parties of the Group are set out in Note XI.5.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

15 Long-term equity investments

RMB'000

Investee	Opening balance	Increasing investment	Decreasing investment	Investment gains or losses under equity method	Changes during the period Adjustment of other comprehensive income	Other equity movements	Announcement of cash dividends or profits	Provision for impairment loss	Others	Closing balance
I. Joint ventures										
Wuhu Yunda Rail Transit Construction And Operation Co., Ltd. ("Wuhu Yunda")	1,498,951	-	-	(4,915)	-	-	-	-	-	1,494,036
Others	2,619,797	12,250	-	94,737	-	1,441	(77,240)	-	(536)	2,650,449
Sub-total	4,118,748	12,250	-	89,822	-	1,441	(77,240)	-	(536)	4,144,485
II. Associates										
China United Insurance Holding Company ("China United Insurance")	5,429,929	-	-	57,533	(7,134)	-	-	-	-	5,480,328
China Foreign Trade Finance Lease	3,909,493	-	-	130,665	-	-	-	-	-	4,130,148
CRRC Times Electric Vehicle Co., Ltd.	798,030	-	-	(25,951)	-	-	-	-	-	772,079
Jinan-Qingdao High-speed Railway Co., Ltd.	1,096,437	-	-	-	-	-	-	-	-	1,096,437
Others	6,974,179	1,011,347	(64,017)	84,011	88	15,430	(23,101)	-	(17,079)	7,980,858
Sub-total	18,298,058	1,011,347	(64,017)	246,258	(7,046)	15,430	(23,101)	-	(17,079)	19,459,850
Total	22,416,806	1,023,597	(64,017)	336,080	(7,046)	16,871	(100,341)	-	(17,615)	23,604,335

The wholly-owned subsidiary of our company, CRRC (Hong Kong) Limited (hereinafter referred to as "Hong Kong Limited"), provides project financing equity pledge guarantees for CONSORCIO TREN LIGERO LINE 4 GUADALAJARA, S.A.P.I. de C.V. (hereinafter referred to as "Guadalajara Project Company"), which participates in the DLS project company of Guadalajara Line 4 in the state of Jalisco, Mexico, based on its shareholding ratio. As of June 30, 2025, the book value of the pledged long-term equity investments is RMB409,382,000.

16 Investments in other equity instruments

(1) Details of investments in other equity instruments:

RMB'000

Item	Opening balance	Increasing investment	Decreasing investment	Changes during the period		Others	Closing balance	Dividend income recognized during the year	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	Reason for designation at fair value through other comprehensive income
				Gains included in other comprehensive income during the year	Losses included in other comprehensive income during the year						
Listed equity instrument investments	951,726	-	-	128,480	21,630	(10,526)	1,048,050	29,066	24,941	763,928	/
Unlisted equity instruments	1,751,659	-	2,977	10,376	2,983	(8)	1,756,067	5,581	114,028	191,657	/
Total	2,703,385	-	2,977	138,856	24,613	(10,534)	2,804,117	34,647	138,969	955,585	/

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)***17 Other non-current financial assets**

	RMB'000	
Item	Closing balance	Opening balance
Financial assets investments: such as perpetual bond	221,917	222,840
Total	221,917	222,840

18 Investment properties**Measurement models of investment properties****(1) Investment properties measured using a cost model**

	RMB'000		
Item	Buildings	Land use rights	Total
I. COST			
1. Opening balance	1,115,256	122,208	1,237,464
2. Increases	15,088	—	15,088
(1) Transfer from fixed assets (Note V. 19)	15,088	—	15,088
3. Decreases	—	—	—
4. Closing balance	1,130,344	122,208	1,252,552
II. Accumulated depreciation and amortisation			
1. Opening balance	423,987	35,828	459,815
2. Increases	16,773	1,219	17,992
(1) Provision or amortisation	12,683	1,219	13,902
(2) Transfer from fixed assets (Note V. 19)	4,090	—	4,090
3. Decreases	—	—	—
4. Closing balance	440,760	37,047	477,807
III. Provision for impairment			
1. Opening balance	5,441	—	5,441
2. Increases	—	—	—
3. Decrease	—	—	—
4. Closing balance	5,441	—	5,441
IV. Carrying amount			
1. Carrying amount at the end of the period	684,143	85,161	769,304
2. Carrying amount at the beginning of the period	685,828	86,380	772,208

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19 Fixed assets

Presentation by item

Item	RMB'000	
	Closing balance	Opening balance (restated)
Fixed assets	64,502,557	64,213,348
Disposal of fixed assets	35,137	28,235
Total	64,537,694	64,241,583

Fixed assets

(1) Details of fixed assets:

Item	RMB'000					
	Land assets	Buildings	Machinery & equipment	Motor vehicles	Office & other equipment	Total
I. COST						
1. Opening balance (restated)	264,990	58,952,672	61,892,088	2,829,291	8,210,957	132,149,998
2. Increases	13,266	596,727	2,918,871	31,209	283,489	3,843,562
(1) Additions	–	16,482	567,243	14,595	96,968	695,288
(2) Transfer from construction in progress (Note V. 20)	–	492,354	2,163,887	15,169	137,429	2,808,839
(3) Translation differences arising from translation of foreign currency financial statements	13,266	87,891	187,741	1,445	49,092	339,435
3. Decreases	3,098	45,368	523,341	38,927	73,171	683,905
(1) Disposal or retirement	1,634	21,188	477,900	32,895	70,785	604,402
(2) Transfer to construction in progress (Note V. 20)	–	4,729	43,801	5,005	2,048	55,583
(3) Transfer to investment properties (Note V. 18)	–	15,088	–	–	–	15,088
(4) Translation differences arising from translation of foreign currency financial statements	1,464	4,363	1,640	1,027	338	8,832
4. Closing balance	275,158	59,504,031	64,287,618	2,821,573	8,421,275	135,309,655

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

19 Fixed assets (continued)

Fixed assets (continued)

(1) Details of fixed assets: (continued)

Item	Land assets	Buildings	Machinery & equipment	Motor vehicles	Office & other equipment	Total
II. Accumulated depreciation						
1. Opening balance (restated)	–	20,433,519	38,792,806	2,195,698	5,915,905	67,337,928
2. Increases	–	1,029,946	1,981,936	55,073	357,035	3,423,990
(1) Provision	–	992,995	1,860,788	54,004	320,219	3,228,006
(2) Translation differences arising from translation of foreign currency financial statements	–	36,951	121,148	1,069	36,816	195,984
3. Decreases	–	11,480	390,285	34,367	63,407	499,539
(1) Disposal or retirement	–	6,096	354,502	29,464	63,086	453,148
(2) Transfer to construction in progress (Note V. 20)	–	568	34,976	3,907	–	39,451
(3) Transfer to investment properties (Note V. 18)	–	4,090	–	–	–	4,090
(4) Translation differences arising from translation of foreign currency financial statements	–	726	807	996	321	2,850
4. Closing balance	–	21,451,985	40,384,457	2,216,404	6,209,533	70,262,379
III. Provision for impairment						
1. Opening balance	–	76,198	461,166	44,438	16,920	598,722
2. Increases	–	254	11,297	31	1,827	13,409
(1) Provision	–	–	2,331	31	1	2,363
(2) Translation differences arising from translation of foreign currency financial statements	–	254	8,966	–	1,826	11,046
3. Decreases	–	6,887	60,316	204	5	67,412
(1) Disposal or retirement	–	6,887	60,316	71	5	67,279
(2) Transfer to construction in progress (Note V. 20)	–	–	–	133	–	133
4. Closing balance	–	69,565	412,147	44,265	18,742	544,719
IV. Carrying amount						
1. Carrying amount at the end of the period	275,158	37,982,481	23,491,014	560,904	2,193,000	64,502,557
2. Carrying amount at the beginning of the period	264,990	38,442,955	22,638,116	589,155	2,278,132	64,213,348

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19 Fixed assets *(continued)*

Fixed assets *(continued)*

(2) Details of rent-out fixed assets under operating leases:

RMB'000

Item

Machinery and equipment
Motor vehicles
Office and other equipment

Total

Carrying
amount at
the end of
the period

101,432
65,917
1,564

168,913

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

RMB'000

Item

Buildings

Carrying amount

1,351,723

Reasons for having not obtained
the property right certificates

In progress

Disposal of fixed assets

RMB'000

Item

Buildings
Machinery and equipment
Office and other equipment
Motor vehicles

Total

Closing
balance

18,431
9,718
514
6,474

35,137

Opening
balance

16,619
5,888
247
5,481

28,235

Other descriptions:

As at 30 June 2025, the Group has buildings and machinery and equipment with carrying amount equivalent to RMB124,455,000 (31 December 2024: RMB189,185,000) as collateral for the Group to obtain bank loans. Except for the fixed assets used as collateral, there was no other restriction on the ownership of fixed assets as at 30 June 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

20 Construction in progress

Presentation by item

	RMB'000	
Item	Closing balance	Opening balance
Construction in progress	4,716,975	5,419,827
Materials for construction of fixed assets	354	1
Total	4,717,329	5,419,828

Construction in progress

(1) Details of construction in progress

	RMB'000					
Item	Book value	Closing balance Provision for impairment	Carrying amounts	Book value	Opening balance Provision for impairment	Carrying amounts
Construction in progress	4,722,708	(5,733)	4,716,975	5,425,560	(5,733)	5,419,827
Total	4,722,708	(5,733)	4,716,975	5,425,560	(5,733)	5,419,827

Materials for construction of fixed assets

	RMB'000					
Item	Book value	Closing balance Provision for impairment	Carrying amount	Book value	Opening balance Provision for impairment	Carrying amount
Specialised materials	–	–	–	1	–	1
Specialised equipment	354	–	354	–	–	–
Total	354	–	354	1	–	1

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

21 Right-of-use assets

RMB'000

Item	Plant & buildings	Machinery & equipment	Motor vehicles	Office & other equipment	Total
I. COST					
1. Opening balance	3,896,278	400,190	75,281	28,077	4,399,826
2. Increases	616,540	203,705	9,149	28,506	857,900
(1) Newly rented	563,785	180,065	8,525	27,689	780,064
(2) Translation differences arising from translation of foreign currency financial statements	52,755	23,640	624	817	77,836
3. Decreases	336,176	36,501	2,848	1,614	377,139
(1) Expiry of lease contract	336,061	36,501	2,848	1,614	377,024
(2) Translation differences arising from translation of foreign currency financial statements	115	—	—	—	115
4. Closing balance	4,176,642	567,394	81,582	54,969	4,880,587
II. Accumulated depreciation					
1. Opening balance	1,634,953	83,215	51,724	10,548	1,780,440
2. Increases	408,744	50,430	10,196	4,499	473,869
(1) Provision	367,613	45,695	9,940	4,457	427,705
(2) Translation differences arising from translation of foreign currency financial statements	41,131	4,735	256	42	46,164
3. Decreases	259,085	21,540	2,548	1,614	284,787
(1) Expiry of lease contract	259,075	21,540	2,548	1,614	284,777
(2) Translation differences arising from translation of foreign currency financial statements	10	—	—	—	10
4. Closing balance	1,784,612	112,105	59,372	13,433	1,969,522
III. Carrying amount					
1. Carrying amount at the end of the period	2,392,030	455,289	22,210	41,536	2,911,065
2. Carrying amount at the beginning of the period	2,261,325	316,975	23,557	17,529	2,619,386

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

22 Intangible assets

(1) Details of intangible assets

RMB'000

Item	Land use rights	Proprietary technology, technical know-how & franchise rights	Software licences	Customer relationship	Backlog orders & technical service preferential contracts	Total
I. COST						
1. Opening balance (restated)	17,390,784	6,155,643	4,986,846	376,765	59,170	28,969,208
2. Increases	101,318	264,193	144,244	6,738	–	516,493
(1) Transfer from construction in progress (Note V. 20)	99,598	1,852	72,338	–	–	173,788
(2) Additions	45	36,939	22,742	2,239	–	61,965
(3) Transfer from development expenditure (Note V. 23)	–	187,719	33,145	–	–	220,864
(4) Translation differences arising from translation of foreign currency financial statements	1,675	37,683	16,019	4,499	–	59,876
3. Decreases	1	591	10,499	46,501	–	57,592
(1) Disposal	–	–	7,201	46,501	–	53,702
(2) Translation differences arising from translation of foreign currency financial statements	1	591	3,298	–	–	3,890
4. Closing balance	17,492,101	6,419,245	5,120,591	337,002	59,170	29,428,109
II. Accumulated amortisation						
1. Opening balance	4,591,250	3,795,589	3,405,900	254,921	34,742	12,082,402
2. Increases	178,716	268,990	202,200	5,836	12,214	667,956
(1) Provision	178,547	240,744	190,656	1,665	12,214	623,826
(2) Translation differences arising from translation of foreign currency financial statements	169	28,246	11,544	4,171	–	44,130
3. Decreases	–	79	6,725	46,501	–	53,305
(1) Disposal	–	79	6,601	46,501	–	53,181
(2) Translation differences arising from translation of foreign currency financial statements	–	–	124	–	–	124
4. Closing balance	4,769,966	4,064,500	3,601,375	214,256	46,956	12,697,053
III. Provision for impairment						
1. Opening balance	1,120	58,023	1,700	118,968	–	179,811
2. Increases	–	–	–	–	–	–
3. Decreases	–	–	–	514	–	514
(1) Translation differences arising from translation of foreign currency financial statements	–	–	–	514	–	514
4. Closing balance	1,120	58,023	1,700	118,454	–	179,297
IV. Carrying amount						
1. Carrying amount at the end of the period	12,721,015	2,296,722	1,517,516	4,292	12,214	16,551,759
2. Carrying amount at the beginning of the period	12,798,414	2,302,031	1,579,246	2,876	24,428	16,706,995

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22 Intangible assets *(continued)*

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

RMB'000

Item	Carrying amount	Reasons for having not obtained the property right certificates
Project land	53,693	In progress

Other descriptions:

As at 30 June 2025, the Group has intangible assets with a carrying amount equivalent to RMB687,205,000 (31 December 2024: RMB694,203,000) as collateral.

23 Development expenditure

RMB'000

Item	Balance at the beginning of the period	Increases		Decreases		Closing balance
		Internal development	Others	Recognised as intangible assets	Transfer to profit or loss	
Development expenditures	956,787	6,933,378	6,285	220,864	6,779,531	896,055

24 Goodwill

(1) Book value of goodwill

RMB'000

Name of investee	Opening balance	Increases	Decreases	Changes in foreign exchange rates	Closing balance
CRRC Zhuzhou Locomotive and its subsidiaries	56,934	–	–	–	56,934
CRRC Tangshan and its subsidiaries	36,379	–	–	–	36,379
CRRC Zhuzhou Institute and its subsidiaries	1,306,051	–	–	120,962	1,427,013
Other	13,849	–	–	–	13,849
Total	1,413,213	–	–	120,962	1,534,175

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

24 Goodwill (continued)

(2) Provision for impairment losses of goodwill

RMB'000

Name of investees	Opening balance	Increases	decreases	Changes in foreign exchange rates	Closing balance
CRRC Zhuzhou Locomotive and its subsidiaries	20,156	–	–	–	20,156
CRRC Zhuzhou Institute and its subsidiaries	1,086,241	–	–	105,515	1,191,756
Total	1,106,397	–	–	105,515	1,211,912

Note: In 2019, Zhuzhou Times New Materials, a subsidiary of CRRC Zhuzhou Law Firm, made a full provision for the impairment of the goodwill of BOGE in Germany.

25 Deferred tax assets/Deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB'000

Item	Closing balance		Opening balance (restated)	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Expected warranty provisions	8,862,499	1,378,279	8,287,783	1,247,698
Provision for impairment of assets	2,180,437	380,876	2,415,298	388,223
Provision for credit losses	5,571,392	914,437	4,991,591	810,529
Unrealised profit from internal transactions	4,121,675	632,692	2,725,258	474,643
Estimated losses	274,297	43,010	240,877	40,480
Accrued expenses	3,322,823	522,102	3,147,386	477,446
Unpaid employee salaries	392,060	60,177	257,666	42,429
Deductible tax losses	11,306,285	2,581,217	12,564,062	2,758,588
Changes in fair value of investments in other equity instruments	1,107,428	166,399	983,424	147,799
Changes in fair value of receivables at FVTOCI	147,131	24,381	141,072	22,336
Lease liabilities	2,340,945	404,277	1,869,286	325,702
Others	3,438,181	524,270	3,483,960	532,894
Total	43,065,153	7,632,117	41,107,663	7,268,767

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

25 Deferred tax assets/Deferred tax liabilities (continued)

(2) Deferred tax liabilities before offsetting

RMB'000

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Adjustment on fair value of acquisition of subsidiaries	308,949	64,243	262,649	43,581
Depreciation difference due to inconsistency of depreciation period between tax law and accounting	3,145,101	488,441	3,030,807	462,958
Changes in fair value of investments in other equity instruments	305,329	45,824	148,721	22,773
Gains on changes in fair value during the holding period of the financial assets at fair value through profit or loss	793,306	198,029	697,882	173,644
Right-of-use assets	2,165,319	370,403	1,967,711	335,769
Others	9,517,406	2,370,390	8,377,469	2,313,923
Total	16,235,410	3,537,330	14,485,239	3,352,648

(3) Deferred tax assets/liabilities after offsetting

RMB'000

Item	Closing balance		Opening balance (restated)	
	Amount of offsetting of deferred tax assets and liabilities at the end of the period	Balances of deferred tax assets or liabilities after offsetting at the end of the period	Amount of offsetting of deferred tax assets and liabilities at the beginning of the period	Balances of deferred tax assets or liabilities after offsetting at the beginning of the period
Deferred tax assets	3,073,709	4,558,408	2,830,654	4,438,113
Deferred tax liabilities	3,073,709	463,621	2,830,654	521,994

(4) Details of unrecognised deferred tax assets

RMB'000

Item	Closing balance	Opening balance
Deductible temporary differences	11,736,479	11,767,131
Deductible tax losses	19,762,584	18,421,607
Total	31,499,063	30,188,738

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

25 Deferred tax assets/Deferred tax liabilities (continued)

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

	RMB'000	
Year	Closing balance	Opening balance
2025	1,676,398	1,677,994
2026	1,933,975	1,988,208
2027	2,957,553	2,975,193
2028	2,028,354	2,114,280
2029	2,319,316	2,437,339
2030	1,305,259	825,994
2031	1,019,034	1,020,269
2032	2,588,586	2,588,586
2033	1,215,735	1,224,894
2034	110,608	173,639
2035	758,443	–
No fixed usage period	1,849,323	1,395,211
Total	19,762,584	18,421,607

26 Other non-current assets

	RMB'000	
Item	Closing balance	Opening balance
Contract assets (Note V. 5)	28,648,835	30,525,823
Prepayment of intangible assets	609,630	619,986
Prepayments of engineering equipment	2,450,439	2,122,565
Large deposit certificate	7,868,031	4,576,436
Others	3,246,577	2,369,477
Sub-total	42,823,512	40,214,287
Less: Other non-current assets due within one year (Note V.10)	1,836,932	2,769,694
Total	40,986,580	37,444,593

As at 30 June 2025, prepayments made to related parties of the Group in the balance of other non-current assets are set out in Note XI.5.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

27 Assets with restrictive ownership title or right of use

RMB'000

Item	Closing balance				Opening balance			
	Carrying Amount	Carrying Value	Reason of restriction	Notes for restriction	Carrying Amount	Carrying Value	Reason for restriction	Note for restriction
Cash and bank balances	3,485,153	3,485,153	Other	Note V.1	5,255,319	5,255,319	Other	Note V.1
Bills receivable	1,184,117	1,181,098	Pledge & other	Note V.3	2,421,314	2,419,205	Pledge & other	Note V.3
Accounts receivable	1,700	1,698	Pledge	Note V.4	45,906	45,864	Pledge	Note V.4
Receivables at FVTOCI	-	-	Other	Note V.6	-	-	Other	Note V.6
Contract assets (including current and non-current components)	530,232	529,702	Pledge	Note V.5	538,299	537,761	Pledge	Note V.5
Fixed assets	209,420	124,455	Collateral	Note V.19	265,285	189,185	Collateral	Note V.19
Intangible assets	833,879	687,205	Collateral	Note V.22	831,513	694,203	Collateral	Note V.22
Long-term equity investments	409,382	409,382	Pledge	Note V.15	236,137	236,137	Pledge	Note V.15
Total	6,653,883	6,418,693	/	/	9,593,773	9,377,674	/	/

28 Short-term borrowings

Category of short-term borrowings

RMB'000

Item	Closing balance	Opening balance
Credit loans	8,312,376	6,840,918
Guaranteed loans	-	17,000
Pledged loans	488,271	207,730
Total	8,800,647	7,065,648

Description of short-term borrowings classification:

As at 30 June 2025, the annual interest rate of short-term borrowings ranged from 0.12%- 11.30% (31 December 2024: 0.12% – 12%).

29 Bills payable

RMB'000

Category	Closing balance	Opening balance
Commercial acceptance bills	9,632,484	9,848,708
Bank acceptance bills	35,644,084	37,499,159
Total	45,276,568	47,347,867

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)***30 Account payable****(1) Details of accounts payable:**

	RMB'000	
Item	Closing balance	Opening balance (restated)
Related parties	6,807,553	6,456,812
Third party	162,590,417	155,489,112
Total	169,397,970	161,945,924

(2) Ageing analysis of accounts payable:

	RMB'000	
Item	Closing balance	Opening balance (restated)
Within 1 year	158,123,756	150,146,619
1-2 year	5,781,069	7,383,057
2-3 year	2,695,138	1,848,125
over 3 years	2,798,007	2,568,123
Total	169,397,970	161,945,924

Other descriptions:

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

As at 30 June 2025, details of accounts payable due to related parties are set out in Note XI.5.

31 Receipts in advance**(1) Details of receipts in advance:**

	RMB'000	
Item	Closing balance	Opening balance
Related parties	2,002	–
Third party	8,911	9,151
Total	10,913	9,151

Other descriptions:

As at 30 June 2025, details of receipts payable due to related parties are set out in Note XI.5.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32 Contract liabilities

Details of contract liabilities

	RMB'000	
Item	Closing balance	Opening balance (restated)
Sale of goods related (Note 1)	31,303,453	27,754,110
Project contracting services related (Note 2)	1,904,866	177,822
Others	82,269	267,876
Sub-total	33,290,588	28,199,808
Less: Contract liabilities presented under other non-current liabilities (Note V. 45)	(1,635)	(1,559)
Total	33,288,953	28,198,249

Other descriptions:

Note 1: As at 30 June 2025, the acceptance and transfer of certain sales of goods of the Group was later than the customer's payment, generating contract liabilities related to the contract on sales of goods.

Note 2: As at 30 June 2025, the Group's contract liabilities related to the project contracting service contracts represented the excess of the settled amount over revenue recognised based on the progress of construction.

As at 30 June 2025, details of current account balances with related parties included in the balance of contract liabilities are set out in Note XI.5

33 Deposits from banks and other financial institutions

	RMB'000	
Item	30 June 2025	31 December 2024 (restated)
customer deposits of CRRC Finance	5,021,691	5,208,170
Total	5,021,691	5,208,170

As at 30 June 2025, details of deposits from banks and other financial institutions with related parties are set out in Note XI.5

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)***34 Employee benefits payable****(1) Details of employee benefits payable**

RMB'000

Item	Opening balance (restated)	Increases	Decreases	Closing balance
I. Short-term employee benefits	1,872,063	14,558,983	13,863,081	2,567,965
II. Post-employment benefits-Defined contribution plan	72,701	2,482,502	2,500,342	54,861
III. Labour expenditures	11,623	610,349	620,384	1,588
IV. Post-employment benefits due within one year-Net liabilities in defined benefit plan (Chinese Mainland)	132,070	14,005	43,048	103,027
V. Post-employment benefits due within one year-Net liabilities in defined benefit plan (other countries and regions)	16,062	16,768	8,506	24,324
Total	2,104,519	17,682,607	17,035,361	2,751,765

(2) Presentation of short-term benefits

RMB'000

Item	Opening balance (restated)	Increases	Decreases	Closing balance
I. Salaries, bonuses, allowances and subsidies	553,611	10,994,406	10,268,855	1,279,162
II. Welfare benefits	423,490	546,379	552,726	417,143
III. Social insurances	99,051	1,252,691	1,259,626	92,116
Including: Medical insurance	95,645	1,126,220	1,132,764	89,101
Work-related injury insurance	4,022	104,062	104,414	3,670
Maternity insurance	(616)	22,409	22,448	(655)
IV. Housing funds	37,843	1,270,134	1,269,458	38,519
V. Employee union funds and staff education funds	533,026	352,372	285,521	599,877
VI. Others	225,042	143,001	226,895	141,148
Total	1,872,063	14,558,983	13,863,081	2,567,965

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

34 Employee benefits payable *(continued)*

(3) Details of defined contribution plan

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
1. Basic pension insurance	47,253	1,846,345	1,865,725	27,873
2. Unemployment insurance	1,594	69,556	69,852	1,298
3. Enterprise annuity	23,854	566,601	564,765	25,690
Total	72,701	2,482,502	2,500,342	54,861

Other descriptions:

Employees of the Group are required to participate in defined contribution schemes which are administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentage as agreed by the local municipal government to the scheme. The Group's contributions to the defined contribution plan, including the social pension insurance schemes and the annuity plan, are recognised as expenses when incurred. As at 30 June 2025 and 31 December 2024, there are no forfeited contributions that may be used by the Group to reduce the existing level of contribution (as at 31 December 2024 and 31 December 2023: nil).

35 Tax payable

RMB'000

Item	Closing balance	Opening balance (restated)
VAT	1,008,356	2,048,195
Enterprise income tax	781,156	765,462
Individual income tax	38,069	384,287
City maintenance and construction tax	54,671	120,690
Education surcharges	43,819	103,097
Property tax	50,429	47,731
Land use tax	26,321	28,041
Others	104,254	131,447
Total	2,107,075	3,628,950

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

36 Other payables

(1) Presented by item

	RMB'000	
Item	Closing balance	Opening balance (restated)
Interests payable	—	—
Dividends payable	7,045,546	446,278
Other payables	16,533,860	14,981,677
Total	23,579,406	15,427,955

(2) Dividends payable

	RMB'000	
Item	Closing balance	Opening balance
Related parties	3,100,743	23,214
Third parties	3,944,803	423,064
Total	7,045,546	446,278

(3) Other payable

Details of other payables by nature are as follows:

	RMB'000	
Item	Closing balance	Opening balance (restated)
Borrowings from CRRC Group	4,355,862	3,626,100
Collections on behalf of other parties	4,756,021	4,045,047
Payments for equipment and projects	1,615,578	1,721,369
Deposits and securities, housing fund, and public facilities maintenance funds	1,640,943	1,440,396
Technology royalties and research expenditures	455,530	336,060
Utilities, repair and transportation expenses	249,333	359,160
Others	3,460,593	3,453,545
Total	16,533,860	14,981,677

Other descriptions:

As at 30 June 2025, details of other payables due to related parties are set out in Note XI.5.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

37 Non-current liabilities due within one year

	RMB'000	
Item	Closing balance	Opening balance
Long-term borrowings due within one year (Note V. 39)	375,483	1,157,562
Long-term payables due within one year (Note V. 41)	13,714	23,613
Lease liabilities due within one year (Note V. 40)	582,686	598,059
Provisions due within one year (Note V. 43)	3,251,953	3,149,294
Other non-current liabilities due within one year (Note V. 45)	1,890	2,228
Total	4,225,726	4,930,756

Other descriptions:

As at 30 June 2025, details of current account balances with related parties included in the balance of non-current liabilities due within one year are set out in Note XI.5.

38 Other current liabilities

	RMB'000	
Item	Closing balance	Opening balance (restated)
Super short-term financing bills	8,002,165	–
Output VAT tax to be transferred and received VAT in advance	3,261,025	2,804,161
Total	11,263,190	2,804,161

The movements of short-term debentures payable:

	RMB'000									
Name of bonds	Par value (Yuan/piece)	Interest rate (%)	Issuing date	Maturity period (day)	Issuance amount	Opening balance	Issuance during the period	Accrued interests at par value	Closing balance	Default or not
CRRC's Phase I Super short-term financing bills in 2025	100	1.46	23/06/2025	92	3,000,000	–	3,000,000	960	3,000,960	No
CRRC's Phase II Super short-term financing bills in 2025	100	1.47	24/06/2025	183	3,000,000	–	3,000,000	725	3,000,725	No
CRRC's Phase III Super short-term financing bills in 2025	100	1.46	24/06/2025	90	2,000,000	–	2,000,000	480	2,000,480	No
Total	/	/	/	/	8,000,000	–	8,000,000	2,165	8,002,165	/

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

39 Long-term borrowings

Long-term loans by category

	RMB'000	
Item	Closing balance	Opening balance
Credit loans	1,022,570	1,819,363
Pledged loans	5,545,211	4,869,920
Mortgage loans	116,590	116,876
Total	6,684,371	6,806,159
Less: Long-term loans due within one year	(375,483)	(1,157,562)
Including: Credit loans	(96,482)	(884,550)
Pledged loans	(162,411)	(156,136)
Mortgage loans	(116,590)	(116,876)
Long-term borrowings due after one year	6,308,888	5,648,597
Including: Credit loans	926,088	934,813
Pledged loans	5,382,800	4,713,784

Analysis of long-term borrowings due after one year is as follows:

	RMB'000	
Subsequent to the balance sheet date	Closing balance	Opening balance
1 – 2 years	253,047	235,399
2 – 5 years	1,015,196	989,501
Over 5 years	5,040,645	4,423,697
Total	6,308,888	5,648,597

As at 30 June 2025, the annual interest rate of long-term borrowings ranged from 0.12% to 11.55% (31 December 2024: 0.12%-12.53%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

40 Lease liabilities

Item	RMB'000	
	Closing balance	Opening balance
Lease liabilities	2,989,511	2,734,978
Less: Lease liabilities included in non-current liabilities due within one year (Note V.37)	(582,686)	(598,059)
Total	2,406,825	2,136,919
Lease liabilities due over one year	2,406,825	2,136,919

Other descriptions:

As at 30 June 2025, the lease liability (including the one-year maturity) due to the related parties are set out in Note XI.5.

Analysis of lease liabilities due after one year is as follows:

Subsequent to the balance sheet date:	RMB'000	
	Closing balance	
1 – 2 years	600,411	
2 – 5 years	1,024,018	
Over 5 years	1,264,786	
Total undiscounted payments	2,889,215	
Less: Unrecognised finance charges	(482,390)	
Lease liabilities due over one year	2,406,825	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

41 Long-term payables

Presented by item

	RMB'000	
Item	Closing balance	Opening balance
Long-term payables	176,136	210,660
Special payables	1,265	1,265
Total	177,401	211,925
Less: Presented under non-current liabilities due within one year (Note V. 37)	(13,714)	(23,613)
Long-term payables due over one year	163,687	188,312

Long-term payables

	RMB'000	
Item	Closing balance	Opening balance
Purchase of fixed assets by instalment, etc.	176,136	210,660
Less: Long-term payables due within one year (Note V. 37)	(12,449)	(22,348)
Long-term payables due over one year	163,687	188,312

Special payables

	RMB'000			
Item	Opening balance	Increases	Decreases	Closing balance
Research & development of the overall solution and prototype system of embedded system of the rail transit equipment	614	—	—	614
Others	651	—	—	651
Total	1,265	—	—	1,265
Less: Special payables due within one year	(1,265)	—	—	(1,265)
Special payables due over one year	/	/	/	/

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

42 Long-term employee benefits payable

(1) Table of long-term employee benefits payable

		RMB'000
Item	Closing balance	Opening balance
I. Post-employment benefits-liabilities in defined benefit plan (Mainland China) (Note 1)	1,203,791	1,207,801
II. Post-employment benefits-liabilities in defined benefit plan (Other countries and regions) (Note 2)	977,252	874,969
III. Other long-term benefits	162,216	165,853
Total	2,343,259	2,248,623

(2) Changes in defined benefit plan (Mainland China)

Present value of the defined benefit plan obligation:

		RMB'000
Item	Current year	Prior year
I. Opening balance	1,339,871	1,362,691
II. Defined benefit cost recognised in profit or loss	9,995	22,562
1. Net interests	8,999	14,133
2. Cost of service in the current year	307	260
3. Cost of service in prior year	510	8,209
4. Settlement gains/(losses)	179	(40)
III. Defined benefit cost recognised in other comprehensive income	—	—
1. Actuarial gains	—	—
IV. Other changes	(43,048)	(47,856)
1. Paid benefits	(43,048)	(47,856)
V. Closing balance	1,306,818	1,337,397
Less: Post-employment benefits due within one year-liabilities in defined benefit plan (Note V. 34)	(103,027)	(114,239)
VI. Post-employment benefits due after one year-liabilities in defined benefit plan	1,203,791	1,223,158

Other descriptions:

Note 1: For the Company and other domestic subsidiaries, in addition to the basic pension insurance provided by the local government departments, the Group also provides supplementary pension insurance plans and other comprehensive retirement benefit plans for employees retired before 1 July 2007. These plans include monthly living subsidies for employees after their retirement. The Group no longer provides (pays) any supplementary retirement benefits (including supplementary benefits such as retirement salaries, subsidies, medical care) for employees retired since 1 July 2007.

The Group engaged an independent actuary, Towers Watson (Shenzhen) Consulting Co., Ltd., to estimate the present value of its above retirement benefit plan obligations using the actuarial method based on the expected cumulative welfare unit method. Towers Watson (Shenzhen) Consulting Co., Ltd. is an actuarial institution with professional certification qualifications and a member of the American Academy of Actuaries. The undersigned actuary, Haichuan Wu, is member of the Society of Actuaries and China Association of Actuaries. The plan estimates future cash outflows based on inflation rate and mortality rate assumptions and determines its present value at a discount rate. The discount rate is determined based on the market yield of the national debt that matches the term and currency of the obligations of defined benefit plan on the balance sheet date.

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)***42 Long-term employee benefits payable** *(continued)***(2) Changes in defined benefit plan (Mainland China)** *(continued)*

The defined benefit plan exposes the Group to actuarial risks, including interest rate risk, longevity risk and inflation risk. A decrease in the rate of return of national debt will result in an increase in the present value of the defined benefit plan obligations. The present value of the defined benefit plan obligations is calculated based on the optimal estimate of the mortality rate of the participating employees, and an increase in the life expectancy of the plan members will result in an increase in the liabilities in the plan. In addition, the present value of the defined benefit plan obligation is related to the planned future payment standard, and the payment standard is determined based on the inflation rate. Therefore, the increase in the inflation rate will also result in an increase in the liabilities in the plan.

As at 30 June 2025, significant actuarial assumptions (discount rate and average growth rate of medical cost) used in determining present value of defined benefit plan obligations are as follows:

Item	30 June 2025 (%)	31 December 2024 (%)
Discount rate	1.50	1.50
Average growth rate of medical cost	7.00/12.00/8.00	7.00/12.00/8.00

(3) Changes in defined benefit plan (Other countries and regions)

Present value of the defined benefit plan obligation:

RMB'000		
Item	Current period	Prior period
I. Opening balance	977,291	999,487
II. Defined benefit cost recognised in profit or loss	20,897	20,940
1. Net interests	16,599	16,004
2. Cost of service in the current year	2,265	2,855
3. Cost of service in prior years	2,033	2,081
III. Defined benefit cost recognised in other comprehensive income	108,203	(16,828)
1. Actuarial (loss)/gains	(5,830)	899
2. Translation differences arising from translation of foreign currency financial statements	114,033	(17,727)
IV. Other changes	(8,506)	(6,948)
1. Paid benefits	(8,506)	(6,948)
V. Closing balance	1,097,885	996,651
Less: Post-employment benefits due within one year-liabilities in defined benefit plan (other countries and regions) (Note V. 34)	(24,324)	(13,496)
VI. Post-employment benefits due after one year-liabilities in defined benefit plan (other countries and regions)	1,073,561	983,155

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

42 Long-term employee benefits payable *(continued)*

(3) Changes in defined benefit plan (Other countries and regions) *(continued)*

Plan assets:

Item	Current period	Prior period
I. Opening balance	86,260	90,087
II. Additions during the year	–	–
III. Decreased during the year	–	(886)
IV. Translation differences arising from translation of foreign currency financial statements	10,049	(2,268)
IV. Closing balance	96,309	86,933

Net liabilities of defined benefit plans:

Item (Note 2)	Current period	Prior period
Present value of the defined benefit plan obligation	1,073,561	983,155
Less: plan assets	(96,309)	(86,933)
Net liabilities in defined benefit plan	977,252	896,222

Note 2: Post-employment benefits-net liabilities in defined benefit plan (other countries or regions) are based on the liabilities recognised in the pension plan provided by the Group's subsidiary, German Rubber and Plastics Business ("Germany BOGE") and Blue Engineering Co., Ltd. and its subsidiaries ("Blue Group"), and Vossloh Locomotives GmbH and its subsidiaries ("Vossloh AG") to their employees.

The principal pension plan of Germany BOGE provides a defined benefit plan for all eligible employees in Germany. For Germany BOGE, the actuarial valuation of the present value of the defined benefit plan obligations for the most recent period (i.e. the period ended 30 June 2025) was estimated and determined by the third-party evaluation agency, Mercer Deutschland GmbH, based on the expected cumulative benefit unit method. Mercer Deutschland GmbH is an actuarial institution with professional certification qualifications in Germany and a member of the German Association of Actuaries. As at 30 June 2025, the defined benefit plan is in the net liability position of RMB0.918 billion (31 December 2024: net liability of RMB0.815 billion). According to the Pension Plan 2005 ("Rentenordnung 2005") and the Pension Plan 2004 ("Versorgungszusage 2004"), Germany BOGE provides a traditional German pension plan group, including normal and early retirement benefits and benefits for long-term disabled people and survivors of deceased employees.

Germany BOGE paid Euros to the third party escrow account, which is a restricted asset and its fair value at period-end is approximate to its book value. As at 30 June 2025, fair value of the plan asset of Germany BOGE was about RMB96,309,000 (31 December 2024: about RMB86,260,000).

As at 30 June 2025, obligations under these defined benefit plans of Germany BOGE are 9.50% (31 December 2024: 9.40%) covered by the plan assets

No material surplus or deficiency was noted for the abovementioned plan assets.

The Blue Group's post-employment benefit plan is a defined benefit plan for all eligible employees in Italy under the Italian Civil Code 2120 (2120 del codice civile italiano). For Blue Group, the actuarial valuation of the present value of the defined benefit plan obligations for the most recent period (i.e. the period ended 30 June 2025) was estimated and determined by the third-party evaluation agency, MANAGERS & PARTNERS-ACTUARIAL SERVICESS. P.A., based on the expected cumulative benefit unit method. MANAGERS & PARTNERS-ACTUARIAL SERVICESS.P.A is an actuarial institution with professional certification qualifications in Italy and a member of the Italian Society of Actuaries.

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)***42 Long-term employee benefits payable** *(continued)***(3) Changes in defined benefit plan (Other countries and regions)** *(continued)*

The principal pension plan of Vossloh Group provides a defined benefit plan for all eligible employees in German, including normal and early retirement benefits and benefits for survivors of deceased employees. For Vossloh Group, the actuarial valuation of the present value of the defined benefit plan obligations for the most recent period (i.e. the period ended 30 June 2025) was estimated and determined by the third-party evaluation agency, Lurse Pension & Benefits Consulting GmbH, based on the expected cumulative benefit unit method. Lurse Pension & Benefits Consulting GmbH is an actuarial institution with professional certification qualifications in Germany and a member of the German Association of Actuaries.

As at 30 June 2025, the average period of defined benefit plan obligations is 17-18 years.

The actuarial valuation of the present value of the defined benefit plan obligations is determined using the expected cumulative benefit unit method. In addition to the assumptions for life expectancy, other significant assumptions are as follows:

Item	30 June 2025 (%)	31 December 2024 (%)
Discount rate	3.40-3.75	3.40-3.75
Expected increase in wages and salaries	0.50-3.00	0.50-3.00
Increase in pension	2.20-3.00	2.20-3.00
Volatility	1.00-6.00	1.00-6.00

The expected increase in wages and salaries depends primarily on factors such as inflation, salary standards and the company's operating conditions.

43 Provisions

RMB'000

Item	Closing balance	Opening balance	Reason
Warranties for product quality	10,282,248	9,762,656	Agreement on after-sales service
Others	548,678	555,064	Estimated liquidated damages and onerous contracts to be executed etc.
Total	10,830,926	10,317,720	/
Less: Provisions expected to due within one year (Note V. 37)	(3,251,953)	(3,149,294)	/
Provisions due after one year	7,578,973	7,168,426	/

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

44 Deferred income

Details of deferred income

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
Government grants related to assets	4,357,871	35,545	146,957	4,246,459
Government grants related to income	1,333,355	437,751	291,274	1,479,832
Total	5,691,226	473,296	438,231	5,726,291

45 Other non-current liabilities

RMB'000

Item	Closing balance	Opening balance
Contract liabilities	1,635	1,559
Others	173,250	320,560
Less: Other non-current liabilities due within one year (Note V.37)	(1,890)	(2,228)
Total	172,995	319,891

46 Share capital

RMB'000

	Opening balance	Changes during the year (+/-)		Closing balance
		Issuance of new shares	Sub-total	
Total shares	28,698,864	–	–	28,698,864
Shares without restrictions for sales				
1. RMB ordinary shares	24,327,798	–	–	24,327,798
2. Overseas listed ordinary shares	4,371,066	–	–	4,371,066

47 Capital reserve

RMB'000

Item	Opening balance (restated)	Increases	Decreases	Closing balance
Share premium	40,508,004	–	–	40,508,004
Other capital reserves (Note)	1,966,097	8,330	–	1,974,427
Total	42,474,101	8,330	–	42,482,431

Note: Changes in other capital reserves were mainly due to increases or decreases in capital by non-controlling shareholders of the Company's subsidiaries and the Group's other equity changes in joint ventures and associates

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

48 Other comprehensive income

RMB'000

Item	Opening balance	Before-tax amount	Amount before income tax in current period				Less: Previously recognized amount transferred to retained earnings	Closing balance
			Less: Previously recognised amount transferred to retained earnings	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests		
I. Other comprehensive income that will not be reclassified to profit or loss	(1,132,172)	124,315	-	4,451	115,349	4,515	-	(1,016,823)
Including: Remeasurement of defined benefit plan	(208,992)	5,830	-	-	3,221	2,609	-	(205,771)
Changes in fair value of investments in other equity instruments	(929,736)	114,243	-	4,451	107,886	1,906	-	(821,850)
Other comprehensive income that will not be recognised under equity method	6,556	4,242	-	-	4,242	-	-	10,798
II. Items that may be reclassified to profit or loss	521,281	(100,387)	-	(2,045)	(203,525)	105,183	-	317,756
Including: Other comprehensive income recognised under equity method	(67,715)	(11,288)	-	-	(11,279)	(9)	-	(78,994)
Changes in fair value of other debt investments (Note)	(45,831)	11,079	-	(2,045)	799	12,325	-	(45,032)
Credit losses of other debt investments (Note)	(1)	-	-	-	-	-	-	(1)
Translation differences arising from translation of foreign currency financial statements	653,122	(100,178)	-	-	(193,045)	92,867	-	460,077
Cash flow hedge reserve	(18,294)	-	-	-	-	-	-	(18,294)
Total other comprehensive income	(610,891)	23,928	-	2,406	(88,176)	109,698	-	(699,067)

Note: Changes in fair value of other debt investment and credit losses of other debt investments are derived from receivables at FVTOCI.

49 Special reserve

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
Safety fund	49,957	136,513	136,513	49,957
Total	49,957	136,513	136,513	49,957

50 Surplus reserve

RMB'000

Item	Opening balance	Increases	Decreases	Closing balance
Statutory surplus reserve	6,851,689	-	-	6,851,689
Total	6,851,689	-	-	6,851,689

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

51 Retained earnings

Item	RMB'000	
	Current period	Prior period (restated)
Retained earnings at the beginning of the year before adjustment	90,579,708	84,566,375
Total retained earnings at the beginning of the year after adjustment	514	253
Adjusted beginning retained earnings	90,580,222	84,566,628
Add: Net profits for the period attributable to shareholders of the Company	7,245,652	4,200,950
Less: Appropriation for statutory surplus reserve	—	—
Appropriation to general risk reserve	—	—
Dividends to ordinary shares	(6,026,761)	(5,739,773)
Transfer of other comprehensive income to retained earnings	—	33
Others	(1,955)	(3,396)
Retained earnings at the end of the period	91,797,158	83,024,442

Adjustments on beginning retained earnings are as follows:

Note 1: Due to changes in the scope of consolidation caused by the same control, the beginning retained earnings was RMB514,000.

52 Revenue and operating costs

(1) Details of revenue and operating costs

Item	Current period		Prior period (restated)	
	Revenue	Cost	Revenue	Cost
Principal operating activities	118,203,773	92,513,602	88,699,392	69,888,224
Other operating activities	1,554,354	1,120,391	1,349,670	883,867
Total	119,758,127	93,633,993	90,049,062	70,772,091

(2) Category of revenue and operating costs by business type

Item	Current period		Prior period (restated)	
	Revenue	Cost	Revenue	Cost
Sale of goods	91,599,209	72,540,743	64,516,199	50,421,786
Rendering of services	27,689,751	20,778,289	25,144,116	20,209,558
Sub-total	119,288,960	93,319,032	89,660,315	70,631,344
Interest income	352,206	227,289	301,207	81,220
Lease income	116,961	87,672	87,540	59,527
Total	119,758,127	93,633,993	90,049,062	70,772,091

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)***52 Revenue and operating costs** *(continued)***(3) Disaggregation of revenue from contracts with customers**

RMB'000

Rail transportation products and their extended industries	Current period	Prior period (restated)
Categorised by sales region		
Mainland China	106,106,113	77,499,472
Other countries and regions	13,182,847	12,160,843
Total	119,288,960	89,660,315

(4) Description on performance obligations**(i) Revenue from sales of goods (revenue recognised at a certain time point):**

The goods sold by the Group are mainly rail transit equipment and its extension products. The Group recognises revenue when the customer obtains control of the goods, i.e. at the time of acceptance and delivery of the goods.

(ii) Revenue from rendering of services (revenue recognised within a certain period of time):

The Group's revenue from rendering of services is mainly extended services of railway transportation equipment. The Group recognises the revenue within a certain period of time according to the progress of the performance as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

53 Taxes and surcharges

Item	Current period	Prior period (restated)
City maintenance and construction tax	235,560	161,134
Education surcharges	177,080	123,348
Property tax	240,192	203,171
Land use tax	128,905	131,313
Vehicle and vessel use tax	509	702
Stamp duty	119,862	102,207
Others	34,525	33,631
Total	936,633	755,506

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

54 Selling expenses

	RMB'000	
Item	Current period	Prior period (restated)
Employee benefits	1,349,234	1,178,149
Travel expenses	156,473	152,318
Others	880,950	796,932
Total	2,386,657	2,127,399

55 Administrative expenses

	RMB'000	
Item	Current period	Prior period (restated)
Employee benefits	4,234,588	3,554,257
Depreciation of fixed assets	414,582	365,635
Amortisation of intangible assets	360,626	333,618
Others	1,505,251	1,582,977
Total	6,515,047	5,836,487

56 Research and development expenses

	RMB'000	
Item	Current period	Prior period (restated)
Employee benefits	3,156,665	2,750,877
Depreciation charge	292,525	311,577
Amortisation of intangible assets	166,431	155,792
Others	3,163,910	2,576,548
Total	6,779,531	5,794,794

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

57 Financial expenses

	RMB'000	
Item	Current period	Prior period (restated)
Interest expense	452,902	493,472
Less: Capitalisation of interest	(3,989)	(3,012)
Interest expense from lease liabilities	62,793	49,902
Interest income	(637,024)	(778,855)
Exchange gains or losses	(278,231)	141,290
Handling charge of financial institutions	106,859	116,356
Actuarial interest adjustment	26,529	32,709
Others	(4,465)	(59,924)
Total	(274,626)	(8,062)

58 Other income

	RMB'000	
Item	Current period	Prior period
VAT Refund	132,371	166,100
Others (Note)	1,147,273	1,290,885
Total	1,279,644	1,456,985

Note: Others mainly include weighted deduction performed on technology research and development expenditures.

59 Investment income

	RMB'000	
Item	Current period	Prior period
Income from long-term equity investment accounted for under equity method(Note V.15)	336,080	277,348
Investment (loss)/income from disposal of associates and joint ventures	(954)	4,915
Dividend income from other equity instrument investments during the holding period	34,647	28,393
Investment income obtained from holding and disposal of debt investments	3,617	3,775
Investment income obtained from holding and disposal financial assets held for trading	6,502	32,760
Derecognition loss of financial assets measured at amortized cost	(21,497)	(21,470)
Others	35	1,121
Total	358,430	326,842

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

60 Gains from changes in fair value

RMB'000

Sources of gains from changes in fair value	Current period	Prior period
Financial assets held for trading	115,358	235,496
Including: Gains on fair value changes of derivative financial instruments	3,087	–
Gains from changes in fair value of investments in equity instruments	104,162	207,721
Others	8,109	27,775
Held-for-trading financial liabilities	(2,723)	22,457
Total	112,635	257,953

61 Impairment losses under expected credit loss model

RMB'000

Item	Current period	Prior period
Losses of credit impairment on bills receivable	4,548	(8,942)
Losses of credit impairment on accounts receivable	505,296	152,231
Losses of credit impairment on other receivables	(26,414)	(3,905)
Losses of credit impairment on receivables at FVTOCI	–	–
Losses of credit impairment on long-term receivables	263,440	(31,160)
Losses of credit impairment on debt investments	1,294	7,514
Losses of credit impairment on loans and advances	(8,229)	3,432
Losses of credit impairment on part of loan commitments and financial guarantee contracts	(3)	26
Others	10	(4)
Total	739,942	119,192

62 Assets impairment losses

RMB'000

Item	Current period	Prior period
Impairment losses of inventories	158,625	213,492
Impairment losses of fixed assets	2,363	6,638
Impairment losses of contract assets	49,500	26,307
Others	(2,632)	(398)
Total	207,856	246,039

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

63 Gains on disposal of assets

Item	RMB'000	
	Current period	Prior period
Gains on disposal of fixed assets	16,125	25,022
Gains from disposal of intangible assets	–	–
Total	16,125	25,022

64 Non-operating income

Item	RMB'000		
	Current period	Prior period (restated)	Amount recognised in non-recurring profit and loss
Liquidated damages, fines and compensation	36,129	26,405	36,129
Unpayable amount	29,225	38,728	29,225
Gains on retirement of assets	10,073	17,169	10,073
Claim income	10,620	17,089	10,620
Others	128,844	123,807	128,844
Total	214,891	223,198	214,891

65 Non-operating expenses

Item	RMB'000		
	Current period	Prior period	Amount recognised in non-recurring profit and loss
Liquidated damages and penalty expenses	44,708	21,804	44,708
Losses on retirement of assets	9,641	15,119	9,641
Donation expenses	14,447	18,836	14,447
Flood control fund	14,111	9,348	14,111
Others	36,820	11,533	36,820
Total	119,727	76,640	119,727

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

66 Income tax expenses

(1) Table of income tax expenses

RMB'000

Item	Current period	Prior period (restated)
Current income tax expenses	1,958,731	1,309,917
Deferred income tax expenses	(181,074)	(202,732)
Total	1,777,657	1,107,185

(2) Reconciliation of accounting profits and income tax expenses

RMB'000

Item	Current period	Prior period (restated)
Profit before tax	10,695,092	6,618,976
Income tax expenses at statutory tax rate (25%)	2,673,773	1,654,744
Effect of different tax rates applied by subsidiaries	(842,245)	(510,106)
Adjustments to income tax of previous periods	114,493	84,264
Effect of income free of tax	(8,662)	(7,098)
Effect of joint ventures and associates	(84,020)	(69,337)
Effect of non-deductible costs, expense and losses	164,246	71,002
Effect of using the deductible losses for which no deferred tax asset was recognised in previous periods	(91,019)	(32,148)
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised this period	260,464	310,319
Other tax incentives (Note)	(409,373)	(394,455)
Income tax expenses	1,777,657	1,107,185

Other description:

Note: Other tax incentives are mainly weighted deduction performed on technology research and development expenditures

67 Other comprehensive income

Please refer to Note V.48.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

68 Items in the cash flow statement

(1) Cash related to operating activities

Other cash receipts relating to operating activities

Item	RMB'000	
	Current year	Prior year (restated)
Interest income	341,478	388,466
Others	1,189,366	825,714
Total	1,530,844	1,214,180

Other cash payments relating to operating activities

Item	RMB'000	
	Current year	Prior year (restated)
Product development, design fees	3,148,517	2,562,105
Expenses for product transportation, packaging and insurance	869,696	601,844
Marketing expenses	479,800	364,105
Expenditures on warranty provisions	363,830	280,546
Administrative office expenses	274,617	255,329
Expenses for water, electricity and kinetic energy, etc.	69,338	65,456
Others	2,142,312	1,928,301
Total	7,348,110	6,057,686

(2) Cash related to financing activities

Changes in liabilities arising from financing activities

Item	31 Dec 2024	Increase during current year		Decrease during current year		30 Jun 2025
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Short-term loan	7,065,648	4,522,168	1,291,066	3,980,940	97,295	8,800,647
Long-term debt (including due within one year)	6,806,160	669,037	254,387	1,050,111	–	6,679,473
Lease liabilities (including due within one year)	2,734,978	–	800,154	545,621	–	2,989,511
Other payables – loan from CRRC Group	3,626,100	2,529,762	–	1,800,000	–	4,355,862
Other accounts payable – dividends payable	446,278	–	7,256,987	657,719	–	7,045,546
Other current liabilities – super short-term financing bills	–	8,000,000	2,165	–	–	8,002,165
Total	20,679,164	15,720,967	9,604,759	8,034,391	97,295	37,873,204

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

69 Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

	RMB'000	
Supplementary information	Current year	Prior year (restated)
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	8,917,435	5,511,791
Add: Assets impairment losses	207,856	246,039
Credit losses	739,942	119,192
Depreciation of fixed assets and amortisation of investment properties	3,241,908	3,045,810
Depreciation of right-of-use assets	427,705	311,304
Amortisation of intangible assets	623,826	565,066
Amortisation of long-term deferred expenses	100,012	47,101
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(16,557)	(27,072)
Gains from changes in fair value	(112,635)	(257,953)
Financial expenses	(72,930)	276,157
Investment income	(379,927)	(348,312)
Changes in deferred tax assets and liabilities	(181,074)	(202,732)
Increase in gross inventories	(18,003,623)	(19,558,925)
Increase/(decrease) in operating receivables	(16,680,357)	6,003,197
Increase in operating payables	11,778,780	6,214,237
Changes in restricted monetary funds	412,095	(103,652)
Net cash flows from operating activities	(8,997,544)	1,841,248
2. Net changes in cash and cash equivalents:		
Closing balance of cash and cash equivalents	35,883,777	32,512,407
Less: Opening balance of cash and cash equivalents	46,553,233	46,108,163
Net decrease in cash and cash equivalents	(10,669,456)	(13,595,756)

(2) Composition of cash and cash equivalents

	RMB'000	
Item	Closing balance	Opening balance (restated)
I. Cash	35,883,777	46,553,233
Including: Cash on hand	686	2,810
Bank deposits available on demand	35,883,091	46,550,423
II. Closing balance of cash and cash equivalents	35,883,777	46,553,233

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

70 Foreign-currency monetary items

(1) Foreign-currency monetary items

Item	Foreign currency balance as at the end of the period	Exchange rate	Translated RMB balance as at the end of the period
Cash and bank balances			—
Including: USD	418,303	7.1586	2,994,464
EUR	168,202	8.4024	1,413,300
HKD	560,258	0.9120	510,955
AUD	74,262	4.6817	347,672
MXN	2,971,806	0.3809	1,131,961
Others	/	/	2,586,770
Held-for-trading financial assets			
Including: USD	768	7.1586	5,499
Accounts receivable			
Including: USD	369,490	7.1586	2,645,031
EUR	164,179	8.4024	1,379,498
HKD	603,146	0.9120	550,069
MYR	100,702	1.6950	170,690
Others	/	/	527,571
Other receivables			
Including: USD	6,675	7.1586	47,784
EUR	7,879	8.4024	66,203
HKD	94,417	0.9120	86,108
AUD	739	4.6817	3,460
MXN	797,514	0.3809	303,773
Others	/	/	124,193
Debt investments (including those due within one year)			
Including: USD	82,929	7.1586	593,656
Long-term receivables (including those due within one year)			
Including: USD	44,605	7.1586	319,309
EUR	34	8.4024	286
Other non-current financial assets			
Including: USD	31,000	7.1586	221,917

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

70. Foreign-currency monetary items *(continued)*

(1) Foreign-currency monetary items *(continued)*

Item	Foreign currency balance as at the end of the period	Exchange rate	Translated RMB balance as at the end of the period
Short-term borrowings			
Including: USD	256,784	7.1586	1,838,214
EUR	249,988	8.4024	2,100,499
HKD	880,308	0.9120	802,841
MXN	1,891,397	0.3809	720,433
Others	/	/	164,442
Accounts payables			
Including: USD	201,535	7.1586	1,442,708
EUR	208,286	8.4024	1,750,102
HKD	15,752	0.9120	14,366
AUD	11,176	4.6817	52,323
MXN	3,945,164	0.3809	1,502,713
Others	/	/	379,630
Other payables			
Including: USD	65,851	7.1586	471,401
EUR	15,642	8.4024	131,430
AUD	32,680	0.9120	29,804
HKD	2,150	4.6817	10,066
MXN	184,608	0.3809	70,317
Others	/	/	577,245
Long-term borrowings (including those due within one year)			
Including: USD	657	7.1586	4,703
EUR	13,937	8.4024	117,104
MXN	9,464,303	0.3809	3,604,953
Lease liabilities (including those due within one year)			
Including: USD	2,833	7.1586	20,280
EUR	9,273	8.4024	77,915
HKD	121,657	0.9120	110,951
AUD	15,469	4.6817	72,421
MXN	6,017	0.3809	2,292

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

70. Foreign-currency monetary items (continued)

- (2) Notes to overseas business entity including disclosures of significant principal place of business, functional currency and basis for determining the functional currency as well as reasons for changes in functional currency for those significant overseas business entity

Name of overseas business entity	Principal place of business	Functional currency
CSR NEW MATERIAL TECHNOLOGIES GMBH	Germany	EUR
Specialist Machine Developments	Britain	GBP

71 Lease

(1) As lessee

Lease expenses for short-term leases or low-value assets with simplified treatment for the period amounted to RMB114,186,000

Total cash flow related to leases RMB659,807,000

(2) As leaser

Operating leases as leaser

		RMB'000
Item	Lease income	Income related to variable lease payments not included in lease receivable
Operating leases	115,971	–
Total	115,971	–

Financing leases as leaser

		RMB'000
Item	Gain/loss on sales	Financing gains
		Income related to variable lease payments not included in lease receivable
Financing leases	–	990
Total	–	990

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

V. NOTES OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

71 Lease (continued)

Financing lease receivable

	RMB'000	
Item	Closing balance	Opening balance
The minimum amount of the lease receivable:		
1st year after the balance sheet date	1,689,608	1,689,997
2nd year after the balance sheet date	345,662	349,539
3rd year after the balance sheet date	26,352	26,401
4th year after the balance sheet date	26,352	25,803
5th year after the balance sheet date	—	118
Years afterwards	—	—
Total of the minimum amount of the lease receivable	2,087,974	2,091,858
Less: Unrealised financing income	(397,164)	(398,207)
Credit loss allowance	(1,419,718)	(1,139,289)
Financing lease receivable	271,092	554,362
Including: Financing lease receivable due within one year	196,340	197,177
Financing lease receivable due after one year	74,752	357,185

VI. R&D EXPENDITURES

1 Presented by the nature.

	RMB'000	
Item	Current period	Prior period
Employee benefits	3,299,089	2,846,604
Depreciation charge	310,233	311,705
Amortisation of intangible assets	166,431	156,354
Others	3,163,910	2,720,980
Total	6,939,663	6,035,643
Including: Expense R&D expenditures	6,779,531	5,794,794
Capitalize R&D expenditures	160,132	240,849

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

VII. CHANGE IN CONSOLIDATION SCOPE

Merger of enterprises under the same control

1 Mergers of enterprises under the same control that occurred in the current period

RMB'000

Name of merged party	Proportion of equity obtained in business merger	Basis for business combinations under the same control	Merge date	Basis for determining the merger date	Revenue of the merged party from the beginning of the merger period to the merger date	Net profit of the merged party from the beginning of the merger period to the merger date	Revenue of the merged party during the comparison period	Net profit of the merged party during the comparison period
CRRC Zhicheng	100%	CRRC Zhicheng and CRRC Logistics are both controlled by the same ultimate controlling party	April 3, 2025	Actual time of obtaining control	15,814	52	11,820	240

2 Merger cost

RMB'000

Merger cost	CRRC Zhicheng
Cash	52,154

3 Book value of assets and liabilities of the merged party on the merger date

RMB'000

	CRRC Zhicheng	At the end of the previous period
	Merge date	
Assets:	113,035	123,886
Cash at bank and on hand	24,570	59,545
Accounts receivable	29,946	13,083
Prepayments	9,084	7,389
Other receivables	45,337	38,789
Other current assets	135	—
Inventories	3,343	4,470
Fixed assets	404	391
Intangible assets	127	131
Deferred tax assets	89	88
Liabilities:	61,975	72,878
Short-term loans	20,011	20,011
Accounts payable	13,704	22,467
Contract liabilities	16,163	14,023
Employee benefits payable	36	600
Taxes payable	104	873
Other payables	11,957	14,063
Other current liabilities	—	841
Net assets	51,060	51,008

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

VIII. INTERESTS IN OTHER ENTITIES

1 Interests in subsidiaries

(1) Material non-wholly owned subsidiaries

RMB'000

Name of the Subsidiary	Proportion of ownership interest held by non-controlling interests (%)	Profit or loss allocated to non-controlling interests during the period	Dividend declared to non-controlling shareholders during the period	Balance of non-controlling interests at 30 June 2025
CRRC Times Electric	50.23	940,870	696,097	23,597,253
Zhuzhou Times New Material	65.89	213,629	132,528	5,600,929

(2) Key financial information of significant non-wholly owned subsidiaries

RMB'000

Name of the Subsidiary	Balance at the end of the period						At the beginning of the period					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
CRRC TimesElectric	42,770,752	26,404,739	69,175,491	23,611,494	1,560,048	25,171,542	46,433,350	18,368,896	64,802,246	18,729,522	1,310,306	20,039,828
Zhuzhou Times New Material	17,035,702	7,846,459	24,882,161	13,773,614	2,646,522	16,420,136	12,927,087	7,566,028	20,493,115	11,365,278	2,326,490	13,691,768

Name of the Subsidiary	30 June 2025				30 June 2024			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
CRRC Times Electric	12,213,972	1,784,196	1,831,729	1,879,416	10,283,733	1,601,033	1,618,292	670,364
Zhuzhou Times New Material	9,256,069	335,196	495,063	743,902	8,660,851	233,499	202,761	(105,003)

VIII. INTERESTS IN OTHER ENTITIES (continued)

2 Equity in associates or joint ventures

(1) Material associates or joint ventures

RMB'000

Name of joint venture or associate	Principal place of business	Registered place	Nature of business	Shareholding percentage (%)		Accounting treatment of investments in joint ventures or associates
				Direct	Indirect	
China United Insurance	Beijing	Beijing	Financial industry	13.0633	–	Equity method
China Foreign Trade Financial Leasing Co., Ltd	Beijing	Beijing	Financial industry	25.8851	–	Equity method

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence: The Group holds 13.0633% of the voting rights of China United Insurance, and the Group has the right to appoint one director to the board of directors of China United Insurance, and enjoys the corresponding substantive right to participate in decision-making, which has a significant influence on China United Insurance.

(2) Key financial information of significant associates

China United Insurance:

RMB'000

	Balance at 30 June 2025/Amount for the current period	Balance at 31 December 2024/Amount for the prior period
China United Insurance		
Total assets	136,289,247	119,428,316
Total liabilities	114,882,311	98,469,458
Non-controlling interests	2,284,946	2,222,678
Equities attributable to shareholders of parent company	19,121,990	18,736,180
Group's share of net assets	2,497,963	2,447,564
Goodwill	2,982,365	2,982,365
Carrying amount of equity investments in associates	5,480,328	5,429,929
Operating income	35,216,455	34,958,744
Net profit	537,157	242,688
Net profit attributable to shareholders of parent company	440,420	180,548
Other comprehensive income attributable to shareholders of parent company	(54,610)	138,867
Total comprehensive income attributable to shareholders of parent company	385,810	319,415
Dividends received from associates in the current year	–	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

VIII. INTERESTS IN OTHER ENTITIES *(continued)*

2 Equity in associates or joint ventures *(continued)*

(2) Key financial information of significant associates *(continued)*

China Foreign Trade Financial Leasing Co., Ltd:

	Balance at 30 June 2025/Amount for the current period	Balance at 31 December 2024/Amount for the prior period
China United Insurance		
Total assets	52,943,775	58,920,632
Total liabilities	38,503,698	44,985,338
Non-controlling interests	–	–
Equities attributable to shareholders of parent company	14,440,077	13,935,294
Group's share of net assets	3,737,835	3,607,171
Goodwill	392,313	392,312
Carrying amount of equity investments in associates	4,130,148	3,999,483
Operating income	1,239,079	1,676,170
Net profit	504,783	661,697
Net profit attributable to shareholders of parent company	504,783	661,697
Other comprehensive income attributable to shareholders of parent company	–	–
Total comprehensive income attributable to shareholders of parent company	504,783	661,697
Dividends received from associates in the current year	–	–

(3) Financial information of insignificant joint ventures and associates

RMB'000

	Balance at 30 June 2025/Amount for the current year	Balance at 31 December 2024/Amount for the prior year
Joint ventures:		
Aggregate carrying amount of investments	4,144,485	4,118,748
Total amounts calculated based on shareholding proportions		
– Net profit	89,822	27,537
– Other comprehensive income	–	–
– Total other comprehensive income	89,822	27,537
Associates:		
Total carrying amount of investment	9,849,374	8,868,646
Total amounts calculated based on shareholding proportions		
– Net profit	58,060	72,072
– Other comprehensive income	88	–
– Total other comprehensive income	58,148	72,072

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS

1 Risks of financial instruments

The Group's main financial instruments include cash and bank balances, held-for-trading financial assets, bills receivable, accounts receivable, receivables at FVTOCI, a part of other receivables, a part of non-current assets due within one year, a part of other current assets, loans and advances to customers, debt investments, long-term receivables, investments in other equity instruments, other non-current financial assets, other non-current assets, short-term borrowings, borrowings from central bank, deposits from banks and other financial institutions, bills payable, accounts payable, a part of employee benefits payable, other payables, a part of non-current liabilities due within one year, long-term borrowings, bonds payable, lease liabilities, a part of other long-term payables. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored at a certain level.

The Group adopts sensitivity analysis technique to analyse how the profit and loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

2 Category of financial instruments

(1) Carrying amount of financial assets

RMB'000

Item	At FVTPL	At amortised cost	30 June 2025 Classified as at FVTOCI	Designed as at FVTOCI	Total
Cash and bank balances	–	56,289,277	–	–	56,289,277
Held-for-trading financial assets	6,297,152	–	–	–	6,297,152
Bills receivable	–	12,928,280	–	–	12,928,280
Accounts receivable	–	123,224,668	–	–	123,224,668
Receivables at FVTOCI	–	–	10,428,809	–	10,428,809
Other receivables (Except for government grant and advance to staffs)	–	2,376,002	–	–	2,376,002
Other current assets (Large deposit certificate)	–	6,027,214	–	–	6,027,214
Loans and advances to customers (including those due within one year)	–	4,913	–	–	4,913
Debt investments (including those due within one year)	–	604,044	–	–	604,044
Long-term receivables (including those due within one year) (except for finance lease)	–	9,153,799	–	–	9,153,799
Investments in other equity instruments	–	–	–	2,804,117	2,804,117
Other non-current financial assets	221,917	–	–	–	221,917
Other non-current assets (Large deposit certificate)	–	7,868,031	–	–	7,868,031
Total	6,519,069	218,476,228	10,428,809	2,804,117	238,228,223

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

2 Category of financial instruments *(continued)*

(2) Carrying amount of financial liabilities

RMB'000

Item	Financial Liabilities at FVTPL	30 June 2025 Financial liabilities at carrying amount	Total
Short-term borrowings	–	8,800,647	8,800,647
Deposits from banks and other financial institutions	–	5,021,691	5,021,691
Financial liabilities held for trading	4,223	–	4,223
Bills payable	–	45,276,568	45,276,568
Accounts payable	–	169,397,970	169,397,970
Employee benefits payable (Except for defined benefit plan)	–	2,624,414	2,624,414
Other payables	–	23,579,406	23,579,406
Other current liabilities (super short-term financing bills)	–	8,002,165	8,002,165
Lease liabilities (including those due within one year)	–	2,989,511	2,989,511
Long-term borrowings (including those due within one year)	–	6,684,371	6,684,371
Long-term payables (including those due within one year) (except for special accounts payable)	–	176,136	176,136
Total	4,223	272,552,879	272,557,102

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

3 Credit risk

Credit risk represents the risk that the failure to perform obligation by one party of the financial instruments will cause financial loss to the other party.

As at 30 June 2025, the Group's maximum exposure to credit risk which will cause losses of financial assets, contract assets and lease accounts receivables to the Group due to failure to discharge an obligation by the counterparties is arising from:

- (i) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheet. For financial instruments measured at fair value, the carrying amount reflects the exposure to risks but not the maximum exposure to risks. The maximum exposure to risks would vary according to the future changes in fair value.
- (ii) The amounts of external guarantees disclosed in Note XII.2.

The Group only has transactions with recognised and reputable third parties. According to the Group's policies, for all the customers that require to make transactions on credit, the Group needs to review the credit of the customers and determines the manner of sales on the basis of customers' credit grading, credit line and credit period. For sales on credit, the payment period and the amount on credit need to be specified in the sales contract, with the payment period not exceeding credit period, and the accumulated amount of credit sales shall not exceed the credit line. For cash on delivery, the goods are not shipped until all the collection procedures are completed, so as to ensure the Group will not be exposed to significant credit loss.

The specific method used by the Group to assess whether the credit risk of financial instruments has increased significantly since initial recognition and the basis for determining that the financial assets are impaired, as well as the policies of immediate write-off of financial assets etc. are set out in Note III. 11.

The Group's credit risk exposure to any single financial instrument is limited because the bank deposits are deposited with banks with high credit ratings.

China State Railway Group Co., Ltd. is one of the major customers for the Group (including the China State Railway Group Co., Ltd. it belongs to and other subsidiaries, together as "State Railway Group") accounts for a larger proportion of the Group's revenue, accordingly, the accounts receivable from such customer also account for a larger proportion. The Group's management believes that the customer is of reliable and good reputation, therefore the Group has no significant credit risk in respect of the receivables from this customer. Except for this customer, the Group has no other significant concentration of credit risk.

The Group's major operating activities and corresponding concentration of operating risk are located in Mainland China.

As at 30 June 2025, included in the Group's accounts receivable, the accounts receivable from the top one and top five customers respectively account for 36.1% (31 December 2024: 40.0%) and 41.9% (31 December 2024: 45.9%);

As at 30 June 2025, included in the Group's long-term receivables (including those due within one year), the long-term receivables from top one and top five customers account for 33.5% (31 December 2024: 29.0%) and 82.1% (31 December 2024: 81.5%) respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

3 Credit risk *(continued)*

(1) The credit risk exposure of the Group's financial assets and other items

RMB'000

Item	Note V	Balance at 30 June 2025			Total
		12-month ECL	Lifetime ECL (no credit loss occurred)	Lifetime ECL (Credit loss occurred)	
Financial assets measured at amortised cost					
Cash and bank balances	1	56,289,277	–	–	56,289,277
Bills receivable	3	–	12,946,232	–	12,946,232
Accounts receivable	4	–	124,775,118	5,109,171	129,884,289
Other receivables	8	2,339,723	–	1,354,886	3,694,609
Other current assets	11	6,027,214	–	–	6,027,214
Loans and advances to customers					
(including those due within one year)	12	5,506	5,634	–	11,140
Debt investments (including due within one year)	13	645,611	–	–	645,611
Long-term receivables (except for finance lease)					
(including those due within one year)	14	–	4,867,753	4,986,281	9,854,034
Financial assets classified as at FVTOCI					
Receivables at FVTOCI	6	–	10,428,809	–	10,428,809
Other items:					
Contract assets (Include non-current part)	5	–	67,655,794	212,483	67,868,277
Long-term receivables-finance lease					
(including those due within one year)	14	–	1,325,955	364,855	1,690,810

Note 1: For accounts receivable and contract assets formed under revenue standards as well as finance lease receivables formed under lease standards, the Group adopts simple method to measure the amount of lifetime ECL.

The movements of loss allowance for the Group's bills receivable, accounts receivable, receivables at FVTOCI, other receivables, contract assets, loans and advances to customers, debt investments and long-term receivables are detailed in Note V.3, V.4, V.6, V.8, V.5, V.12, V.13 and V.14.

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)***4 Liquidity risk**

Liquidity risk represents the risk that the entity encounters shortage of funds when performing the obligation relating to financial liabilities. The Group's objective is to maintain the balance between the continuity and flexibility of financing by comprehensively using multiple financing measures such as settlement with notes, bank borrowing, short-term financing bonds and corporate bonds etc. and adopting proper combination of long-term and short-term financing as well as the method of optimizing financing structure. The Group has obtained bank credit from several commercial banks to meet its need of working capital and capital expenditures. The management has been monitoring the Group's liquidity so as to ensure the Group has sufficient liquidity to repay all the due debts and get maximum benefits from its financial resources.

(1) Maturity analysis of non-derivative financial liabilities and lease liabilities based on undiscounted contract cash flows

RMB'000

Item	30 June 2025				Total
	Within 1 year (inclusive)	1-2 years (inclusive)	2-5 years (inclusive)	Over 5 years	
Short-term borrowings	8,800,647	–	–	–	8,800,647
Deposits from banks and other financial institutions	5,021,691	–	–	–	5,021,691
Bills payable	45,276,568	–	–	–	45,276,568
Accounts payable	169,397,970	–	–	–	169,397,970
Other payables	23,579,406	–	–	–	23,579,406
Long-term borrowings (including due within one year)	426,742	297,101	1,124,208	5,185,258	7,033,309
Long-term payables (including due within one year) (except for special accounts payable)	12,450	365	1,095	191,400	205,310
Lease liabilities (including due within one year)	582,686	600,411	1,024,018	1,264,786	3,471,901
Total	253,098,160	897,877	2,149,321	6,641,444	262,786,802

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

5 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to the changes in market price. The market risk mainly includes interest rate risk, currency risk and price risk.

(1) Interest rate risk

Interest risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to the changes in market interest rate. The risk of fluctuations in the fair value of the Group's financial instruments due to changes in market interest rates is primarily related to the Group's fixed-rate borrowings, bonds payable, other current assets, and long-term receivables. The risk of fluctuations in the future cash flows of the Group's financial instruments due to changes in market interest rates is primarily related to the Group's liabilities with floating interest rates.

The following table sets out the sensitivity analysis of interest rate risk, reflecting the effect of reasonably possible changes in interest rate on net profit (via effect on variable-rate borrowings) (with effect of capitalisation of borrowing costs considered) under the assumption that all the other variables held constant.

Item Rate of variable-rate borrowings	January- June 2025		January- December 2024	
	Increase in 25 point	Decrease in 25 point	Increase in 25 point	Decrease in 25 point
(Decrease)/Increase in net profit (RMB'000)	(24,925)	24,925	(41,835)	41,835

(2) Other price risk

The Group's price risk is mainly arising from held-for-trading equity instrument investments and equity instruments at fair value through other comprehensive income. The Group adopts combination of multiple equity securities to mitigate the price risk of investments in equity securities.

(3) Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with its operating activities (settled in foreign currency other than the functional currency).

The Group's operating activities are mainly located in China and most of the transactions are denominated in RMB, except for certain sales, purchases and borrowings which are settled in foreign currency. The fluctuation of the exchange rate between such foreign currency and RMB will affect the Group's operating performance.

The Group tries to mitigate the currency risk to the minimum extent mainly by closely monitoring the changes in market exchange rate and actively adopting responsive measures. In the export business, the Group's policy is to provide quotation based on the expected changes of exchange rate in respect of the external contracts under negotiation; during the negotiation, it is required to specify the range of exchange rate and the risks on the buyer and seller respectively. In import business, the enterprises are required to seize the moment of foreign exchange settlement for import so as to control the currency risk.

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

5 Market risk *(continued)*

(3) Currency risk *(continued)*

(i) Foreign currency financial assets and financial liabilities

	RMB'000	
Item	30 June 2025	31 December 2024
Foreign currency financial assets:		
Cash and bank balances	8,985,122	8,351,487
Held-for-trading financial assets	5,499	5,499
Accounts receivable	3,021,616	4,057,489
Other receivables	462,134	426,278
Other non-current financial assets	221,917	222,840
Total	12,696,288	13,063,593
Foreign currency financial liabilities:		
Short-term borrowings	5,626,429	3,384,552
Accounts payable	5,141,842	3,913,552
Other payables	1,290,263	1,342,207
Long-term borrowings (including due within one year)	3,726,760	3,016,926
Lease liabilities (including due within one year)	283,859	450,436
Total	16,069,153	12,107,673

The following table sets out the sensitivity analysis on currency risk, reflecting the effect of reasonably possible changes in exchange rate of EUR and USD on net profit under the assumption that all the other variables held constant. As the effect changes in exchange rate of other currencies is not significant, related sensitivity analysis is not presented.

EUR	30 June 2025		31 December 2024	
Against RMB (Decrease)/increase in net profit (RMB'000)	Increase10.71%	Decrease10.71%	Increase3.94%	Decrease3.94%
	(48,567)	48,567	(11,506)	11,506
USD	30 June 2025		31 December 2024	
Against RMB (Decrease)/increase in net profit (RMB'000)	Increase 0.45%	Decrease 0.45%	Increase 1.55%	Decrease 1.55%
	12,012	(12,012)	37,722	(37,722)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

IX. RISKS RELATED TO FINANCIAL INSTRUMENTS *(continued)*

6 Capital management

The major objective of the Group's capital management is to ensure the Group's continuing operation, and provide the shareholders with continuous return by establishing a price of products and service that matches the risk level so as to obtain financing at reasonable cost.

The Group reviews and manages its capital structure on a regular basis, aiming to achieve most ideal capital structure and return to shareholders. The factors that the Group takes into consideration include: the Group's future capital demand, capital efficiency, actual and expected profitability, expected cash flows, expected capital expenditures and etc. If the economic conditions change and affect the Group, the Group will adjust the capital structure.

The Group monitors and manages its capital structure using asset-liability proportion. As at 30 June 2025 and 31 December 2024, the asset-liability proportion are as follows:

	30 June 2025	31 December 2024
Asset-liability proportion (%)	60.96	59.00

7 Transfer of financial assets

(i) Classification of transfer methods

RMB'000

Transfer mode	Nature of transferred financial assets	Amount of transferred financial assets	Termination of confirmation	Judgment basis for derecognition
Bill endorsement	Receivables at FVTOCI	2,371,346	Confirmation terminated	The risks and remuneration of ownership have been transferred
Bill discount	Receivables at FVTOCI	2,551,291	Confirmation terminated	The risks and remuneration of ownership have been transferred
Bill endorsement	Bills receivable	697,180	Confirmation not terminated	/
Bill discount	Bills receivable	443,210	Confirmation not terminated	/
Total	/	6,063,027	/	/

(ii) Financial assets Recognized due to transfer

RMB'000

Project	The Way the Financial Assets are transfered	Termination of the amount of financial assets recognized	Profits or losses related to termination confirmation
Receivables at FVTOCI	Bill endorsement	2,371,346	–
Receivables at FVTOCI	Bill discount	2,551,291	21,497
Total	/	4,922,637	21,497

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

X. DISCLOSURE OF FAIR VALUE

1 Closing fair value of assets and liabilities measured at fair value

RMB'000

Item	Fair value at 30 June 2025				Valuation technique and inputs	Significant unobservable inputs
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	Total		
I. Recurring fair value measurements						
(I) Held-for-trading financial assets	-	1,749,111	4,548,041	6,297,152		
1. Derivative financial assets	-	-	-	-		/
2. Certificate of deposits, etc.	-	1,749,111	-	1,749,111	Note 3	/
3. Unlisted equity instrument investments	-	-	4,548,041	4,548,041	Note 4	Note 4
(II) Receivables at FVTOCI	-	10,428,809	-	10,428,809	Note 3	/
(III) Investments in other equity instruments	1,048,050	-	1,756,067	2,804,117		
1. Listed equity instrument investments	1,048,050	-	-	1,048,050	Note 2	/
2. Unlisted equity instrument investments	-	-	1,756,067	1,756,067	Note 5	Note 5
(IV) Other non-current financial assets	221,917	-	-	221,917		
1. Perpetual bonds etc. investments	221,917	-	-	221,917	Note 1	/
Total assets measured at fair value on recurring basis	1,269,967	12,177,920	6,304,108	19,751,995		
(V) Held-for-trading financial liabilities	-	4,223	-	4,223		
1. Derivative financial liabilities	-	4,223	-	4,223	Note 1	
Total liabilities measured at fair value on a recurring basis	-	4,223	-	4,223		

Note 1: Discounted cash flow method. Future cash flows are based on forward exchange rate (sourced from the forward exchange rate observed at financial statement date) and estimated contractual forward exchange rate, and discounted using the discounting rate reflecting the credit risk of counterparty.

Note 2: Quoted price (unadjusted) in active market.

Note 3: Discounted cash flow method. Future cash flows are estimated based on expected return and discounted using the discounting rate reflecting the credit risk of counterparty.

Note 4: Discounted cash flow method. Unobservable inputs include revenue growth and system risk factor. The revenue growth is based on the estimate of the management of the investee. The system risk factor is based on the system risk factor of historical stock price of comparative companies.

Note 5: Comparative listed company comparing method and dividends discounting model. The unobservable inputs of the comparative listed company comparing method include liquidity discount. The unobservable inputs of dividends discounting model include expected growth rate and discounting rate.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

X. DISCLOSURE OF FAIR VALUE (continued)

- 2 Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements.

RMB'000

Item	Held-for-trading financial assets (unlisted equity instrument investments)	Investments in other equity instruments (unlisted equity instruments investment)
1 January 2025	4,373,071	1,751,659
Additions	270,000	–
Disposals	(199,192)	(2,977)
Transferred out in this period	–	–
Current gains	104,162	7,393
Included in profit or loss	104,162	–
Included in other comprehensive income	–	7,393
Rate exchange	–	(8)
30 June 2025	4,548,041	1,756,067

- 3 Fair value of financial assets and financial liabilities that are not measured at fair value

The Group's financial assets and financial liabilities measured at amortised cost are detailed in Note IX.2. Except for the items listed below, the management of the Group determines that the carrying amount of these financial assets and financial liabilities in the financial statements approximates the fair value of such assets and liabilities.

RMB'000

Item	Carrying amount		Fair value	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Fixed-rate debt investments	604,044	606,157	457,646	430,381
Fixed-rate long-term receivables	7,537,312	7,222,428	5,986,440	5,859,608
Fixed-rate long-term borrowings	4,985,715	4,168,322	2,957,780	2,416,391

Of the debt investments, those in listed bonds can be publicly traded in an active market and are attributable to level 1 fair value measurement; and debt investments (exclusive of investments in listed bonds), long-term receivables, long-term borrowings and corporate bonds payable are determined based on discounted cash flows and attributable to level 2 fair value measurement, with the discounting rate reflecting the credit risk of the issuer as the key inputs.

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1 Parent of the Company

RMB'000

Company name	Registered place	Nature of business	Registered capital	Proportion of ownership interest held by the parent company (%)	Proportion of voting power held by the parent company (%)
CRRC Group	Beijing	Manufacturing	23,000,000	51.45	51.45

The ultimate controlling party of the Company is State-owned Assets Supervision and Administration Commission of the State Council (the "SASAC").

2 Subsidiaries of the Company

The Company's subsidiaries are detailed in Note I. 1.

3 Joint ventures and associates of the Company

Please see Note VIII.2(1) for information of important joint ventures and associates of the Company.

The joint ventures and associates that have transactions with the Group in the current year are as follows:

Name of joint ventures or associates	Relationship with the Company
Xinyang Tonghe Wheel Co., Ltd	Associates
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd	Associates
CRRC Shenzhen Railway Vehicles Co., Ltd	Joint ventures
Changzhou Langrui Dongyang Transmission Technology Co., Ltd	Joint ventures
Qingdao Alstom Railway Equipment Co., Ltd	Associates
Chengdu Ruiyang Rail Transmission Technology Co., Ltd	Joint ventures
Chengdu Changke Xinzhu Rail Transit Equipment Co., Ltd	Associates
Hunan Shidai Westinghouse Transportation Equipment Co., Ltd	Associates
Beijing Nankou Sikaifu Railway Bearing Co., Ltd	Associates
Qinghai Chuangtuo New Energy Technology Co., Ltd	Associates
Changchun Changke Alstom Rolling Stock Co., Ltd	Joint ventures
CRRC Shenyang Rail Transit Equipment Co., Ltd	Joint ventures
Shanghai Shenzhong Rail Transit Operation Safety Engineering Technology Research Co., Ltd	Joint ventures
Ziyang Zhonggong Locomotive Transmission Co., Ltd	Associates
Jiangsu Zhongcheng Transportation Equipment Co., Ltd	Associates
Hebei Hongrui Environmental Protection Technology Co., Ltd	Associates
Beijing Beijufang Rail Transit Technology Co., Ltd	Associates
Guangzhou Electric Locomotive Co., Ltd	Associates
Tianjin Electric Locomotive Co., Ltd	Associates
Tieke (Beijing) Rail Equipment Technology Co., Ltd	Associates
Nanjing Metro Air Conditioning Technology Co., Ltd	Associates
Datong Hitachi Energy Traction Transformer Co., Ltd	Associates
CRRC Voith Transmission Technology Co., Ltd	Associates
Xi'an Sifang Rail Transit Equipment Co., Ltd	Joint ventures
CCCC Foshan Investment Development Co., Ltd	Associates
Beijing Sifang Tongchuang Rail Transit Equipment Co., Ltd	Associates
Jiangsu CRRC Digital Technology Co., Ltd	Associates

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

3. Joint ventures and associates of the Company *(continued)*

Name of joint ventures or associates	Relationship with the Company
Guangzhou Junfa Electrical Equipment Co., Ltd	Associates
Datong CRRC Macon Rail Transportation Equipment Co., Ltd	Associates
Jiangsu Langrui Maoda Casting Co., Ltd	Joint ventures
Jiangsu China Railway Transportation Technology Co., Ltd	Associates
Shenyang Westinghouse Brake Technology Co., Ltd	Joint ventures
Wuxi Times Intelligent Transportation Research Institute Co., Ltd	Associates
Nanjing Rail Transit Industry Development Co., Ltd	Associates
Datong Faweilai Rolling Stock Equipment Co., Ltd	Associates
Shanghai Alstom Transportation Electric Co., Ltd	Associates
Shanghai Shentong Changke Rail Transit Vehicle Co., Ltd	Joint ventures
Zhengzhou Shidai Traffic Electrical Equipment Co., Ltd	Joint ventures
Xi'an Ruiyang Rail Transmission Technology Co., Ltd	Joint ventures
Foshan Zhongshi Zhihui Transportation Technology Co., Ltd	Associates
Inner Mongolia Yiji Group Like Rubber and Plastic Products Co., Ltd	Associates
Zhixin Semiconductor Co., Ltd	Associates
Zhuzhou Guochuang Rail Technology Co., Ltd	Associates
Sichuan CRRC Railway Investment Rail Transit Co., Ltd	Associates
Xi'an Alstom Yongji Electrical Equipment Co., Ltd	Associates
Dalian Toshiba Locomotive Electrical Equipment Co., Ltd	Joint ventures
Tianjin Line 1 Rail Transit Operation Co., Ltd	Associates
China Foreign Trade Finance Leasing Co., Ltd	Associates
Guangzhou Qinglan Semiconductor Co., Ltd	Joint ventures
Qingdao Metro Rail Transit Intelligent Maintenance Co., Ltd	Associates
Hunan Guoxin Semiconductor Technology Co., Ltd	Associates
Hunan Honghui Technology Co., Ltd	Associates
Zhuzhou CRRC Rail Transit Journal Co., Ltd	Associates
Qingdao Sifang Faweilai Rail Brake Co., Ltd	Joint ventures
Wuhu Yunda Rail Transit Construction and Operation Co., Ltd	Joint ventures
China Railway Shenyang Railway Equipment Co., Ltd	Associates
Zhuzhou Shidai Engineering Plastic Technology Co., Ltd	Associates
Zhejiang Times Lanpu New Energy Co., Ltd	Joint ventures
Knorr Bremse Nankou Air Supply Equipment (Beijing) Co., Ltd	Associates
Zhuzhou Siemens Traction Equipment Co., Ltd	Associates
Hunan Guoci Power Technology Co., Ltd	Associates
Jinan Sirui Rail Transit Equipment Technology Co., Ltd	Associates
CSCEC (Shandong) Industrial Development Co., Ltd	Associates
Qiqihar EEE Forging Equipment Co., Ltd.	Associates
Shenzhen Zhongshuputai Technology Co., Ltd	Associates
Foshan Gaoming Modern Rail Transit Construction Investment Co., Ltd	Associates
Hunan Maglev Transportation Development Co., Ltd	Associates
Qingdao Sifang Sirui Intelligent Technology Co., Ltd	Joint ventures
Zhuzhou Shiling Transportation Equipment Co., Ltd	Joint ventures
Harbin Welding Guochuang (Qingdao) Welding Engineering Innovation Center Co., Ltd	Associates
Ziyang Zhonggong Locomotive Transmission Co., Ltd	Associates
Qingdao Sifang Kawasaki Vehicle Technology Co., Ltd	Joint ventures
Guangzhou Sifang Rail Transit Equipment Co., Ltd	Joint ventures
Hunan Motor Vehicle Testing Technology Co., Ltd	Associates
Jiangxi Shanghuasheng Yilun Motor Co., Ltd	Associates
Qiqing High Speed Railway Co., Ltd	Associates

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

3. Joint ventures and associates of the Company (continued)

Name of joint ventures or associates	Relationship with the Company
Zhuzhou Shidai Huaxin New Material Technology Co., Ltd	Associates
Taizhou Changxing Rail Transit Operation Management Co., Ltd	Associates
Changchun Changke Rail Environmental Protection Equipment Co., Ltd	Joint ventures
PriceSmart (Shanghai) Industrial Design Co., Ltd	Associates
Guangzhou High Speed Rail Technology Co., Ltd	Associates
Hebei CRRC Luxing Anti loose Technology Co., Ltd	Associates
Changshu Zhishui Environmental Protection Water Co., Ltd	Joint ventures
Aviation Materials Guochuang (Qingdao) High speed Railway Materials Research Institute Co., Ltd	Associates
Huaneng Panjin Wind Power Generation Co., Ltd	Associates
Chengdu Digital China Railway Technology Co., Ltd	Associates
Tongche Zhongdian Railway Equipment Co., Ltd	Associates
Pioneer Electric (India) Co., Ltd	Associates
CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V	Associates
TIC TRENS S.A.	Associates
MLCC BLUE LINE CONTRACTING L.L.C	Associates

4 Related party transactions

(1) Purchases and sales of goods, rendering and receipt of services

Purchase of goods/receipt of service

		RMB'000	
Related party	Content of related party transaction	January – June 2025	January – June 2024 (restated)
Joint ventures of the Group	Purchase of goods	51,251	212,342
Associates of the Group	Purchase of goods	378,577	533,276
CRRC Group and subsidiaries	Purchase of goods	222,794	185,047
Joint ventures and associates of CRRC Group and subsidiaries	Purchase of goods	2,682	24,268
Joint ventures of the Group	Receipt of service	28,207	6,580
Associates of the Group	Receipt of service	16,212	61,125
CRRC Group and subsidiaries	Receipt of service	18,486	26,536
Joint ventures and associates of CRRC Group and subsidiaries	Receipt of service	1,730	1,411
Total	/	719,939	1,050,585

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4 Related party transactions (continued)

(1) Purchases and sales of goods, rendering and receipt of services (continued)

Sale of goods/rendering of service

		RMB'000	
Related party	Content of related party transaction	January – June 2025	January – June 2024 (restated)
Joint ventures of the Group	Sale of goods	554,124	624,320
Associates of the Group	Sale of goods	1,713,366	1,042,826
CRRC Group and its subsidiaries	Sale of goods	89,962	161,109
Joint ventures and associates of CRRC Group and subsidiaries	Sale of goods	187,245	461,561
Joint ventures of the Group	Rendering of services	53,777	13,883
Associates of the Group	Rendering of services	28,867	8,708
CRRC Group and its subsidiaries	Rendering of services	10,886	7,662
Joint ventures and associates of CRRC Group and subsidiaries	Rendering of services	195,692	426,250
Total	/	2,833,919	2,746,319

(2) Leases with related parties

The Company as the lessor:

		RMB'000	
Name of lessee	Type of leased assets	Lease income recognised in current period	Lease income recognised in prior period
Joint ventures of the Group	Fixed assets	177	18
Associates of the Group	Fixed assets	5,155	3,333
CRRC Group and its subsidiaries	Fixed assets	54	152
Joint ventures and associates of CRRC Group and subsidiaries	Fixed assets	1,148	1,075
Total	/	6,534	4,578

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

4 Related party transactions (continued)

(2) Leases with related parties (continued)

The Company as the lessee:

RMB'000

Name of lessee	Type of assets leased	Rental costs for short-term leases and leases of low-value assets with simplified treatment (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense on lease liabilities assumed		Increased right-to-use assets	
		January-June 2025	January-June 2024	January-June 2025	January-June 2024	January-June 2025	January-June 2024	January-June 2025	January-June 2024	January-June 2025	January-June 2024
Joint ventures of the Group	Fixed assets	665	-	665	-	-	-	-	-	-	-
Associates of the Group	Fixed assets	115	-	-	-	234	233	-	-	132	-
CRRC Group and its subsidiaries	Fixed assets	29,197	38,458	-	-	59,727	67,244	2,046	2,644	17,739	82,400
Joint ventures and associates of CRRC Group and its subsidiaries	Fixed assets	-	-	-	-	-	-	-	-	-	-

(3) Guarantees with related parties

The Company as the guarantor

RMB'000

The guaranteed company	Guarantee amount	Guarantee Start Date	Guarantee expiration date	Whether the guarantee has been fulfilled
Wuhu Yunda	1,192,980	20/06/2017	20/06/2047	No
CRRC-LOCOSUPPLY (PTY) LTD	1,163,237	17/03/2014	Date of completion of project implementation	No
CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V	210,550	27/10/2023	25/10/2059	No
CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V	381,438	05/06/2024	30/04/2039	No
TIC TRENS S.A.	369,143	02/06/2024	02/06/2031	No
MLCC BLUE LINE CONTRACTING L.L.C	726,247	05/03/2025	31/07/2029	No
MLCC BLUE LINE CONTRACTING L.L.C	363,123	15/05/2025	31/07/2029	No
MLCC BLUE LINE CONTRACTING L.L.C	290,499	05/03/2025	20/09/2032	No
Total	4,697,217	/	/	/

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(3) Guarantees with related parties *(continued)*

The Company as the guarantee holder

RMB'000

Name of guarantor	Guarantee amount	Guarantee Start Date	Guarantee expiration date	Whether the guarantee has been fulfilled
CRRC Group	1,163,237	17/03/2014	Date of completion of project implementation	No

(4) Funding from related party

RMB'000

Related party	Amount of borrowing/loan	Inception date	Maturity date	Note
Funds received				
CRRC Group and its subsidiaries	8,120	17/06/2025	16/06/2026	/
CRRC Group and its subsidiaries	312,960	21/11/2024	20/11/2025	/
CRRC Group and its subsidiaries	44,850	30/12/2024	29/12/2025	/
CRRC Group and its subsidiaries	1,100,000	20/11/2024	19/11/2025	/
CRRC Group and its subsidiaries	249,770	21/11/2024	20/11/2025	/
CRRC Group and its subsidiaries	709,000	21/10/2024	20/10/2025	/
CRRC Group and its subsidiaries	136,560	04/12/2024	03/12/2025	/
CRRC Group and its subsidiaries	300,000	14/11/2024	13/11/2025	/
CRRC Group and its subsidiaries	22,560	14/11/2024	13/11/2025	/
CRRC Group and its subsidiaries	385,000	10/12/2024	09/12/2025	/
CRRC Group and its subsidiaries	148,590	14/11/2024	13/11/2025	/
CRRC Group and its subsidiaries	216,810	13/12/2024	12/12/2025	/
CRRC Group and its subsidiaries	721,642	23/04/2025	22/04/2026	/

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

4 Related party transactions *(continued)*

(5) Assets transfer/debt restructuring with related parties

RMB'000

Related party	Nature of transaction	January – June 2025	January – June 2024
Joint ventures of the Group	Purchase of fixed assets from related parties	–	148
Associates of the Group	Purchase of fixed assets from related parties	3,192	8,779
Joint ventures and associates of CRRC Group and subsidiaries	Purchase of fixed assets from related parties	1,179	932
CRRC Group and its subsidiaries	Purchase of fixed assets from related parties	2,469	26
Total	/	6,840	9,885

(6) Remuneration of key management personnel

RMB'000

Item	January – June 2025	January – June 2024
Remuneration of key management personnel	5,183	5,102

(7) Other related party transactions

RMB'000

Related party	Nature of related party transaction	Accrued during the period	Accrued during the prior period (restated)
Joint ventures of the Group	Financial service and interest income	2,523	2,774
Associates of the Group	Financial service and interest income	1,924	624
CRRC Group and its subsidiaries	Financial service and interest income	–	3,983
Joint ventures of the Group	Interest expenses	96	228
Associates of the Group	Interest expenses	52	524
CRRC Group and its subsidiaries	Interest expenses	101,076	143,662
Joint ventures and associates of CRRC Group and its subsidiaries	Interest expenses	–	5
Total	/	105,671	151,800

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5 Amounts due from/to related parties.

(1) Receivables

RMB'000

Item	Related party	Closing balance		Opening balance (restated)	
		Carrying amount	Provision for bad and doubtful debts	Carrying amount	Provision for bad and doubtful debts
Bills receivable	Joint ventures of the Group	2,069	14	39,472	39
Bills receivable	Associates of the Group	65,688	361	114,501	191
Bills receivable	CRRC Group and its subsidiaries	105	–	3,755	9
Accounts receivable	Joint ventures of the Group	996,198	19,091	972,916	19,489
Accounts receivable	Associates of the Group	1,850,170	95,190	1,286,513	79,062
Accounts receivable	CRRC Group and its subsidiaries	687,739	41,711	708,431	45,957
Accounts receivable	Joint ventures and associates of CRRC Group and its subsidiaries	277,300	7,290	130,172	5,403
Receivables at FVTOCI	Joint ventures of the Group	65,952	–	134,481	–
Receivables at FVTOCI	Associates of the Group	1,042,216	–	891,885	2
Receivables at FVTOCI	CRRC Group and its subsidiaries	67,106	–	31,932	–
Prepayments	Joint ventures of the Group	140,518	–	215,953	–
Prepayments	Associates of the Group	82,175	–	98,517	–
Prepayments	CRRC Group and its subsidiaries	–	–	19,591	–
Other receivables	Joint ventures of the Group	32,386	78	27,965	6
Other receivables	Associates of the Group	20,793	3,921	19,830	2,930
Other receivables	CRRC Group and its subsidiaries	59,707	7,157	58,816	8,117
Other receivables	Joint ventures and associates of CRRC Group and its subsidiaries	3,088	28	496	2
Contract assets	Joint ventures of the Group	16,326	104	20,974	121
Contract assets	Associates of the Group	211,181	1,584	212,272	2,890
Contract assets	CRRC Group and its subsidiaries	295,041	10,410	287,633	10,227
Contract assets	Joint ventures and associates of CRRC Group and its subsidiaries	16,499	119	12,256	77
Non-current assets due within one year	Associates of the Group	–	–	153,245	13,187
Non-current assets due within one year	CRRC Group and its subsidiaries	11,140	6,227	20,011	1,270
Other non-current assets	Joint ventures of the Group	108,925	1,416	116,119	1,381
Other non-current assets	Associates of the Group	455,178	6,111	321,250	5,175
Other non-current assets	CRRC Group and its subsidiaries	1,096,927	320	1,114,781	1,103
Other non-current assets	Joint ventures and associates of CRRC Group and its subsidiaries	1,141,960	6,844	1,881,334	9,177
Total	/	8,746,387	207,976	8,895,101	205,815

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (continued)

5 Amounts due from/to related parties. (continued)

(2) Payables

		RMB'000	
Item	Related party	Closing book Value	Beginning book value (restated)
Deposits from banks and other financial institutions	Joint ventures of the Group	42,422	3,461
Deposits from banks and other financial institutions	Associates of the Group	14,470	38,208
Deposits from banks and other financial institutions	CRRC Group and its subsidiaries	4,410,098	4,697,311
Deposits from banks and other financial institutions	Joint ventures and associates of CRRC Group and its subsidiaries	554,701	469,190
Bills payable	Joint ventures of the Group	143,587	182,790
Bills payable	Associates of the Group	294,153	18,044
Bills payable	CRRC Group and its subsidiaries	194,342	168,343
Bills payable	Joint ventures and associates of CRRC Group and its subsidiaries	552	2,981
Accounts payable	Joint ventures of the Group	1,562,893	1,171,813
Accounts payable	Associates of the Group	3,085,165	2,644,250
Accounts payable	CRRC Group and its subsidiaries	2,095,461	2,547,171
Accounts payable	Joint ventures and associates of CRRC Group and its subsidiaries	64,034	93,578
Receipts in advance	CRRC Group and its subsidiaries	2,002	–
Contract liabilities	Joint ventures of the Group	5,600	5,065
Contract liabilities	Associates of the Group	54,745	55,577
Contract liabilities	CRRC Group and its subsidiaries	67,158	74,620
Contract liabilities	Joint ventures and associates of CRRC Group and its subsidiaries	106,134	131,199
Other payables	Joint ventures of the Group	20,839	18,319
Other payables	Associates of the Group	74,922	100,683
Other payables	CRRC Group and its subsidiaries	7,726,591	3,868,667
Other payables	Joint ventures and associates of CRRC Group and its subsidiaries	1,437	1,421
Lease liabilities	Associates of the Group	6,575	6,208
Lease liabilities	CRRC Group and its subsidiaries	64,981	65,786
Total	/	20,592,862	16,364,685

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(continued)*

6 Related party commitments

		RMB'000	
Item	Related party	30 June 2025	31 December 2024
Sale of goods to related parties	Joint ventures of the Group	233,408	136,919
Sale of goods to related parties	Associates of the Group	36,523	2,521
Sale of goods to related parties	CRRC Group and its subsidiaries	60	814
Purchase of goods from related parties	Joint ventures of the Group	34,663	6,635
Purchase of goods from related parties	Associates of the Group	111,438	11,359
Purchase of goods from related parties	CRRC Group and its subsidiaries	32,104	11,964
Purchase of goods from related parties	Joint ventures and associates of CRRC Group and its subsidiaries	7,509	91
Total	/	455,705	170,303

XII COMMITMENTS AND CONTINGENCIES

1 Significant commitments

		RMB'000	
Item		30 June 2025	31 December 2024
Construction in progress, fixed assets and land use rights		3,322,787	3,731,255
Other intangible assets		2,104	955
Total		3,324,891	3,732,210

XII COMMITMENTS AND CONTINGENCIES *(continued)***2 Contingencies****(1) Significant contingencies existing at the balance sheet date**

RMB'000

Relevant entity	Guarantee holder	Amount of guarantee	Type of guarantee
The Company	Wuhu Yunda	1,192,980	Guarantee for performance, financing and profit or loss
CRRC Zhuzhou Locomotive Co., Ltd	CRRC E-LOCO SUPPLY(PTY) LTD	1,163,237	Guarantee for performance
CRRC (Hong Kong) Co. Limited.	CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V	210,550	Guarantee for performance and financing
CRRC (Hong Kong) Co. Limited.	CONSORCIO TREN LIGERO LINEA 4 GUADALAJARA, S.A.P.I. de C.V	381,438	Guarantee for performance and financing
CRRC (Hong Kong) Co. Limited.	TIC TRENS S.A.	369,143	Guarantee for performance
CRRC (Hong Kong) Co. Limited.	MLCC BLUE LINE CONTRACTING L.L.C	726,247	Guarantee for performance
CRRC (Hong Kong) Co. Limited.	MLCC BLUE LINE CONTRACTING L.L.C	363,123	Guarantee for performance
CRRC (Hong Kong) Co. Limited.	MLCC BLUE LINE CONTRACTING L.L.C	290,499	Guarantee for performance

(2) If there are no significant contingencies, disclose this fact:

The thirtieth meeting of the second session of the Board of Directors held on 18 July 2021 resolved that, CRRC Zhuzhou Locomotive, a wholly-owned subsidiary of the Company, entered into the Entrustment Agreement (the "Entrustment Agreement") and a series of related agreements with Zhuzhou Locomotive Industrial, a wholly-owned subsidiary of CRRC Group, which shall entrust Zhuzhou Locomotive Industrial to manage the 100% equity interest of CRRC E-LOCO SUPPLY (PTY) LTD. ("the Target Company"), and entrust Zhuzhou Locomotive Industrial to exercise all shareholders' rights from the date of the Entrustment Agreement. Based on the Entrustment Agreement, during the Entrustment Period, all operating income or operating losses of the Target Company shall be enjoyed or borne by Zhuzhou Locomotive Industrial, and the rewards and risk of changes in the overall value of the Target Company's interests shall also be enjoyed or borne by Zhuzhou Locomotive Industrial. CRRC Zhuzhou Locomotive shall relinquish all shareholders' rights from the date of the Entrustment Agreement and the Target Company will cease to be consolidated in the consolidated financial statements of the Company and the Target Company will cease to be a subsidiary of the Group. Prior to the Entrustment Agreement, in respect of the performance obligations of the Target Company and its subsidiaries under the Locomotive Supply Contracts, CRRC Zhuzhou Locomotive has provided performance guarantee ("the Guarantee") for the Target Company's subsidiary. Accordingly, CRRC Zhuzhou Locomotive will continue to provide the performance guarantee for the Target Company's subsidiary upon the effective date of the Entrustment Agreement. CRRC Group will provide the Counter Guarantee for the obligations of CRRC Zhuzhou Locomotive under the Guarantee pursuant to the Counter Guarantee Agreement, signed by CRRC Group and CRRC Zhuzhou Locomotive. As at 30 June 2025, the balance of the performance guarantee provided by CRRC Zhuzhou Locomotive for CRRC E-LOCO SUPPLY (PTY) LTD. amounted to RMB1.163 billion.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XIII. OTHER SIGNIFICANT ITEMS

1 Segment information

(1) Basis for determining reporting segment and accounting policies

Based on the requirements of operation management, the Group's operating activities are classified in to one separate operating segment, mainly supplying the market with rail transit equipment and extended products and services, therefore the Group has no other operating segment.

(2) Financial information of reporting segments

(i) External revenue

RMB'000

Item	Accrued during the period	Accrued during the prior period (restated)
Products and services information:		
Rail transit equipment and extended products and services	119,758,127	90,049,062
Total	119,758,127	90,049,062
Geographical information:		
Mainland China	106,524,326	77,844,221
Other countries and regions	13,233,801	12,204,841
Total	119,758,127	90,049,062

(ii) Total specified non-current assets

RMB'000

Item	30 June 2025	31 December 2024
Mainland China	146,850,925	142,770,638
Other countries and regions	8,890,691	8,567,634
Total	155,741,616	151,338,272

The non-current assets are attributable to the regions where the assets are located, and exclude financial assets, financing lease receivable and deferred tax assets

(iii) Major customers

The Group's operating income from major customer China State Railway Group is RMB57,520,530,000 (January- June 2024: RMB33,052,682,000). The Group has no other single customer from which the revenue accounts for over 10% of the Group's operating income.

XIII. OTHER SIGNIFICANT ITEMS *(continued)*

2 Other significant transactions or events affecting investors' decision-making

(1) Net current assets

Item	RMB'000	
	30 June 2025	31 December 2024 (restated)
Current assets	371,356,186	346,314,419
Less: Current liabilities	305,728,127	278,675,937
Net current assets	65,628,059	67,638,482

(2) Total assets less current liabilities

Item	RMB'000	
	30 June 2025	31 December 2024 (restated)
Total assets	542,823,600	512,845,527
Less: Current liabilities	305,728,127	278,675,937
Total assets less current liabilities	237,095,473	234,169,590

3 Others

(1) Basic earnings per share

The basic earnings per share is calculated by dividing the current net profit attributable to the common shareholders of the company by the weighted average number of common shares issued:

Item	RMB'000	
	30 June 2025	31 December 2024 (restated)
Net profit of the year attributable to ordinary shareholders (RMB'000)	7,245,652	4,200,950
Number of ordinary shares issued in the current period (thousand shares)	28,698,864	28,698,864
Basic earnings per share (RMB/share)	0.25	0.15

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XIII. OTHER SIGNIFICANT ITEMS *(continued)*

3 Others *(continued)*

(2) Diluted earnings per share

Item	30 June 2025	31 December 2024 (restated)
Net profit of the year attributable to ordinary shareholders (RMB'000)	7,245,652	4,200,950
Plus: impact of convertible bonds (RMB'000)	–	–
Net profit used to calculate diluted earnings per share (RMB'000)	7,245,652	4,200,950
Number of ordinary shares issued in the current period (thousand shares)	28,698,864	28,698,864
Plus: impact of convertible bonds (thousand shares)	–	–
Number of ordinary shares issued in the current period to calculate diluted earnings per share (thousand share)	28,698,864	28,698,864
Diluted earnings per share (RMB/share)	0.25	0.15

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1 Cash and bank on hand

(1) Cash at bank and on hand

Item	30 June 2025	31 December 2024
Deposits with banks	5,491,123	6,399,182
Other monetary funds	100,000	200,002
Total	5,591,123	6,599,184

RMB'000

(2) Cash at bank and on hand with restrictive ownership title or right of use

Category	30 June 2025	31 December 2024
Bank acceptance bills deposit	100,000	200,002
Total	100,000	200,002

RMB'000

As at 30 June 2025, there were RMB4,090,638,000 unsecured and unrestricted time deposits with maturity of three months and above (31 December 2024: RMB694,752,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

2 Other receivables

Presented by item

	RMB'000	
Category	Closing balance	Opening balance
Dividends receivable	1,780,298	4,887,184
Other receivables	17,772,370	11,216,318
Total	19,552,668	16,103,502

Dividenda by item

	RMB'000	
Item (or investee)	Closing balance	Opening balance
Dividends receivable from subsidiaries	1,780,298	4,887,184
Total	1,780,298	4,887,184

Other receivables

(1) Analysis by aging

	RMB'000	
Ageing	Carrying amount at the end of the period	Opening balance
Within 1 year	16,070,929	10,580,358
1-2 years	1,464,263	617,249
2-3 years	226,403	6,364
Over 3 years	33,207	27,525
Sub-total	17,794,802	11,231,496
Less: Credit loss allowance	(22,432)	(15,178)
Total	17,772,370	11,216,318

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

2 Other receivables (continued)

(2) Other receivables categorized by nature

RMB'000

Nature of other receivables	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Transactions between subsidiaries	17,750,815	11,190,085
Others	21,555	26,233
Total	17,772,370	11,216,318

(3) Top five entities with the largest balances of other receivables

RMB'000

Name of enterprise	Book value at 30 June 2025	Proportion to total closing balance of other receivables (%)	Balance of loss allowance at 30 June 2025
Top 5 Other receivables	15,449,755	86.82	13,669

3 Long-term equity investments

RMB'000

Item	Book value	Closing balance Provision for impairment	Carrying amount	Book value	Opening balance Provision for impairment	Carrying amount
Investments in subsidiaries	109,384,554	–	109,384,554	109,121,244	–	109,121,244
Investments in joint ventures and associates	10,558,286	–	10,558,286	10,380,742	–	10,380,742
Total	119,942,840	–	119,942,840	119,501,986	–	119,501,986

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

3 Long-term equity investments (continued)

(1) Investments in subsidiaries

RMB'000

Investee	Opening balance	Additions during the period	Decrease during the period	Closing balance
CRRC Changchun	11,978,306	36,750	—	12,015,056
CRRC Zhuzhou Institute	13,030,572	—	—	13,030,572
CRRC Zhuzhou Locomotive	5,828,383	—	—	5,828,383
CRRC Tangshan	8,462,469	—	—	8,462,469
CRRC Dalian	6,380,641	—	—	6,380,641
CRRC Qiqihar Group	8,794,071	—	—	8,794,071
CRRC Yangtze River Group	5,716,509	—	—	5,716,509
CRRC Asset Management	3,214,106	—	—	3,214,106
CRRC Qishuyan	2,411,044	—	—	2,411,044
CRRC Qishuyan Institute	2,254,296	—	—	2,254,296
CRRC Capital Management	3,311,188	—	—	3,311,188
CRRC Nanjing Puzhen	5,159,271	—	—	5,159,271
CRRC Hong Kong Capital Management	3,180,486	—	—	3,180,486
CRRC Construction Engineering	845,372	—	—	845,372
CRRC Yongji Electric	3,037,384	—	—	3,037,384
CRRC Sifang Institute	3,628,290	—	—	3,628,290
CRRC Finance	3,348,213	—	—	3,348,213
CRRC Zhuzhou Electric	1,380,977	—	—	1,380,977
CRRC Ziyang	1,061,086	—	—	1,061,086
CRRC Beijing Nankou	727,412	—	—	727,412
CRRC Datong	1,797,207	—	—	1,797,207
CRRC Dalian Institute	1,266,907	—	—	1,266,907
CRRC Logistics	654,196	26,560	—	680,756
CRRC Industrial Institute	250,830	—	—	250,830
CRRC International	2,572,337	—	—	2,572,337
CRRC Information Technology	817,525	—	—	817,525
CRRC Sifang Vehicles	6,547,833	—	—	6,547,833
CRRC Qihang New Energy Technology	480,000	—	—	480,000
CRRC Chongqing Intelligence	80,000	—	—	80,000
Other subsidiaries	904,333	—	—	904,333
CRRC Digital Intelligence Technology	—	200,000	—	200,000
Total	109,121,244	263,310	—	109,384,554

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

3 Long-term equity investments (continued)

(2) Investments in joint ventures and associates

								RMB'000
Name of investee	Opening balance	Additional investment	Decrease in investments	Changes for the year Investment income or loss under equity-method	Adjustments to other comprehensive income	Other equity movements	Cash dividend or profits declared	Closing balance
I. Joint ventures								
Wuhu Yunda	139,902	-	-	-	-	-	-	139,902
Sub-total	139,902	-	-	-	-	-	-	139,902
II. Associates								
China United Insurance	5,429,929	-	-	57,533	(7,134)	-	-	5,480,328
CRRC Financial Leasing	3,999,483	-	-	130,665	-	-	-	4,130,148
Others	811,428	-	-	(4,895)	88	1,287	-	807,908
Sub-total	10,240,840	-	-	183,303	(7,046)	1,287	-	10,418,384
Total	10,380,742	-	-	183,303	(7,046)	1,287	-	10,558,286

4 Other current liabilities

		RMB'000
Item	Closing balance	Opening balance
Super short-term financing bills	8,002,165	-

As at 30 June 2025, the movements of super short-term financing bills are set out in Note V. 38.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

5 Revenue and operating costs

(1) Details of revenue and operating costs

RMB'000

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	–	–	–	–
Other operating activities	103,868	2,023	2,729	2,023
Total	103,868	2,023	2,729	2,023

(2) Disaggregation of revenue from contracts with customers

RMB'000

Contract classification	Rail transit equipment and its extended products and services	Total
Categorised by sales region	–	–
Mainland China	103,868	103,868
Other countries and regions	–	–
Total	103,868	103,868

6 Investment income

RMB'000

Item	January – June 2025	January – June 2024
Income/(losses) from long-term equity investments accounted for using cost method	2,787,377	(136,020)
Income from long-term equity investments accounted for under equity method	183,303	176,634
Total	2,970,680	40,614

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (continued)

7 Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

		RMB'000
Supplementary information	Accrued during the period	Accrued during the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	2,711,606	(189,000)
Credit losses	6,862	1,954
Depreciation of fixed assets	2,592	2,031
Depreciation of right-of-use assets	13,916	11,601
Amortisation of intangible assets	10,812	11,186
Financial expenses	169,106	113,542
Investment income	(2,970,680)	(40,614)
Increase in operating receivables	(60,949)	(49,496)
Increase/(decrease) in operating payables	106,815	(53,247)
Net cash flows generated from operating activities	(9,920)	(192,043)
2. Net changes in cash and cash equivalents		
Closing balance of cash and cash equivalents	1,400,485	1,023,258
Less: Opening balance of cash and cash equivalents	5,704,430	15,718,647
Net decrease in cash and cash equivalents	(4,303,945)	(14,695,389)

(2) Composition of cash and cash equivalents

		RMB'000
Item	Accrued during the period	Accrued during the prior period
I. Cash	1,400,485	5,704,430
Including: Cash on hand	—	—
Bank deposits available for payment at any time	1,400,485	5,704,430
II. Closing balance of cash and cash equivalents	1,400,485	5,704,430

XV. SUPPLEMENTARY INFORMATION

1 Breakdown of non-recurring gain or loss

RMB'000

Item	Amount	Note
Profit or loss on disposal of non-current assets, including offsetting of provision for impairment of assets	16,125	/
Government grants recognised in profit or loss (other than grants which are closely related to the Company's business and are based on defined criteria, and have a continuous impact on the Company's profit or loss in accordance with the national standard)	595,984	/
Changes in fair value of financial assets and liabilities held by non-financial companies, and disposal of financial assets and liabilities, other than those held for effective hedging related to normal operations	107,974	/
One time expenses incurred by the enterprise due to the discontinuance of relevant business activities, such as staff compensation cost	(8,552)	/
Net profit or loss of the subsidiary from the beginning of the period to the merger date generated by the business combination under common control	52	/
Other profit and loss items that meet the definition of non recurring profit and loss	72,838	/
Other non-operating income and expenses besides items above	45,176	/
Tax effect	(118,630)	/
Effects attributable to minority interests	(126,322)	/
Total	584,645	/

Reason for defining items as non-recurring gain or loss items according to Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.1 – Non-recurring Gain or Loss, and reasons for defining non-recurring gain or loss items illustrated in information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 – Non-recurring Gain or Loss as recurring gain or loss items should be specified.

2 Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary equity shareholders	4.20%	0.25	0.25
Net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	3.87%	0.23	0.23

DEFINITIONS

CNR	former China CNR Corporation Limited (中國北車股份有限公司)
CNRG	former China Northern Locomotive & Rolling Stock Industry (Group) Corporation (中國北方機車車輛工業集團公司)
Corporate Governance Code	Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
CRRC or Company	CRRC Corporation Limited (中國中車股份有限公司)
CRRC Changchun	CRRC Changchun Railway Vehicles Co., Ltd. (中車長春軌道客車股份有限公司)
CRRC Finance	CRRC Finance Co., Ltd. (中車財務有限公司)
CRRCG or CRRC GROUP	CRRC GROUP Co., Ltd. (中國中車集團有限公司)
CRRC Sifang	CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)
CRRC ZELC	CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)
CRRC ZIC	CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)
CSR	former CSR Corporation Limited (中國南車股份有限公司)
CSR and CNR	CSR and CNR
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
CSRG	former CSR Group (中國南車集團公司)
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
MOF	the Ministry of Finance of the PRC
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
SASAC	State-owned Asset Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)

SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SSE	Shanghai Stock Exchange
State Railway Group	China State Railway Group Co., Ltd. (中國國家鐵路集團有限公司)
Stock Exchange	The Stock Exchange of Hong Kong Limited
CRRC Zhicheng	CRRC Zhicheng Culture Technology (Beijing) Co., Ltd (中車智程文化科技(北京)有限公司)
Times Electric	Zhuzhou CRRC Times Electric Co., Ltd. (株洲中車時代電氣股份有限公司)