



# 京投轨道交通科技控股有限公司

BII RAILWAY TRANSPORTATION TECHNOLOGY HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1522

# 2025 ANNUAL REPORT

NAVIGATING  
2025

## Sustainable Development



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Liu Yu (*Chief Executive Officer*)

Ms. Zhao Jingyuan

### Non-Executive Directors

Mr. Ren Yuhang (*Chairman*)

Mr. Wang Daomin

Mr. Li Zheng

Mr. Cao Mingda

### Independent Non-Executive Directors

Mr. Luo Zhenbang (*CPA*)

Mr. Huang Lixin

Ms. Ng Wing Yan Claudia

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

Mr. Liu Yu

Ms. Ng Ka Man

## COMPANY SECRETARY

Ms. Ng Ka Man

Mr. Liu Yefei

## AUDIT COMMITTEE

Mr. Luo Zhenbang (*CPA*) (*Chairman*)

Mr. Huang Lixin

Ms. Ng Wing Yan Claudia

## REMUNERATION COMMITTEE

Ms. Ng Wing Yan Claudia (*Chairman*)

Mr. Ren Yuhang

Mr. Huang Lixin

## NOMINATION COMMITTEE

Mr. Ren Yuhang (*Chairman*)

Mr. Huang Lixin

Ms. Ng Wing Yan Claudia

## ESG COMMITTEE

Mr. Ren Yuhang (*Chairman*)

Mr. Liu Yu

Mr. Luo Zhenbang (*CPA*)

## AUDITORS

Baker Tilly Hong Kong Limited

*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*

## LEGAL ADVISERS TO THE COMPANY

Chiu & Partners

## PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

## REGISTERED OFFICE

Harneys Fiduciary (Cayman) Limited

4th Floor, Harbour Place,

103 South Church Street,

P.O. Box 10240,

Grand Cayman KY1-1002,

Cayman Islands

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

Tower 2, Fusheng Building, No. 4 Huixin East Street,

Chaoyang District, Beijing, China

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rm 2502, 25/F, Tower 1,

Enterprise Square Five,

38 Wang Chiu Road,

Kowloon Bay, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Harneys Fiduciary (Cayman) Limited

4th Floor, Harbour Place,

103 South Church Street,

P.O. Box 10240,

Grand Cayman KY1-1002,

Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

## WEBSITE

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

## STOCK CODE

1522

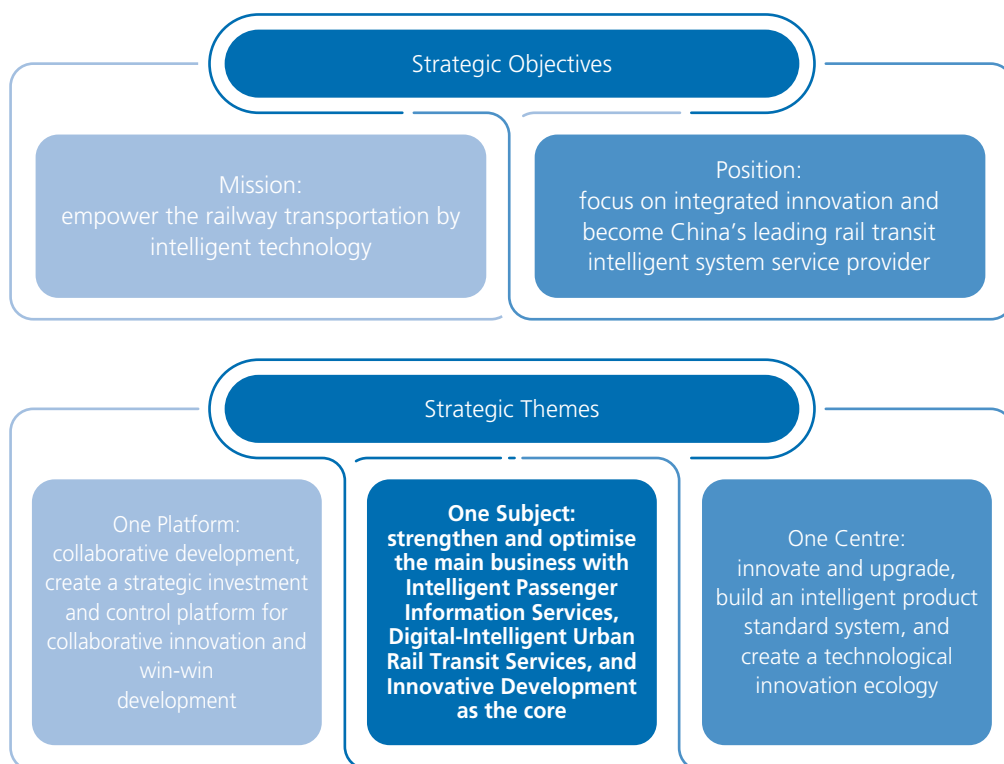
# COMPANY OVERVIEW

## COMPANY INTRODUCTION

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

The Group’s mission is to empower railway transportation with intelligent technology and integrated innovation and it aims to become China’s leading intelligent rail transit system service provider”, by building a technological ecosystem which provides system solutions throughout the life cycle for rail transit development, as well as a world-class intelligent rail transit leader.

<b>Intelligent Passenger Information Services Business</b>	The intelligent passenger information services business primarily focuses on passenger mobility scenarios covering areas such as high-speed railways, intercity railways, suburban railways, and metro. Its main products include integrated PIS, on-board integrated cloud-based platform, comprehensive monitoring and other hardware and software products and solutions.
<b>Digital-Intelligent Urban Rail Transit Services Business</b>	The digital-intelligent urban rail transit services business primarily serves subway owners and operators, focusing on scenarios such as the construction and operation of railway transportation. The business scope encompasses Automatic Fare Collection System (AFC), Traffic Control Centre or Centralised Operation Control Centre (TCC, COCC), weak current and communication system integration services, as well as intelligent software and hardware products and services such as cloud platforms for railways and big data solutions for urban railways.
<b>Innovative Development Business</b>	Building on the civil communication and “intelligent+” businesses and with an aim to provide a one-stop intelligent infrastructure services for global clients, the innovative development business will leverage its current Hong Kong international business gateway to explore the innovative incremental business through engineering support, technical services and so on.



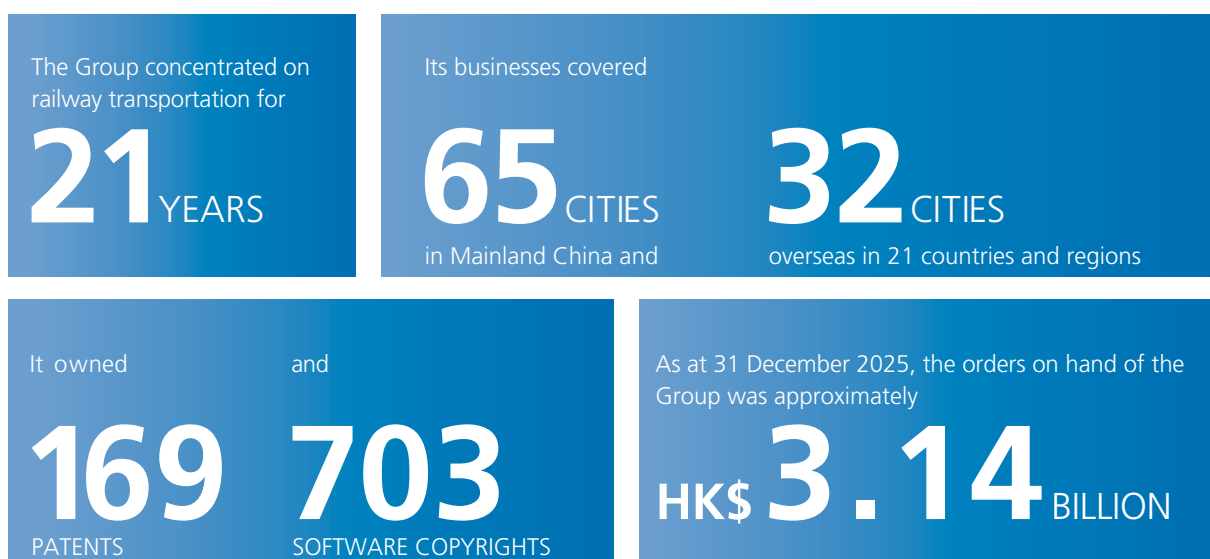
## Company Overview (continued)

### MARKET STRATEGY

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

As at 31 December 2025, the Group's businesses covered 65 cities in 28 provinces, municipalities, autonomous regions and special administrative regions in China, where it provided products and services, including Intelligent Passenger Information Services, Digital-Intelligent Urban Rail Transit Services Business, and Intelligent Infrastructure. As for overseas market, it has expanded into 32 cities in 21 overseas countries and regions.

### SUMMARY WITH FIGURES



### AWARDS AND QUALIFICATIONS IN 2025



**First Prize of Science and Technology Progress Award, China Association of Urban Rail Transit**



**First Prize of Science and Technology Award, China Communications and Transportation Association**



**Second Prize of Beijing Science and Technology Progress Award**



**First Prize of Science and Technology Progress Award of Beijing Rail Transit Society**



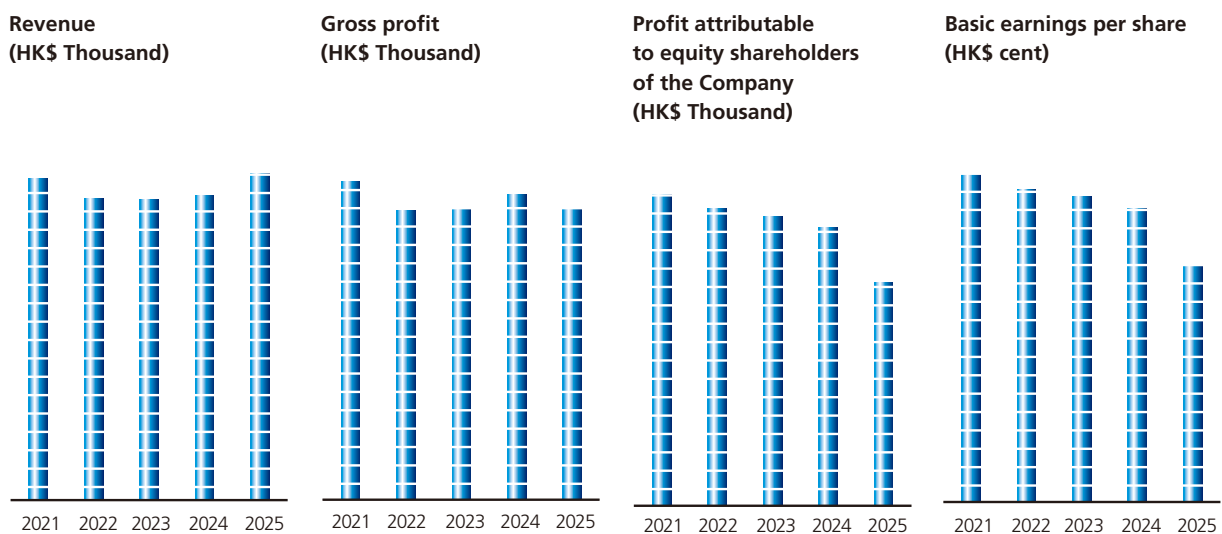
**Jiangsu Provincial Advanced Intelligent Factory**

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

	2025	For the year ended 31 December			
		2024	2023	2022	2021
<b>Key profit or loss items (HK\$ Thousand)</b>					
Revenue	<b>1,775,748</b>	1,656,773	1,637,181	1,638,948	1,749,210
Gross profit	<b>593,538</b>	619,687	591,007	586,299	647,526
Earnings before interest, taxes, depreciation and amortization	<b>257,914</b>	277,413	300,859	307,322	318,475
Profit attributable to equity shareholders of the Company	<b>133,974</b>	167,604	174,313	179,252	187,535

	2025	As at 31 December			
		2024	2023	2022	2021
<b>Key statement of financial position items (HK\$ Thousand)</b>					
Non-current assets	<b>1,543,826</b>	1,599,956	1,586,428	1,561,167	1,582,939
Current assets	<b>3,533,909</b>	3,233,160	2,922,255	2,842,593	2,833,723
Total assets	<b>5,077,735</b>	4,833,116	4,508,683	4,403,760	4,416,662
Total liabilities	<b>1,970,575</b>	1,892,173	1,629,834	1,753,967	1,644,768
Equity attributable to equity shareholders of the Company	<b>2,930,091</b>	2,775,601	2,707,818	2,573,415	2,660,160

Financial year	2025	2024	2023	2022	2021
<b>Return to shareholders</b>					
Earnings per share					
– Basic (HK\$ cent)	<b>6.4</b>	8.0	8.3	8.5	8.9
– Diluted (HK\$ cent)	<b>6.4</b>	8.0	8.3	8.5	8.9
Dividend per share (HK\$ cent)	<b>2.0</b>	2.4	2.5	2.6	2.7
Net assets per share (HK\$)	<b>1.5</b>	1.4	1.4	1.3	1.3



Note: HK\$/RMB average exchange rate for 2025 was approximately 0.9153 and for 2024 was approximately 0.9122 respectively, representing an increase of approximately 0.3%.

# CHAIRMAN'S STATEMENT



**Maintain strategic adherence  
Strengthen innovative drivers  
Achieve steady and  
long lasting progress**

**Mr. Ren Yuhang**  
*Chairman*

Dear Shareholders, partners and colleagues,

On behalf of the Board of Directors, I am pleased to present the annual results of the Group for FY2025.

Despite a challenging year marked by slowing industry growth and structural shifts in rail transportation, we remained steadfast in our strategic vision. By prioritizing smart, international development and leveraging technological innovation as our core engine, we have successfully integrated cutting-edge solutions across our operations. Aligning with national strategies and the surge in AI-led innovation, we achieved steady revenue growth and reinforced our market leadership, layering a solid foundation towards the "15th Five-Year-Plan". In the future, we will continuously strengthen our core competitiveness and strive to be a leading intelligent rail service provider in China, fueling the next generation of high-quality industry growth.

### STRATEGIC DEVELOPMENT

The railway transportation industry is at a pivotal crossroads, driven by digital upgrading, green transformation, and independent innovation. Embracing these shifts, the Group remains committed to our core philosophy “business-oriented growth, innovation-driven development and efficient management”, fulfilling the mission of empowering railway transportation with intelligent technology. We continued to advance the “3+2” business framework: focusing on enhancing quality and efficiency improvements in the three core businesses of intelligent passenger information services, digital-intelligence urban rail services business, and innovative development. Simultaneously, we are strengthening our R&D and capital management to serve as vital support platforms. By embedding AI across all operational scenarios, we are ensuring the effective execution of our strategic initiatives and driving high-quality growth.

Under the Board's strategic guidance, the Group's focus on core sectors and innovative practices has demonstrated remarkable business resilience. Our Intelligent Passenger Information Services (PIS) maintained its domestic market leadership for the tenth consecutive year. Internationally, we successfully entered the Moroccan market, further expanding our global footprint. Simultaneously, our digital-intelligence urban rail services accelerated their national expansion by adding several key city nodes. By leveraging a intelligent urban rail data middle-platform powered by big data and cloud computing, we transformed data into tangible value and strengthened our brand reach. Our innovative development business also navigated policy changes through a proactive transformation – upgrading traditional civil communications and securing new orders in edge computing to optimize our business structure. Furthermore, R&D breakthroughs and the rapid deployment of AI products, with a focus on identifying business needs, have driven efficiency and cost

reductions across all rail scenarios. Our capital operations proceeded steadily; by divesting non-core assets and optimizing our investment portfolio, we sharpened our focus on primary business lines, enhanced the efficiency of capital allocation and solidified the foundation of capital and resources for high-quality development. Ultimately, in 2025, the Group's diligent execution of the Board's strategy consolidated our core operations, advanced its emerging initiatives in an orderly manner and sustained our innovation momentum, delivering a robust operational performance.

### CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Group remains steadfast in its philosophy of ‘Empowering with Technology, Committing with Responsibility’. We integrate social responsibility into our core operations, ensuring strict compliance with the Listing Rules of the Stock Exchange and all relevant governance codes. By aligning with key regulatory priorities – specifically Board effectiveness and the climate risk disclosure requirements – we continue to generate sustainable and long-term value for our shareholders, customers, employees, and society at large.

During the year 2025, the Group proactively adopted the Stock Exchange's 2025 enhanced corporate governance and ESG standards. We successfully implemented critical governance updates, including mandatory Director training, a hard cap on the tenure of Independent Non-Executive Directors (INEDs) and Board diversity, which advanced the standardization of the Board, completed the changes in Board members, and strengthened the Directors' ability to perform duties in an orderly manner. Furthermore, by adhering to timely information disclosure, we have improved the management of related-parties transaction and inside information, and continuously optimizing our governance structure and enhancing the effectiveness of Directors' performance. We have solidified the Board's central role in “Setting strategies, Making decisions, Mitigating risks”.

## Chairman's Statement (continued)

The Group has diligently pursued six medium- and long-term ESG objectives, leveraging a robust three-tier governance structure comprising the Board of Directors, the ESG Committee, and the ESG Working Group. We are in full compliance with the new HKEX ESG Reporting Code, which mandates the disclosure of Scope 1 and Scope 2 greenhouse gas (GHG) emissions. Furthermore, we have aligned our reporting with ISSB standards (IFRS S2) by clearly defining our Scope 3 emission boundaries, providing a data-driven foundation for our sustainability efforts. Adhering to the highest ethical standards, the Group seamlessly integrates core ESG concepts – including low-carbon protection, innovation-led development, and workplace safety – into our primary business lines. We prioritize rigorous quality control, the protection of employee rights, and impactful social welfare initiatives. Our commitment to excellence was recognized in 2025 when our ESG report, prepared under Board guidance, earned a four-and-a-half-star rating in the 'Beijing State-controlled Listed Companies ESG Pioneer 30 Index'. Ranking among the top performers for three consecutive years, this accolade reflects our growing prestige and leadership in sustainable development.

### RESULTS AND DIVIDENDS

In 2025, the Group recorded revenue of approximately HK\$1,775.7 million and profit attributable to equity shareholders of approximately HK\$134.0 million. The Board recommended the payment of a dividend of HK\$0.02 per share for FY2025, amounting to approximately HK\$41.9 million in total, with a dividend payout ratio of 31.3%, subject to the approval at the 2026 AGM. The Group has declared cash dividends for the ninth consecutive year, fulfilling its commitment to sharing the development results of the Company with its Shareholders.

### PROSPECTS

The year 2026 serves as the inaugural chapter of the "15th Five-Year Plan", signaling a pivotal transition for the railway transportation industry from rapid network expansion to quality-driven stock enhancement. The Board of Directors will continue to lead the Group in remaining true to its original mission of "empowering railway transportation development with intelligent technology" and upholding its strategic position of "focusing on integrated innovation to become a leading domestic intelligent system service provider for railway transportation". We will closely follow the industry's development trends of digital and intelligent upgrading, green transformation, and independent innovation. By maintaining strategic focus and deepening our commitment to core tracks, we strive to steadily enhance operational quality and innovation efficiency. We are committed to delivering higher quality products and solutions to customers and communities, creating stable, sustainable investment returns and long-term value for all Shareholders.

### APPRECIATION

On behalf of the Board of Directors, I would like to extend my most sincere gratitude to all employees and the management team for their professionalism, diligence and enterprise, and for their unwavering commitment to excellence and continuous improvement over the past year. I would also like to express my heartfelt thanks to our valued customers, business partners, friends from all walks of life, as well as our shareholders and investors for their long-term trust and support of the Company's development.

We pursue truth-driven innovation and ambitious goals to jointly build a win-win and smart future.

# MANAGEMENT DISCUSSION AND ANALYSIS



**Mr. Liu Yu**  
*Chief Executive Officer*

## MARKET AND BUSINESS ENVIRONMENT

The Group focuses on railway transportation and intelligent infrastructure, leveraging intelligent technology to drive industry development. As the Group's primary source of revenue, the development trend of the railway transportation industry is closely linked to the Group's business environment.

In 2025, the railway transportation industry in Chinese Mainland continued to grow under high-quality development guidelines, despite a slowdown in growth rates. In the domestic railway sector, according to data from the China National Railway Group, national railway fixed-asset investment reached approximately RMB901.5 billion, representing a year-on-year increase of approximately 6.0%. Aggregate passenger trips by railway in Chinese Mainland was approximately 4.26 billion, representing an increase of approximately 4.2% as compared to the same period last year. In the urban rail sector, data from the China Association of Metros indicates that 24 cities in Chinese Mainland inaugurated new lines, new sections or extensions in 2025, contributing 910.80 kilometres of operational mileage. According to preliminary estimates, total passenger volume of all-format urban rail transit systems will reach a new peak of over 34.0 billion in 2025.

## Management Discussion and Analysis (continued)

Against a backdrop of slowing industry growth, the policy environment and market landscapes in which the Group operates are undergoing profound shifts. In 2025, urban rail construction approvals continued to tighten, with quantitative assessment indicators comprehensively refined, shifting the industry's focus from rapid expansion by construction to enhancement of existing rail lines. In specific sub-sectors, policy shifts have pressured profit margins in the Group's metro civil communications business; on the other hand, market orders are increasingly shifting towards integrated and intelligent solutions, and the demand from various project owners for integrated intelligent solutions continues to rise. This shift is accelerating a restructuring of the industry's competitive landscape. Driven by both regulatory changes and market demand, the next growth phase will be fueled by the renovation and efficiency enhancement of existing rail systems, with a strategic focus on intelligence, green-application, and autonomy. To navigate these structural transitions, the Group will prioritize stability while sharpening core capabilities – fortifying its current market position while pioneering new avenues for sustainable growth.

### BUSINESS OVERVIEW

In 2025, facing the complex situation of slowing growth and structural adjustment in the railway transportation industry, as well as the operational pressure from targeted policies in areas such as civil communications, the Group leveraged its potential to ensure operational stability. In 2025, the Group recorded revenue of approximately HK\$1,775.7 million, representing a year-on-year increase of approximately 7.2%. Gross profit margin was approximately 33.4%, representing a year-on-year decrease of approximately 4 percentage points. Profit attributable to equity shareholders amounted to approximately HK\$134.0 million, representing a year-on-year decrease of approximately 20.1%.

During the Period, in order to further optimise the strategy and expand future business growth points, the Group integrated BII Transit Systems (HK) Co., Ltd (京投交通科技(香港)有限公司) (“BII-TSHK”) with its international business and the intelligent infrastructure business segment to form the “Innovative Development Business segment”. In addition, to further promote and reflect the in-depth application of big data, artificial intelligence, and large language model in the rail transit industry, the original “Data and Integration Services Business segment” was renamed to the “Digital-Intelligence Urban Rail Services Business segment”.

In 2025, the Group insisted on its market strategy of “relying on Beijing and Hong Kong, stepping up its presence nationwide, and exploring international markets”, and continued to intensify its expansion efforts in various market segments. Domestically, benefiting from the rapid development of new businesses such as cryptographic evaluation, the business presence was expanded to 10 new cities, including Guiyang, Guizhou and Shijiazhuang, Hebei. Internationally, the Group entered the Moroccan market for the first time, continuously expanding its market footprint. To date, the Group's business covers 65 cities in the Chinese Mainland and 32 cities in 21 overseas countries and regions. As of the end of 2025, the Group's orders on hand amounted to approximately HK\$3.14 billion, remaining basically stable as compared with the same period last year.

### FINANCIAL REVIEW

#### Revenue

The Group recorded revenue of approximately HK\$1,775.7 million in FY2025, representing a year-on-year increase of approximately 7.2%. Revenue was mainly derived from the three core businesses: intelligent passenger information services business, digital-intelligence urban rail services business and innovative development business, which amounted to approximately HK\$765.7 million, HK\$688.6 million and HK\$321.5 million respectively, accounting for approximately 43.1%, 38.8% and 18.1%, respectively.

## Management Discussion and Analysis (continued)

Revenue derived from the intelligent passenger information services business during the Period was approximately HK\$765.7 million, representing a year-on-year increase of approximately HK\$31.3 million (on a consistent business classification basis) or approximately 4.3%. The revenue increase was mainly due to the Rail Transit Line 22 (Pinggu Line) integrated monitoring project reaching the delivery stage. This alignment with the project's implementation cycle led to higher revenue as compared with the same period last year.

Revenue derived from the digital-intelligence urban rail services business during the Period was approximately HK\$688.6 million, representing a year-on-year increase of approximately HK\$173.0 million or approximately 33.5%. This was mainly due to the concentrated revenue recognition for key projects, including the Dongguan Urban Rail Transit Line 1 Phase I project and Line 13 capacity expansion and enhancement project, with a larger number of projects reaching the revenue recognition stage during the Period.

Revenue derived from the innovative development business for the Period was approximately HK\$321.5 million, representing a decrease of approximately HK\$85.3 million (on a consistent business classification basis) or approximately 21.0% as compared with the same period last year. This performance was largely impacted by regulated fee reductions in the civil communication sector that took effect during the Period.

By geographical region, the Group mainly operates its businesses in Chinese Mainland. In FY2025, the Group recorded revenue of approximately HK\$1,705.8 million in Chinese Mainland, representing an increase of approximately HK\$109.6 million or approximately 6.9% compared to the same period last year. This was driven by a higher volume of project completions aligned with their respective implementation cycles during the Period as compared with the same period last year. The Group recorded revenue of approximately HK\$30.3 million from the Hong Kong market during the Period, representing an increase of approximately HK\$4.9 million or approximately 19.4% compared to the same period last year, primarily contributed by projects related to Hong Kong's public transport concession scheme and system upgrade projects. The Group recorded revenue of approximately HK\$39.6 million from the overseas market during the Period, representing an increase of approximately 12.5% as compared with the same period last year. In addition, based on project location classification, overseas projects recorded revenue of approximately HK\$63.4 million, representing an increase of approximately HK\$12.2 million or approximately 23.8% as compared with the same period last year. The growth in overseas market was primarily attributable to projects such as the Delhi Metro in India, reaching the revenue recognition stage during the Period.

### Cost of sales and gross profit

The Group's cost of sales for FY2025 amounted to approximately HK\$1,182.2 million, representing an increase of approximately HK\$145.1 million or approximately 14.0% as compared with the same period last year. The Group's gross profit was approximately HK\$593.5 million, representing a decrease of approximately HK\$26.1 million or approximately 4.2% compared to the same period last year. This was mainly due to the faster growth in revenue from integrated projects, which carry lower gross profit margins, coupled with a decrease in revenue from the civil communication business, which carries higher gross profit margins, and changes in product revenue structure, resulting in an overall increase in costs and a decline in gross profit during the Period.

### Selling, general and administrative expenses

The Group's selling, general and administrative expenses for FY2025 amounted to approximately HK\$266.4 million which remained stable as compared to the same period last year.

## Management Discussion and Analysis (continued)

### Impairment losses under expected credit loss (“ECL”) model

The Group’s impairment losses under the ECL model represent the impairment provision made by the Group in accordance with the ECL rates prescribed by IFRS 9 for its trade receivables and contract assets.

For the year 2025, the Group’s impairment loss under the ECL model was approximately HK\$11.4 million (2024: HK\$13.4 million).

As at the date of this report, trade receivables and contract assets of approximately HK\$226.9 million as at 31 December 2025 have been subsequently settled. Based on the historical loss experience and the sound financial background of the customers, management assessed that the expected credit loss allowances recognised as at 31 December 2025 were adequate.

### Research and development (“R&D”) expenses

For FY2025, the Group’s R&D expenses amounted to approximately HK\$166.7 million, representing an increase of approximately HK\$7.1 million or approximately 4.5% compared with the same period last year. This was mainly due to intensified investment in fundamental research and innovative product development, alongside a strategic expansion into AI technologies during the year.

### Share of results of joint ventures and associates

The Group’s investment income for FY2025 was approximately HK\$23.9 million, representing an increase of approximately HK\$2.1 million or approximately 9.4% compared to the same period last year, mainly due to the improved performance of some joint ventures and associates during the Period.

### Gains or losses on changes in fair value of other financial assets

The Group recorded losses on changes in fair value of approximately HK\$9.3 million for FY2025. The change was mainly due to changes in the fair value of the Group’s other financial assets, Youdao Technology and Cornerstone Huiying.

### Profit attributable to equity shareholders of the Group

The profit attributable to equity shareholders of the Group was approximately HK\$134.0 million in FY2025, representing a year-on-year decrease of approximately 20.1%. Earnings per share was HK\$0.064, representing a year-on-year decrease of approximately 20.1%.

### Liquidity, financial and capital resources

#### Capital structure

As at 31 December 2025, the Group’s issued share capital consisted of 2,097,146,727 ordinary shares of HK\$0.01 each (31 December 2024: 2,097,146,727 ordinary shares of HK\$0.01 each).

#### Cash position

As at 31 December 2025, the Group’s cash and bank balances were approximately HK\$820.6 million (31 December 2024: approximately HK\$761.2 million). The increase was mainly due to the increase in net cash flows from operating activities of the Group during the Period.

## Management Discussion and Analysis (continued)

### **Borrowings and pledged assets of the Group**

As at 31 December 2025, the Group's borrowings were approximately HK\$310.1 million (2024: approximately HK\$384.8 million), of which HK\$165 million was derived from the borrowing from a subsidiary of BII, the Company's ultimate holding company, and the remaining was bank and other borrowings of approximately HK\$145.1 million.

In respect of the Group's borrowings of HK\$165 million, as at 31 December 2025, the rights and interests in 20% of the issued share capital of Great Legend Development Limited, a wholly-owned subsidiary of the Group, held by the Company were charged in favour of a subsidiary of the ultimate holding company of the Company.

### **Working capital and debt-to-asset ratio**

As at 31 December 2025, the Group had current assets of approximately HK\$3,533.9 million (31 December 2024: approximately HK\$3,233.2 million), while its current liabilities were approximately HK\$1,748.1 million (31 December 2024: approximately HK\$1,575.8 million), resulting in net current assets of approximately HK\$1,785.8 million (31 December 2024: approximately HK\$1,657.4 million). As at 31 December 2025, the current ratio, calculated based on current assets divided by current liabilities, was approximately 2.0 (31 December 2024: approximately 2.1).

Gearing ratio is calculated based on total debts at the end of a period divided by total assets at the end of such period multiplied by 100%. As at 31 December 2025, the Group's gearing ratio was 38.8% (31 December 2024: 39.2%).

### **Foreign exchange exposure**

The Group has six main operating subsidiaries, with one established in Hong Kong and the remaining five registered in the Chinese Mainland. All of these subsidiaries earn revenue and incur cost in their local currencies. The Directors consider that the impact of foreign exchange exposure on the Group is minimal.

The Group currently does not engage in any hedging activities designated or intended to manage foreign exchange rate risk. Therefore, the Group will closely monitor the exchange rate risk and interest rate risk concerned, actively explore foreign exchange hedging options with major banks and use financial instruments to hedge against such risks when necessary.

### **Contingent liabilities**

As at 31 December 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

## **BUSINESS ANALYSIS BY SEGMENT**

In 2025, the Group focused on its "3+2" strategic framework, vigorously pursuing market expansion and project implementation, and consolidating the foundation of its three core businesses: intelligent passenger information services business, digital-intelligence urban rail services business, and innovative development business. At the same time, it optimised resource allocation through capital operations, empowered business upgrades and efficiency improvements with AI-driven R&D, continuously enhanced its market competitiveness and service levels, and achieved a high-quality conclusion to the "14th Five-Year Plan".

### **Intelligent Passenger Information Services Business**

The intelligent passenger information services business primarily focuses on passenger mobility scenarios including high-speed, intercity, suburban and metro rail systems. Its main products include integrated PIS, on-board integrated cloud-based platform, comprehensive monitoring and other hardware and software products and solutions.

## Management Discussion and Analysis (continued)

Revenue derived from the intelligent passenger information services business during the Period was approximately HK\$765.7 million, representing a year-on-year increase of approximately HK\$31.3 million or approximately 4.3%. Gross profit was approximately HK\$322.8 million, representing a year-on-year increase of approximately 4.6%. Gross profit margin was approximately 42.2% which remained basically stable as compared to last year.

During the Period, the Group strengthened its position in the domestic railway transportation market leveraging its core competitive advantages. Notably, its on-board PIS system maintained the top in domestic market share for the tenth consecutive year. During the Period, the Group successfully signed the comprehensive monitoring system integration and PIS system project for Beijing Metro Line 22, with a total amount of approximately RMB81.10 million. The project will feature on-board edge cloud technology, enabling real-time monitoring of vehicle operating status and passenger behaviour, as well as automatic reporting of abnormal information, which significantly improves safety and emergency response efficiency. Meanwhile, the Group secured its first integrated monitoring project outside Beijing – the comprehensive monitoring system project for Urumqi Metro Line 2, with a contract value of approximately RMB29.16 million, further deepening the regional market layout of its business. In addition, the Group actively explored data security, expanding its commercial cryptographic evaluation services business to nine additional cities, achieving positive results in business extension and scenario expansion.

In the overseas markets, the Group made steady advancement in global market development. During the Period, the Group successfully entered the Moroccan market, securing the on-board PIS system project for electric multiple units (EMU) in Morocco with a contract value of approximately RMB17.89 million. In existing markets such as Brazil, Malaysia, and India, the Group successively won new orders, including an EMU on-board PIS project in Brazil with a contract value of approximately RMB59.29 million, further consolidating its business presence in regional markets such as Southeast Asia and South America.

In 2025, the Group focused on the R&D of core technologies and the deployment of scenario-based solutions, playing a key role in domestic rail transit development. The Group supported the successful launch of over ten new lines in cities including Beijing, Shenzhen, Jinan, Chengdu, Dongguan, and Xuzhou. Customised intelligent railway transportation solutions were created for different line operation characteristics and scenario needs: a dedicated on-board passenger information system was developed for Jinan's first tram line across the Yellow River, the Jiyang Line, featuring special optimisations for functions like anti-fatigue driving alerts; a new on-board PIS system was configured for Shenzhen Line 13, creating intelligent services such as bilingual displays tailored for cross-border travel; and a fully integrated on-board and platform PIS solution in the region debuted on Chengdu Line 30, achieving seamless data synchronisation between ground and vehicle systems. These projects underscore the Group's technical capability and adaptability in the intelligent rail sector.

### Digital-Intelligence Urban Rail Services Business

The digital-intelligence urban rail services business primarily serves the metro owners and operators, focusing on scenarios such as the construction and operation of railway transportation. Its scope encompasses Automatic Fare Collection System (AFC), Traffic Control Centre or Centralised Operation Control Centre (TCC, COCC), low-voltage and communication system integration services. The business provides intelligent software and hardware products and services such as cloud platforms for railways and big data solutions for urban railways.

## Management Discussion and Analysis (continued)

Revenue derived from the digital-intelligence urban rail services business during the Period was approximately HK\$688.6 million, representing a year-on-year increase of approximately HK\$173.0 million or approximately 33.5%. Gross profit reached approximately HK\$127.4 million, representing a year-on-year increase of approximately 25.0%. Gross profit margin was approximately 18.5%, representing a year-on-year decrease of approximately 1.3 percentage points.

In 2025, the Group strengthened its market-leading position, ranking among the top ten in domestic AFC market share for the third consecutive year. During the Period, the Group successively secured several key projects. In terms of communication integration, the Group secured the communication and AFC equipment integrated procurement project for Urumqi Metro Line 2 Phase I project, with a contract value of approximately RMB170 million, marking the first implementation of autonomous sub-system procurement and supplier management model for communication integration projects outside Beijing. In terms of command and control, the Group successfully secured two projects, namely the capacity expansion and enhancement project of Beijing Metro Line 13 and the integration of Beijing Metro Line 6 Phase II (Southern Extension) into the control centre, with a total contract value of approximately RMB34.78 million, integrating multi-disciplinary systems including Automatic Train Supervision and Integrated Supervision and Control System to ensure the smooth integration of newly adjusted lines into the control centre. In terms of intelligent operation and maintenance, during the Period, the Group consecutively won projects including the underground structure safety assurance and control platform, the expansion and upgrade of the subway intelligent operation and maintenance platform, and the commercial complex intelligent integrated management platform. By leveraging its core technology architecture of “data governance + IoT perception + rule engine + digital twin”, and integrating the application of big data and AI large models, the Group has consistently enhanced operational efficiency while reducing operating costs.

In 2025, multiple digital and intelligent urban railway service projects of the Group were successfully implemented, continuously empowering the intelligent upgrading of various urban railway transportation lines: it facilitated the opening of Beijing Metro Line 18, completing the integrated delivery of multiple professional systems such as AFC and communications. It also facilitated the simultaneous commissioning of Jinan Metro Lines 4, 6, and 8, successfully delivering a data sharing platform that aggregates data from multi-standard lines across the entire network, providing core support for intelligent dispatching. Furthermore, the clearing system for Dongguan Metro Line 1, was successfully implemented and established a critical link with existing Line 2, transitioning the city to a multi-line network. These projects have further solidified the Group’s expertise in digital and intelligent rail technologies.

### Innovative Development Business

Building on the civil communication and “intelligent+” businesses and with an aim to provide a one-stop intelligent infrastructure services for global clients, the innovative development business will leverage its current Hong Kong international business gateway to explore the innovative incremental business through engineering support, technical services and so on.

Revenue derived from the innovative development business during the Period was approximately HK\$321.5 million, representing a year-on-year decrease of approximately HK\$85.3 million or approximately 21.0%. Gross profit was approximately HK\$143.3 million, representing a year-on-year decrease of approximately 31.5%. Gross profit margin was approximately 44.6%, representing a year-on-year decrease of approximately 6.8 percentage points. The decrease in revenue was mainly due to the implementation of the fee reduction policy for the civil communication business, which was reflected during the Period.

## Management Discussion and Analysis (continued)

During the Period, the Group was notified of significant policy changes governing the civil communication business, which will reduce and gradually abolish the operators' usage fees for the civil communications transmission systems. Meanwhile, the Group will no longer be responsible for the investment and construction costs for civil communication in future lines. Against this backdrop, the Group, on the one hand, ensured the stable operation of existing civil communication line facilities and successfully completed the construction of supporting civil communication equipment and facilities for Beijing Metro Line 18, the middle section of Beijing Metro Line 17, and the south extension of Line 6. On the other hand, the Group accelerated its strategic transition into high-growth sub-sectors such as metro edge cloud, securing the Beijing Integrated Intelligent Network Services Project with a contract value of approximately RMB56.52 million. Going forward, the Group will deepen its exploration of computing power services, the Internet of Things, and park dedicated lines, actively responding to policy risks with a diversified business presence, thereby consolidating the foundation for the long-term development of the civil communication business.

During the Period, the Group's "intelligent+" business made steady progress in several key projects including the city's sub-centre hub and the new airport expressway. During the Period, leveraging the BII Park operation and maintenance project, the Group successfully secured three BII Park renewal and renovation projects, achieving breakthrough expansion in key products and technologies. Meanwhile, the Group's self-developed smart fire protection management platform was implemented in the Beijing Sub-centre transportation hub project. By integrating data from various fire protection subsystems, video surveillance systems, and environmental monitoring systems, the platform provides auxiliary decision-making analysis for fire prevention and control, ensuring early detection and timely interruption of risks, thereby effectively safeguarding life and property.

In addition, leveraging its overseas resource advantages, the Group accelerated the development of BII-TSHK, its international business gateway. During the Period, through actively engaging with potential customers and cooperation resources, the Group achieved an initial breakthrough in expanding into the overseas technology service market, laying a foundation for subsequent layout and expansion.

### Investments Management

In 2025, the Group focused on optimising its investment portfolio and ecosystem by enhancement its post-investment management through 'streamlined policies and precise empowerment.' By implementing a dynamic monitoring mechanism, the Group gained insights into portfolio company operations, prioritising strategic synergy and resource integration. At the same time, by dynamically optimising its portfolio and disposing of non-core assets, the Group further prioritised its primary business tracks. This shift improved capital allocation efficiency and supported the long-term sustainability of its industrial network.

To strengthen its strategic focus, the Group disposed of 49% equity interest in Beijing Metro Science and Technology Development Co., Ltd.\* (北京地鐵科技發展有限公司) ("Metro Technology") to Beijing Subway Operation Co., Ltd. (北京市地鐵運營有限公司) ("Beijing Subway") by way of public tender on the China Beijing Equity Exchange in the first half of the year. As at the date of this report, the Group no longer holds any equity interest in Metro Technology. Please refer to the announcements of the Company dated 13 February 2025 and 27 March 2025 for details.

The primary operating performance of companies in which the Group invested during the Period is as follows:

- Capital Metro continued to provide operation and management services for the Beijing Subway Capital Airport Express and Shaoxing Metro Line 1 (including Hangzhou-Shaoxing section), and continuously improved the operational service quality of the lines under its jurisdiction by optimizing and adjusting the line maintenance and repair models. During the Period, the passenger traffic on the Capital Airport Express increased compared to last year, contributing to a steady growth in both operating revenue and net profit of Capital Metro, bringing sound investment income to the Group;

## Management Discussion and Analysis (continued)

- SmartTOD Technology focused on its two core businesses of intelligent hubs and the dual-intelligence private network, steadily advancing the sub-centre hub project. The platform application system was fully launched, supporting the on-schedule opening of the sub-centre comprehensive transportation hub; it simultaneously advanced the dual-intelligence private network project, completed the debugging of the resource integration platform, and contributed to the construction of Beijing's new smart city;
- Ruubypay continued to advance technological and business innovation, achieving the launch and production of three intelligent systems for the AFC 2.0 system. Additionally, the company completed the R&D phase for the Dongguan Metro ticketing platform, which has now officially entered the testing phase;
- Youdao Technology continued to enhance the integration of industry and education, successfully launching new products such as the Digital-Intelligence Experiment Centre and completing system iterations. Additionally, the company secured several bids and had delivered training base projects for various institutions;
- Cornerstone Lianying and Cornerstone Huiying have transitioned into exit period. A number of projects have completed orderly divestments, contributing realized returns during the Period.

### R&D and innovation

The Group upholds the core strategic concept of "R&D + Innovation," targeting new requirements for the development of new quality productive forces. It focuses on the trends of intelligence, integration, green application and autonomy in the railway transportation industry, continuously improving its scientific research and innovation system, advancing key technology breakthroughs, and accelerating product development and the commercialisation of results. During the Period, the Group's scientific research projects yielded fruitful results, the intellectual property portfolio was continuously strengthened, and breakthroughs were achieved in the construction of the artificial intelligence technology system, providing technical support for its business development.

In terms of R&D and innovation, the Group's R&D activities were carried out in an orderly manner, with precise and efficient resource investment. The Group continued to consolidate its technological foundation in traditional areas of strength such as smart ticketing, smart operations, smart maintenance, big data, and intelligent application platforms, while continuously expanding into emerging fields like security and smart lighting. A total of 26 product R&D projects were advanced throughout the year, with 12 tested and completed. The major research project, "Key Technology Research and Demonstration of Integrated Urban (Suburban) Railway and Urban Rail Transit Operation", successfully developed a prototype system for integrated billing and clearing. It overcame the challenge of multi-standard billing and clearing algorithms, effectively addressing the issues of payment fairness for cross-standard travel and revenue distribution among multiple operating entities, thereby reserving key technologies for the development of "four-network integration". In addition, the Group has proactively positioned itself in the field of artificial intelligence, coordinating the advancement of AI technology R&D and scenario applications. It has deployed 13 key tasks centered on scenarios such as railway transportation and enterprise management, resulting in 6 accepted invention patents, 7 software copyrights (including pending applications), 12 software and hardware systems, 5 professional knowledge bases, and over 10 key achievements including computing platforms and knowledge graphs.

## Management Discussion and Analysis (continued)

In terms of application and commercialisation, the Group accelerated the pace of transforming R&D achievements into market value. During the Period, a total of 8 products were implemented or secured intent for application in 9 engineering projects. Among them, the comprehensive video analysis system was applied for intelligent passenger control on Ningbo Metro Line 3; the AFC terminal equipment 2.0 resolved the compatibility issues of domestic chips and systems and was successfully deployed in the Urumqi Metro; the deep-sensing fire protection & integrated management platform was applied in the FAS project of the sub-centre hub. These technological achievements comprehensively covered the main lines of the Group's three core business segments, fully reflecting the close integration of R&D and market demand. At the same time, the commercialisation of artificial intelligence applications achieved a "dual breakthrough" in business and management. For customer service, the Group successfully developed 8 professional intelligent applications, including smart customer service transparent screens, digital human interactions, and public opinion monitoring agents, deeply empowering passenger services, operations dispatching, equipment maintenance, and emergency response. For internal management, it launched 7 intelligent assistants, such as a legal and audit agent and a document drafting assistant, significantly enhancing efficiency in functions such as contract review, policy retrieval, and copywriting. These achievements were showcased at the Qingdao Rail Transit Exhibition, initially establishing an AI R&D and application framework featuring "technology unification, resource sharing, and scenario collaboration", laying a solid foundation for the intelligent upgrading of the Company's products and the innovation of its business models.

In 2025, the Group's R&D investment reached approximately HK\$166.7 million, representing a year-on-year increase of approximately 4.5%, mainly due to strengthened R&D on fundamental topics and innovative products, coupled with increased investment in the AI field. During the Period, the Group newly obtained 21 patents (accumulating 169 valid patents) and 56 software copyrights (accumulating 703 valid software copyrights), and was honoured with multiple awards including the Beijing Municipal Science and Technology Progress Award, the China Association of Metros Science and Technology Progress Award, the China Communications and Transportation Association Science and Technology Award, and the Beijing Railway Transportation Society Science and Technology Award. A subsidiary of the Company, Huaqi Intelligent, was awarded the 2025 Jiangsu Provincial Advanced Smart Factory. These achievements not only demonstrate the Group's R&D strength but also mark a solid step forward in promoting technological innovation in railway transportation.

### BUSINESS PROSPECTS

#### Macro Environment Poised for Quality and Efficiency Enhancement

The year 2026 marks the launch of the 15th Five-Year Plan, a defining period for the PRC economy as it navigates the transition to new growth drivers and deep structural adjustments. Against this backdrop, the 2026 Government Work Report has reinforced the policy mandate of "seeking progress while maintaining stability" — with an intensified focus on improving investment quality and efficiency. As a strategic sector that balances short-term growth stabilisation with long-term structural transformation, rail transit and intelligent infrastructure remain central to national policy. However, the traditional growth model driven by new construction is now yielding to the 'Stock Era,' a new phase focused on optimising, upgrading, and extracting value from existing networks within the industry. The market now demands higher standards for project lifecycle quality, operational efficiency, and the integration of smart construction. This shift compels the entire industry chain to accelerate cost optimisation, quality upgrades, and digital transformation. Amidst these changes, new opportunities are emerging: in this 'Stock Era', enterprises that deeply embed themselves in specific application scenarios — while maintaining core technological advantages and comprehensive solution capabilities — are well-positioned for a new phase of high-quality development and market expansion.

## Management Discussion and Analysis (continued)

### Overseas Business Unlocking Growth Potential

As the domestic market shifts toward stock competition, overseas expansion has become a critical strategic pillar for rail transit enterprises to bypass growth bottlenecks and capture new market share. In alignment with the 'Belt and Road' initiative, China's rail industry continues to deepen international cooperation through high-impact infrastructure projects. The recent progress of flagship projects — including the China-Kyrgyzstan-Uzbekistan Railway, Chile's Batuco Railway, and Tanzania's Central Line Standard Gauge Railway — underscores the global competitiveness of the PRC's rail transit value chain. Leading enterprises are now pivoting from equipment exports to system-level exports, delivering technical standards, operational management, and full-lifecycle services. As demand for localised services and collaborative expansion grows, the industry is poised to unlock significant new growth engines through these integrated, high-value global systems.

### Assets Upgrade and Renewal Trend

As the rail transit network expands and early-line equipment reaches the end of its service life, the demand for asset maintenance is entering a period of concentrated release. Rolling stock is increasingly requiring intensive intermediate and major overhauls, while aging issues in critical systems — such as signaling, power supply, and platform screen doors — are becoming more pronounced. This is accelerating a shift from 'corrective maintenance' toward 'predictive maintenance' and 'systematic renewal'. This trend not only drives the replacement of legacy hardware but also creates a vast market for AI-driven smart operation and management solutions. Consequently, the momentum for asset renewal is opening a sustainable strategic growth path for enterprises with established green technologies and full-lifecycle service capabilities.

### MATERIAL ACQUISITIONS OR DISPOSALS DURING FY2025

On 27 March 2025, CCRTT Investment (an indirect non-wholly owned subsidiary of the Company) (as vendor) and Beijing Subway (as purchaser) entered into an equity transfer agreement pursuant to which CCRTT Investment disposed of 49% equity interests in Metro Technology at a consideration of RMB68,332,215 (equivalent to approximately HK\$74,208,785). Subsequent to the disposal, the Group ceased to hold any equity interests in Metro Technology. Please refer to the announcements of the Company dated 13 February 2025 and 27 March 2025 for details.

### SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS

Capital Metro was established on 15 February 2016, and its equity interest was held by the Company and Beijing Subway as to 49% and 51%, respectively. Its registered capital was RMB500 million of which RMB245.0 million was contributed by the Company and RMB255.0 million was contributed by Beijing Subway which is an independent third party. Capital Metro is principally engaged in investing, constructing, operating, managing subway lines, operating value-added services and related property development, including managing the Operating Income Rights of Beijing Subway Airport Express, Dongzhimen Terminal and new lines of the Beijing Subway.

Capital Metro is a non-public company whose quoted market price is not available. As of 31 December 2025, the carrying amounts of Capital Metro in the Group's consolidated financial statements by using equity method is HK\$270,007,737, accounting for approximately 5.3% of the Group's total assets as at 31 December 2025. During the Period, the Company received approximately HK\$1.928 million dividends from Capital Metro.

Save as disclosed, there were no other significant investments held or other future plans for material investments or capital assets during FY2025.

## Management Discussion and Analysis (continued)

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group employed a total of 627 employees (including executive Directors) (31 December 2024: 623). The total staff costs, including Directors' remuneration, were approximately HK\$289.6 million (FY2024: approximately HK\$290.6 million). The reason for the decrease was mainly due to the Group's continuous optimisation of its personnel structure.

The Group reviews remuneration package annually with reference to the prevailing market conditions and staff's working performance, qualification, and experience. In addition to basic remuneration, the Group also pays bonus based on its performance and staff's contribution to the Group. Other benefits include social insurance scheme in China, provident fund, supplementary medical insurance in Mainland China, contribution to the MPF Scheme and insurances in Hong Kong. The Group also organised professional and vocational trainings for its employees.

### FINAL DIVIDEND

In view of the business growth of the Group and in response to the long term support of the Shareholders, the Board recommended the declaration of a final dividend of HK\$0.02 per share for FY2025 (FY2024: HK\$0.024 per share). The proposed final dividend will be payable to Shareholders whose names appear on the register of members of the Company on Monday, 29 June 2026, subject to the approval of the Shareholders at the 2026 AGM to be held on 18 June 2026. It is expected that the final dividend will be paid on or before Friday, 18 September 2026.

### MATTERS SUBSEQUENT TO THE REPORTING PERIOD

Save for the events described under the paragraph headed "Final dividend" in this annual report, there is no other material events after the reporting period as at the date of this report.

# RISK FACTOR ANALYSIS

## INDUSTRY POLICY RISKS

In 2025, policies governing the rail transit industry continued to tighten, exerting pressure on the growth of traditional businesses. On the one hand, the approval thresholds for urban rail projects have been further raised, with higher requirements imposed on indicators including urban debt levels, capital contribution ratios, and population and employment density along proposed lines. Consequently, the scale of new line construction has contracted, directly impacting the tendering and bidding volume of the Group's targeted market segments. On the other hand, as policy priorities increasingly emphasise the universal provision of public services, the profit margins of the Group's civil communications business for metro systems have been systematically compressed. The Group will no longer undertake investment and construction of new lines and 5G transmission systems, and will gradually phase out traditional 4G services, resulting in structural adjustments to its related revenue streams. In response, the Group will accelerate business restructuring, proactively expand diversified revenue sources, and enhance the resilience and sustainability of its development.

## MARKET COMPETITION RISKS

Competition in the rail transit market has intensified, and the Group faces severe competitive pressure both domestically and overseas. Domestic customer demands have grown more sophisticated, with expectations extending beyond system integration capability to cover full-life-cycle operation and maintenance, localised rapid response, and one-stop integrated solutions. Upstream enterprises with stronger integration capabilities, supply chain coordination and financial strength are accelerating their market entry, becoming direct competitors. Meanwhile, although overseas markets offer growth potential, the international competitive landscape is complex, squeezed by the technological and brand advantages of major international players, and affected by industry protectionism and trade barriers in various jurisdictions. The industry as a whole faces common challenges in breaking through technical standard barriers and enhancing localised service capabilities. Facing dual competitive pressures at home and abroad, the Group will accelerate the building of a core competitiveness underpinned by the trinity of "technology + services + ecosystem", consolidate market positioning and customer loyalty in advantageous sectors, and steadily explore emerging markets both domestically and internationally.

## FUND RECOVERY RISKS

In 2025, China's macroeconomy maintained a moderate recovery amid structural adjustments; however, local government debt issues remain to be further resolved, exerting ongoing pressure on fiscal payment capacity. The Group's key customers comprise local rail operators and central state-owned enterprises, with a high proportion of large-scale system integration projects. Its capital turnover efficiency is highly correlated with customers' fiscal payment capacity. Further divergence in customers' fiscal payment ability or slower-than-expected disbursement of government effective investment may lead to persistent pressure on project payment recovery, posing challenges to the stability of revenue recognition and cash flow management. In response, the Group will further focus on core businesses, strictly control project review, optimise its project portfolio, strengthen accounts receivable management and payment recovery control, and continuously enhance business resilience.

## TECHNOLOGY COMMERCIALISATION RISKS

The penetration of cutting-edge technologies such as artificial intelligence in the rail transit sector is currently constrained by challenges including insufficient technological maturity and high costs of scenario adaptation. While the upgrading of intelligent systems and large-scale deployment of new technologies are regarded as new drivers of industry development, the commercialisation chain from research and development to application is lengthy, involving critical links such as scenario adaptation, data governance and model iteration. In particular, the stability, safety and generalisability of artificial intelligence technologies in complex rail transit scenarios remain to be verified, and significant bottlenecks persist in large-scale promotion. Inefficient technology commercialisation, or failure to achieve effective replication and rapid iteration across application scenarios, may directly impair returns on R&D investment, erode core technological advantages, and even cause the Group to miss the critical window for industry intelligent upgrading. In response, the Group will further increase R&D investment, leverage technological innovation as a driver, accelerate the application and empowerment of new technologies including artificial intelligence in the rail transit sector, and promote the rapid implementation and commercialisation of technologies.

# INVESTOR RELATIONS

## INVESTOR RELATIONS

### Communication with investors

Over the past year, we have maintained close contact with investors, continuously communicating with them through online meetings, phone calls, face-to-face conversations, and other means, and answering questions about the Group's strategic direction, business development, prospects, and other concerns at any time.

In 2025, the Group has communicated with investors and analysts more than 50 times.

### Channels to gain information

The Company ensures that all the investors can have access to the Company's important information equally, accurately and in time through its website. Investors can gain details about corporate governance, information disclosure, stock information, roadshow and investment information, investor liaison, etc. on the Investor Relations section of the Company's website. They can also easily search and obtain annual reports together with other company news. The specific communication methods are detailed in paragraphs, including "Investor Relations and Communication with Shareholders" and "Shareholders' Rights" in the Corporate Governance Report of this annual report.

### Financial summary for 2026

2025 annual results announcement	30 March 2026
2026 AGM	18 June 2026
Closing of register of members (in relation to the 2026 AGM)	15 June 2026 to 18 June 2026 (both days inclusive)
Closing of register of members (in relation to dividend distribution)	25 June 2026 to 29 June 2026 (both days inclusive)
Distribution of final dividend for 2025	HK\$41,942,934.54
2026 interim results announcement	August 2026
End of financial year	

### Dividend performance

#### Dividend per Share

Final dividend per ordinary Share for FY2023	HK\$0.025 per Share
Final dividend per ordinary Share for FY2024	HK\$0.024 per Share
Final dividend per ordinary Share for FY2025	HK\$0.02 per Share

#### Dividend policy

After the Board took comprehensive consideration of strategic planning, business expansion, operation management, dividend payout and other factors, the Group has adopted a dividend policy which it believes is a sustainable, stable and scientific return mechanism for Shareholders. The mid-to-long-term dividend payout ratio will not be lower than 30% in principle, which will provide Shareholders with tangible returns. The specific dividend allocation will depend on the annual results, cash flows and other factors, subject to the approval of Shareholders at the relevant annual general meeting.

## Investor Relations (continued)

### Shareholding as of 31 December 2025

#### Ordinary Shares

Total number of issued Shares 2,097,146,727

#### Market value

As of 31 December 2025, HK\$713.03 million (closing price as at 31 December 2025: HK\$0.340)

#### Key ratios

P/E ratio* (Market Price per Common Share/Earnings per Common Share)	5.32
P/B ratio* (Market Price per Common Share/Net Assets per Common Share)	0.23
Net profit margin (Profit Attributable to Equity shareholders of the Company/Revenue × 100%)	7.5%
Return on equity (Profit Attributable to Equity shareholders of the Company/Average total equity × 100%)	4.4%
Dividend yield* (Dividend per Common Share/Market price per Common Share × 100%)	5.9%

\* According to the closing price on 31 December 2025

### Stock information

#### Stock code

The Stock Exchange	1522
Reuters	1522.HK
Bloomberg	1522 HK
ISIN	KYG1267V1005

# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**LIU Yu (劉瑜)**, Mr. Liu, aged 52, joined the Group in May 2013 and was appointed as Vice President of the Group in July 2014. He was appointed as an executive Director on 30 November 2022, and was appointed as Chief Executive Officer and member of the Environmental, Social and Governance (“ESG”) Committee on 21 March 2023.

From June 1996 to April 2001, Mr. Liu served as project manager of the Intelligent Transportation Division of Tsinghua Unigroup Co., Ltd. From April 2001 to July 2005, Mr. Liu served as project manager of the Urban Intelligent Transportation Division of BOCO Group Co., Ltd. From July 2005 to May 2013, at Metro Network Command Centre (TCC), Mr. Liu has served as manager of Project Department, head of TCC Technical Workshop, deputy director of Technical Engineering Department, manager of Information Centre Project Department and Deputy Chief Engineer. Mr. Liu served as general manager of BII-TTBJ from October 2014 to November 2021, as chairman of the board of BII-TTBJ from February 2019 to January 2024, as director and deputy general manager of BII Zhongfu from August 2019 to February 2021, as director of BII Zhongfu with effect from 23 May 2023, and as chairman of the board of Litmus from December 2019 to December 2021 and from 23 May 2023 to 11 July 2024, as deputy general manager of BII-TDBJ since March 2021, as director and general manager of BII-TDBJ with effect from 20 June 2023, and as director of BII-TSHK with effect from April 2021 to June 2023.

In June 2008, Mr. Liu obtained a master’s degree in transportation planning and management from Beijing University of Technology. In June 2022, Mr. Liu was qualified as Senior Engineer approved by Senior Engineer Qualification Review Committee of Engineering and Technology Series of Chinese Academy of Sciences (中國科學院工程技術系列高級工程師任職資格評審委員會).

**Zhao Jingyuan (趙婧媛)**, Ms. Zhao, aged 45, was appointed as an executive Director on 8 August 2024.

Ms. Zhao has over 10 years of experience in human resources management. Prior to joining the Group, Ms. Zhao worked in Beijing Zhongdian Feihua Communication Co., Ltd. (中電飛華通信股份有限公司) as manager of the human resources department. Between February 2011 and January 2012, Ms. Zhao was the senior manager of the human resources department of BII. Between January 2012 and September 2013, she was the director of human resources and administration of BII-TTBJ. Between September 2013 and March 2016, she held the roles of assistant to general manager and deputy general manager of the human resources department of BII. Between March 2016 and November 2021, Ms. Zhao was the Vice President of the Company. Between July 2017 and June 2019, she was also appointed as the Deputy Secretary of the General Party Branch of the Group. She was re-appointed as the Deputy Secretary of the General Party Branch of the Group in November 2021 and mainly responsible for party management, general management, management of legal affairs, compliance management and internal auditing of the Group.

Ms. Zhao obtained a bachelor’s degree of arts, majoring in radio and television directing (program hosting) and a master’s degree in history, majoring in Chinese modern history from Liaoning University (遼寧大學) in 2003 and 2006 respectively. She possesses the practicing qualification as first level corporate human resources manager\* (企業人力資源管理人員一級).

## Biographical Details of Directors and Senior Management (continued)

### NON-EXECUTIVE DIRECTORS

**REN Yuhang (任宇航)**, Mr. Ren, aged 50, was appointed as a non-executive Director on 21 November 2024, and has been appointed as the chairman of the Board, the chairman of the Nomination Committee, the chairman of the ESG Committee, and a member of the Remuneration Committee. Between February 2017 and July 2021, Mr. Ren was a non-executive Director.

Since 2007, Mr. Ren has held various roles in BII. Mr. Ren served in the finance planning department of BII as deputy manager and general manager between October 2011 and August 2014, and between August 2014 and January 2017, respectively. Between August 2016 and January 2017, Mr. Ren was the deputy head of the office of external cooperation of BII. Between January 2017 and July 2018, he was the general manager of the capital operations department and the head of the office of external cooperation of BII. Between July 2018 and May 2024, Mr. Ren was the general manager of the investment and development department of BII. Mr. Ren has been the secretary to the board of directors of BII since January 2019. He has been the deputy general manager of BII since January 2024.

Other than his roles in BII, Mr. Ren has also taken up other roles. Between July 2015 and September 2022, Mr. Ren was the director of BII HK. Between March 2017 and February 2021, Mr. Ren was a director of Beijing Traffic Control Technology Co., Ltd (交控科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688015). Between June 2017 and September 2024, he was the chairman of the board of directors of Beijing Jiuzhouyigui Environmental Technology Co., Ltd. (北京九州一軌環境科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688485). Between June 2017 and May 2025, Mr. Ren was the chairman of the board of directors of Cornerstone International Financial Leasing Co., Ltd.\* (基石國際融資租賃有限公司). Between August 2018 and March 2022, Mr. Ren was a non-executive director of Beijing Urban Construction Design & Development Group Co., Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1599). Between February 2019 and June 2021, Mr. Ren was a director of Huaqi Intelligent, a subsidiary of the Company. Between April 2019 and June 2022, Mr. Ren was the vice chairman of the board of directors of Shaoxing Jingyue Metro Co., Ltd.\* (紹興京越地鐵有限公司). Between August 2019 and September 2023, he was the vice chairman of the board of directors of Huangshan Region Travel Metro Investment Development Co., Ltd\* (黃山市市域旅遊鐵路投資發展有限公司). Between October 2019 and August 2022, Mr. Ren was an executive director of Beijing Capital Private Equity Fund Management Co., Ltd.\* (北京京投私募基金管理有限公司). Between November 2019 and July 2024, he was an executive director of BII Investment Co., Ltd (北京京投投資控股有限公司) (“**BII Investment**”). Between November 2019 and May 2023, he was also the general manager of BII Investment. Between July 2020 and November 2022, Mr. Ren was the chairman of the board of directors of Beijing Jishi Sensing Information Service Co., Ltd.\* (北京基石傳感信息服務有限公司). Between August 2020 and December 2024, Mr. Ren has been a director of Capital Securities Corporation Limited\* (首創證券股份有限公司) a company listed on the Shanghai Stock Exchange (stock code: 601136). Since September 2021, Mr. Ren has been the chairman of the board of directors of Beijing Smart City Network Co., Ltd.\* (北京智慧城市網絡有限公司). Between March 2022 and June 2025, Mr. Ren was a director of National Pension Insurance Co., Ltd.\* (國民養老保險股份有限公司).

Mr. Ren obtained a bachelor's degree in engineering, majoring in thermal engineering, from the Wuhan University of Hydraulic and Electric Engineering\* (武漢水利電力大學) in 1996 and a doctoral degree in business administration from the Beijing Institute of Technology\* (北京理工大學) in 2008. In June 2011, Mr. Ren obtained the qualification of senior economist specialising in finance from the Beijing Senior Specialised Technique Qualification Evaluation Committee.

## Biographical Details of Directors and Senior Management (continued)

**SUN Fang (孫方)**, Ms. Sun, aged 52, was appointed as a non-executive Director on 27 October 2022.

From August 2007 to November 2016, Ms. Sun served as Deputy General Manager and Executive Deputy General Manager of Metro Network. From November 2016 to February 2020, Ms. Sun served as Deputy Secretary of the Party Branch and Executive Deputy General Manager of Metro Network. From February 2020 to November 2023, Ms. Sun served as Deputy Secretary of the Party Branch and General Manager of Metro Network. Since November 2023, Ms. Sun has served as Secretary of the Party Branch and chairman of Ruubypay.

Ms. Sun obtained a bachelor's degree in Engineering, majoring in transportation from Beijing Jiaotong University (北京交通大學) in July 1996. In October 2007, she was qualified as Senior Engineer in general layout and transportation specialty (總圖運輸專業) approved by Beijing Senior Specialised Technique Qualification Assessment Committee. In December 2022, she was qualified as Senior Engineer in Urban Rail Transit specialty (城市軌道運輸專業) approved by Beijing Senior Professional Title Assessment Committee.

Ms. Sun Fang resigned as a non-executive Director, with effect on 28 January 2026. For details, please refer to the announcement of the Company dated 28 January 2026.

**WANG Daomin (王道敏)**, Mr. Wang, aged 48, was appointed as a non-executive Director on 28 January 2026.

Between August 2001 and February 2014, Mr. Wang held various roles at Beijing Railway Communication and Signal Research and Design Institute\* (北京全路通信信號研究設計院), including as deputy manager and deputy chief engineer of the design department of its urban transportation branch, and chief engineer of signal design department. Between February 2014 and May 2024, he held various roles at Beijing Rail Transit Construction Management Co., Ltd.\* (北京市軌道交通建設管理有限公司), a subsidiary of BII, including as department head of the equipment management department and head of system integration department, and deputy general manager of such company. Between May 2024 and November 2025, Mr. Wang was the chairman of the board of directors of Beijing Rail Transit Operation Management Co., Ltd.\* (北京市軌道交通運營管理有限公司), a subsidiary of BII. Since October 2025, Mr. Wang has been the general manager of Metro Network, a subsidiary of BII. Since November 2025, Mr. Wang has successively served as the secretary of the party branch and secretary of the party committee of Metro Network.

Mr. Wang obtained a bachelor's degree in automatic control from the school of electronic and information engineering at the Beijing Jiaotong University (北方交通大學) in 2001. In 2022, Mr. Wang also obtained the senior engineer qualification issued by the Beijing Municipal Senior Professional Technical Position Qualification Evaluation Committee (北京市高級專業技術職務任職資格評審委員會).

## Biographical Details of Directors and Senior Management (continued)

**LI Zheng (李錚)**, Mr. Li, aged 38, was appointed as a non-executive Director on 28 January 2026.

Between January 2015 and September 2017, Mr. Li held various roles at BII, the ultimate controlling Shareholder as at the date of this report, including as a project manager and senior project manager of its capital operations department. Between September 2017 and December 2023, Mr. Li held various roles at BII Technical, a subsidiary of BII, including as general manager of overseas business department and deputy general manager of the investment and development department. Between November 2022 and June 2024, Mr. Li was the vice general manager and secretary to the board of directors of Mita Box Technology Co., Ltd.\* (米塔盒子科技有限公司). Since June 2024, he has been the deputy general manager of the investment and development department of BII. Since October 2024, Mr. Li has been the chairman of the board of directors of BII-TDBJ, a subsidiary of the Company. Mr. Li also currently holds various directorships and management positions in certain subsidiaries and invested entities of BII.

Mr. Li obtained a bachelor's degree in microelectronic manufacturing engineering from the Central South University (中南大學) in 2009 and a master's degree in business administration from the Newcastle University in 2014.

**CAO Mingda (曹明達)**, Mr. Cao, aged 34, was appointed as a non-executive Director on 11 April 2022.

From May 2016 to March 2017, Mr. Cao served as the operations manager of Beijing En'an Futong Technology Co., Ltd. (北京恩安付通科技有限公司). Mr. Cao was the business manager of Ruubypay from March 2017 to July 2025, and the director and deputy general manager of Dalian Yixing Technology Co., Ltd. (大連易行科技有限公司) since October 2018. Mr. Cao also served as a supervisor of Beijing Maglihe Liquor Trade Co., Ltd. (北京瑪格麗河酒業商貿有限公司) from January 2012 to August 2025, as director of Shenyang Metro Technology Co., Ltd. (瀋陽地鐵科技有限公司) from April 2021 to December 2025, as the director of Hohhot Metro Technology Development Co., Ltd.\* (呼和浩特地鐵科技發展有限公司) since September 2022, as the chairman of BII-TDBJ from November 2022 to October 2024, as the director of Metro Technology from August 2023 to March 2025, as the director of Capital Metro from August 2023 to April 2025, as the director of Ruubypay since March 2024 and as the director of Liaoning Ruubypay Transportation Technology Co., Ltd.\* (遼寧如易行交通科技有限公司) since July 2025.

Mr. Cao obtained a bachelor's degree in Commerce (Finance) at Curtin University in Australia in January 2014 and a master's degree, majoring in Business Information Systems from School of Information Technology, Monash University in May 2016.

**FANG Zhiwei (方志偉)**, Mr. Fang, aged 40, was appointed as a non-executive Director on 8 August 2024.

Since March 2008, Mr. Fang has worked at Metro Network, a subsidiary of BII. Between November 2010 and June 2014, he was the supervisor of the operation planning office of Metro Network. Between June 2014 and February 2018, he was the deputy director of the operation planning office of Metro Network. Between February 2018 and April 2020, Mr. Fang was the assistant to the general manager, head of operations coordination department and director of operation planning office of Metro Network. Between April 2020 and September 2024, Mr. Fang successively served as the deputy general manager and general manager of Metro Network.

Mr. Fang obtained a bachelor's degree in engineering, majoring in transportation and a master's degree in engineering, majoring in urban transportation engineering from Beijing Jiaotong University (北京交通大學) in 2005 and 2008 respectively.

Mr. Fang Zhiwei resigned as a non-executive Director, with effect on 28 January 2026. For details, please refer to the announcement of the Company dated 28 January 2026.

## Biographical Details of Directors and Senior Management (continued)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**LUO Zhenbang (CPA) (羅振邦)**, Mr. Luo, aged 59, was appointed as an independent non-executive Director on 13 November 2012. He is also the chairman of the Audit Committee and was appointed as the member of the ESG Committee on 29 November 2021.

Mr. Luo has over 32 years' experience in accounting, auditing and financial management and is a Chinese Certified Public Accountant, Certified Tax Agent, Certified Public Valuer and Certified Accountant in securities and futures industry. Mr. Luo has extensive experience in the audit of listed companies in various sectors and provides business consultation services in corporate restructuring and strategic planning for initial public offerings and assets and debts restructuring. Mr. Luo had been the deputy general manager of Zhong Zhou Certified Public Accountants and Baker Tilly China Certified Public Accountants. He was an expert supervisor of China Cinda Asset Management Co., Ltd. and China Great Wall Asset Management Corporation. Mr. Luo had served as an independent director of several listed companies in the PRC, including Long March Vehicle Technology Company Limited (now known as China Aerospace Times Electronics Company Limited) (stock code: 600879) and AVIC Heavy Machinery Company Limited (stock code: 600765), each a company listed on the Shanghai Stock Exchange; Ning Xia Orient Tantalum Industry Company Limited (stock code: 000962), Wuzhong Instrument Company Limited (now known as Ningxia Yinxing Energy Company Limited) (stock code: 000862), Ningxia Zhongyin Cashmere Company Limited (stock code: 000982), Xinjiang Goldwind Science & Technology Co., Ltd.\* ("**Goldwind Science & Technology**") (stock code: 002202), Digital China Information Service Company Ltd. (stock code: 000555), each a company listed on the Shenzhen Stock Exchange. Mr. Luo had also served as an independent non-executive director of Goldwind Science & Technology (stock code: 2208) from June 2013 to June 2019, as an independent non-executive director of Glory Health Industry Limited (formerly known as Guorui Properties Limited) (stock code: 2329) from July 2013 to June 2023, and as an independent non-executive director of Cowell e Holdings Inc. (stock code: 1415) from January 2021 to July 2021, each a company listed on the Main Board of the Stock Exchange. Mr. Luo has been the independent non-executive director of China Aerospace International Holdings Limited (stock code: 31) since December 2004. Mr. Luo had also served as a member of the internal audit committee of Northeast Securities Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000686) from October 2002 to May 2018. Mr. Luo is the director and managing partner of BDO China Shu Lun Pan Certified Public Accountants LLP.

Mr. Luo graduated from the School of Business of Lanzhou in 1991 majoring in enterprise management. From September 2005 to July 2007, Mr. Luo took a master's degree course in management (technology and innovation) in Tsinghua University jointly organised by The Australian National University and Tsinghua University and obtained a master's degree in management from The Australian National University in July 2007.

**HUANG Lixin (黃立新)**, Mr. Huang, aged 54, was appointed as an independent non-executive Director on 9 July 2014. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr. Huang possessed extensive experience in the legal practice and had participated in numerous issues of securities, initial public offerings, post-listing financing as well as merger and acquisition projects over the past more than 25 years as a practising lawyer. Mr. Huang was an intern in the Department of Legal Affairs of the China Securities Regulatory Commission from November 1993 to February 1996. From August 1996 to July 2000, Mr. Huang was a PRC legal consultant at Herbert Smith LLP. From July 2001 to May 2007, Mr. Huang was appointed as a trainee solicitor and later a solicitor at Herbert Smith LLP. Mr. Huang is now a partner of Beijing Haiwen & Partners which he joined in May 2007. Mr. Huang has served as a member of the Banking and Financial Law Committee and the Taiwan, Hong Kong, Macao and Overseas Chinese Law Committee of the Beijing Lawyers Association.

## Biographical Details of Directors and Senior Management (continued)

Mr. Huang graduated from the Law School of Renmin University of China with a bachelor's degree in law in July 1993 and obtained a master's degree in law from the University of International Business and Economics in July 1996. Mr. Huang obtained the Postgraduate Certificate in Laws (PCLL) from the University of Hong Kong in June 2001. Mr. Huang was qualified as a lawyer in the PRC since October 1995 and was qualified to practice as a solicitor in Hong Kong in July 2003.

**NG Wing Yan Claudia (伍穎恩)**, Ms. Ng, aged 45, was appointed as an independent non-executive Director, chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee on 22 April 2025.

Ms. Ng has around 20 years of dual working background in foreign and state-owned enterprises, with rich experience in corporate governance, strategic planning and operations, environmental, social and governance managements and human resources managements. Since 2022, Ms. Ng has been serving as the secretary to the board, co-president of Hong Kong office and a member of the sustainability committee of Shandong Hi-Speed New Energy Group Limited\* (山高新能源集團有限公司), a company listed on the Stock Exchange (stock code: 1250.HK). Prior to her current role, Ms. Ng worked at Cisco Systems (China) Networking Technology Co., Ltd.\* (思科系統(中國)網絡技術有限公司) for 14 years, with her last position as the head of strategy and operations for the service providers' team. As disclosed in the application proof of Sigenergy Technology Co., Ltd.\* (思格新能源(上海)股份有限公司) ("**Sigenergy**"), Ms. Ng was appointed as an independent non-executive director of Sigenergy in February 2025, with effect from a later date. As disclosed in the application proof of Changzhou Xingyu Automotive Lighting Systems Co., Ltd.\* (常州星宇車燈股份有限公司) ("**Xingyu**"), Ms. Ng was appointed as an independent non-executive director of Xingyu in January 2026, with effect from a later date.

Ms. Ng obtained a bachelor of laws from the University of Hong Kong in December 2003, a Postgraduate Certificate in Laws (PCLL) from the University of Hong Kong in June 2004, a master's degree in law from Tsinghua University (清華大學) in China in July 2007 and a master's degree in business administration in finance from the Chinese University of Hong Kong in November 2018.

### SENIOR MANAGEMENT OF THE COMPANY

**XIAO Zheng (肖征)**, Mr. Xiao, aged 40, Vice President. Mr. Xiao joined the Group in March 2020 and was appointed as Vice president, mainly responsible for the management of intelligent passenger information services business, the Board operation, management of strategy and planning, investor relations and capital operation, etc. Mr. Xiao now serves as Deputy General Manager of BII-TDBJ, Director of Capital Metro, and chairman of Huaqi Intelligent.

Mr. Xiao was granted with a bachelor's degree, majoring in Financial Management from the Central University of Finance and Economics. Prior to joining the Group, Mr. Xiao had worked in KPMG as Assistant Manager and served as Analyst in the Research Department of China International Capital Corporation. He joined BII in 2015 and served as Senior Project Manager, Assistant to Department General Manager, Deputy General Manager of Capital Operation Department.

As at the date of this report, Mr. Xiao Zheng has resigned as a Vice President.

**HOU Weiwei (侯薇薇)**, Ms. Hou, aged 43, Vice President. Ms. Hou joined the Group in March 2026 and was appointed as Vice president, mainly responsible for the management of intelligent passenger information services business, the Board operation, management of strategy and planning, investor relations and capital operation, etc. Ms. Hou now serves as Deputy General Manager of BII-TDBJ, Director of Capital Metro, and chairman of Huaqi Intelligent.

## Biographical Details of Directors and Senior Management (continued)

Ms. Hou was granted with a master's degree of Finance from Tianjin University of Finance and Economics. Prior to joining the Group, Ms. Hou served as manager, senior project manager, assistant general manager and deputy general manager of the financing & planning department of BII, as deputy general manager and secretary of the board of directors of Beijing Jiu Zhou Yi Gui Environmental Technology Co., Ltd., as deputy general manager of the investment & development department of BII, as well as executive director and manager of BII Private Equity Funds Management Co., Ltd.

**SUN Qi (孫琦)**, Mr. Sun, aged 38, Vice President. He joined the Group in June 2021 and was appointed as Vice President mainly responsible for scientific research technology and scientific research project management, product research and development, technical support, informatisation management, etc.. Mr. Sun now serves as Deputy General Manager of BII-TDBJ, Chairman of BII-TTBJ, Director of Ruubypay and Huaqi Intelligent.

Mr. Sun was granted with a master's degree of Computer Science and Technology from the Beihang University. Prior to joining the Group, Mr. Sun had worked in Metro Network as trainee, supervisor, vice director and director of ACC technical room, as vice director of ACC Department, as vice director and director of Big Data Center, as deputy leader of Customer Service Center Preparatory Group, director of Operational Data Department and Assistant General Manager.

**HAN Baijie (韓佰杰)**, Mr. Han, aged 45, Vice President. He joined the Group and was appointed as vice president of our Group in April 2025. He is mainly responsible for the financial management, operation management, project management, safe production management, procurement management, branding, etc.. Mr. Han now serves as director and vice general manager of BII-TDBJ, and directors of BII-TTBJ and BII-TSBJ.

Mr. Han was granted with a master's Degree in Software Engineering from Beihang University. Prior to joining the Group, Mr. Han was also qualified as a Senior Accountant. Mr. Han served as the Head of the Accounting Section of the Finance and Planning Department at Beiqi Foton Motor Co., Ltd., Deputy Manager of the Planning and Finance Department at Hebei Ouli Heavy Industry Co., Ltd., Chief Financial Officer at Tianjin Leovo Power Co., Ltd., Vice President at Beijing Zhongtian Runbo Water Affairs Co., Ltd., Assistant General Manager of the Finance Management Department at BII, Chief Financial Officer at Beijing Subway Rolling Stock Equipment Co., Ltd., and General Manager of the Finance Management Department at Beijing Rail Transit Technology Equipment Group Co., Ltd..

**TIAN Kexin (田可心)**, Mr. Tian, aged 47, Vice President. He joined the Group in December 2013 and was appointed as Vice President in June 2025, mainly responsible for the business management of the Innovation Development Business. Mr. Tian now serves as Deputy General Manager of BII-TDBJ, Director of BII-TSHK, Chairman and General Manager of BII-TSBJ, and Director of Beijing City Railway.

Mr. Tian was granted a master's degree in Management (Technology and Innovation) from the Australian National University. Prior to joining the Group, Mr. Tian had worked as an employee of Beijing Beida Jade Bird Commercial Information System Co., Ltd.\* (北京北大青鳥商用信息系統有限公司) and Moca Software (Tianjin) Co., Ltd\* (摩卡軟件(天津)有限公司). Mr. Tian joined BII-TTBJ in 2013 and has successively served as Director of the Integrated Business Department, Director of the System Business Department, General Manager of the Information Business Department, Assistant General Manager, Deputy General Manager and General Manager.

# DIRECTORS' REPORT

The Directors are pleased to present their report for FY2025:

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities and other particulars of material subsidiaries are set out in Note 14 to the consolidated financial statements. None of the subsidiaries of the Company has issued debt securities.

As far as the Company is aware, during FY2025, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

## RESULTS

The Group's profit for FY2025 and the state of affairs of the Group and of the Company as at that date are set out in the consolidated financial statements on pages 70 to 158. The Company is not aware of any arrangement under which a Shareholder has waived or agreed to waive any dividends.

## FINAL DIVIDEND

In view of the business growth of the Group and in response to the long term support of the Shareholders, the Board recommended the declaration of a final dividend of HK\$0.02 per share for FY2025 (FY2024: HK\$0.024 per share). The proposed final dividend will be payable to Shareholders whose names appear on the register of members of the Company on Monday, 29 June 2026, subject to the approval of the shareholders of the Company at the 2026 AGM. It is expected that the final dividend will be paid on or before Friday, 18 September 2026.

## ANNUAL GENERAL MEETING

The 2026 AGM will be held on Thursday, 18 June 2026. Shareholders should refer to details regarding the 2026 AGM in the circular to be despatched by the Company and the notice of meeting and form of proxy accompanying therewith.

## CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2026 AGM to be held on Thursday, 18 June 2026, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2026 AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 June 2026 (Hong Kong time).

For determining the entitlement to the proposed final dividend (subject to the approval by the Shareholders at the 2026 AGM), the register of members of the Company will be closed from Thursday, 25 June 2026 to Monday, 29 June 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 June 2026 (Hong Kong time).

## Directors' Report (continued)

### BUSINESS REVIEW

The business review of the Company for FY2025 is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report which form part of the Directors' Report. Details of credit, liquidity, interest rate and foreign exchange risks in the course of business are set out in Note 30 to the financial statements. The details of the Group's environmental, social and governance practices as well as the relationship and discussion with employees, customers, suppliers and other stakeholders are listed in the "2025 Environmental, Social and Governance Report" separately issued by the Group.

### SHARE CAPITAL

Details of the movements in the Company's share capital are set out in Note 28 to the consolidated financial statements.

### RESERVES

Details of the movements in the reserves of the Company and the Group for FY2025 are set out in Note 28 to the consolidated financial statements and the consolidated statement of changes in equity respectively.

### DISTRIBUTABLE RESERVES

In accordance with the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account is distributable to the Shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2025, the Company's reserves available for distribution amounted to approximately HK\$1,504.9 million (31 December 2024: HK\$1,555.2 million). Such amount includes the Company's share premium.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group for FY2025 are set out in Note 11 to the consolidated financial statements.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association (the "Articles") or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years as extracted from the audited consolidated financial statements is set out on page 5 in this annual report. This summary does not form part of the audited financial statements in this annual report.

### MAJOR CUSTOMERS AND SUPPLIERS

For FY2025, the purchases and sales percentage from the major customers and suppliers of the Group are set out below:

	Percentage of total purchases
(1) Purchases	
– the largest supplier	4.52%
– the five largest suppliers combined	17.84%

	Percentage of total sales
(2) Sales	
– the largest customer	12.57%
– the five largest customers combined	43.07%

Save as disclosed under the section headed “Continuing connected transactions” in this Directors’ Report, as far as the Directors are aware, none of the Directors or any of their close associates, or any Shareholders (which, to the knowledge of the Directors, owns more than 5% of the Company’s issued shares (excluding treasury shares, if any)) had any beneficial interest in the Group’s five largest customers and suppliers for FY2025.

### DIRECTORS

The Directors in office at the date of 31 December 2025 were:

#### Executive Directors

Mr. Liu Yu (*Chief Executive Officer*)

Ms. Zhao Jingyuan

#### Non-executive Directors

Mr. Ren Yuhang (*Chairman*)

Ms. Sun Fang

Mr. Cao Mingda

Mr. Fang Zhiwei

#### Independent non-executive Directors

Mr. Luo Zhenbang (*CPA*)

Mr. Huang Lixin

Ms. NG Wing Yan Claudia

According to Article 16.18 of the Articles, Mr. Cao Mingda, Mr. Luo Zhenbang and Mr. Huang Lixin will retire as Directors by rotation at the 2026 AGM. Pursuant to Article 16.2 of the Company’s Articles of Association, Mr. Wang Daomin (appointed as a non-executive Director on 28 January 2026) and Mr. Li Zheng (appointed as a non-executive Director on 28 January 2026) shall hold office until the 2026 AGM. All of the retiring Directors, being eligible, will offer themselves for re-election as Directors at the 2026 AGM.

## Directors' Report (continued)

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual written confirmation from each of the independent non-executive Directors in respect of their independence during FY2025 and all independent non-executive Directors are considered to be independent.

### DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 24 to 30 of this annual report.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors who was proposed for re-election at the 2026 AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

### EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group for FY2025 are set out in Notes 8 and 9 to the consolidated financial statements.

### MANAGEMENT CONTRACTS

During the FY2025, other than a contract of service with a Director or any person engaged in the full-time employment of the Company, the Company did not enter into or have any management and administration contracts in respect of the whole or any substantial part of the business of the Company.

### EMOLUMENT POLICY

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance, dedication and achievement.

### RELATIONSHIP WITH EMPLOYEES

Employees are the Group's most valuable assets. The Group actively improves the human resources system and corporate culture construction, protects the rights and interests of employees, pays attention to the reasonable demands of employees, builds a comprehensive salary system, provides high-quality training and career development opportunities, and organises various activities for employees. The Group has established good relationship with its employees throughout the year.

### REMUNERATION OF SENIOR MANAGEMENT

The remuneration payable to the senior management of the Company for FY2025 falls within the following bands:

Remuneration (HK\$)	Number of individuals
500,000-1,000,000	2
1,000,001-2,000,000	4

### DIRECTORS' INTEREST IN CONTRACTS

Saved as disclosed under the section headed "Continuing connected transactions" below and disclosed in Note 30 to the consolidated financial statements under the heading "Material related party transactions", (i) no transaction, arrangement, or contract of significance to which the Company, or any of its holding company or subsidiaries was a party, and in which a Director or an entity connected with such Director had a material interest, whether directly or indirectly, subsisted at 31 December 2025 or at any time during FY2025; (ii) no transaction, arrangement, or contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries; and (iii) no transaction, arrangement, or contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into.

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

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap 571 of the Laws of Hong Kong (the "SFO")) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules were as follows:

#### Long positions in shares and underlying shares

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

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

Save as disclosed above, as at 31 December 2025, so far as was known to the Directors or the chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## Directors' Report (continued)

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

As at 31 December 2025, so far as was known to the Directors or the chief executive of the Company, the persons (other than the Directors and the chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

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

Name of substantial shareholder	Capacity	Number of shares	Approximate percentage of issued share capital of the Company
BII HK	Beneficial owner <sup>(Note 1)</sup>	1,157,634,900	55.20%
BII	Interest of controlled corporation <sup>(Note 1)</sup>	1,157,634,900	55.20%
More Legend	Beneficial owner <sup>(Note 2)</sup>	244,657,815	11.66%
Toplight Management Limited	Interest of controlled corporation <sup>(Note 2)</sup>	244,657,815	11.66%
Trident Trust Company (Cayman) Limited	Trustee <sup>(Note 2)</sup>	244,657,815	11.66%
Ms. Pang Ziqian (" <b>Ms. Pang</b> ")	Interest of spouse <sup>(Note 3)</sup>	244,657,815	11.66%

Notes:

1. BII HK is a wholly-owned subsidiary of BII, a company established under PRC law with limited liability and wholly owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality. By virtue of the SFO, BII is deemed to be interested in the 1,157,634,900 shares of the Company owned by BII HK.
2. More Legend is a wholly-owned subsidiary of Toplight Management Limited and Trident Trust Company (Cayman) Limited is interested in all the shares in Toplight Management Limited as trustee of the trust. By virtue of the SFO, Toplight Management Limited and Trident Trust Company (Cayman) Limited are deemed to be interested in 244,657,815 shares of the Company owned by More Legend.
3. Ms. Pang is the spouse of Mr. Cao Mingda and by virtue of the SFO, is deemed to be interested in the 244,657,815 shares of the Company which Mr. Cao Mingda is interested in.

Save as disclosed above, as at 31 December 2025, the Directors have not been notified by any person (other than the Directors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### MODEL CODE FOR SECURITIES TRANSACTIONS

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

Specific enquiry has been made with all the Directors and employees to whom the Securities Dealing Code applies. The Directors have confirmed that they have complied with the Securities Dealing Code and Model Code throughout FY2025. No incident of non-compliance with the Securities Dealing Code by the employees was noted by the Company.

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

During FY2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any). During the Period, the Company and its subsidiaries did not hold any treasury shares.

### SHARE SCHEME

During the Period, the Company did not implement any share scheme, nor did it have any existing share scheme in place.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraph headed "Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations", at no time during FY2025 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

### COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or substantial Shareholders or any of their respective associates has engaged in any business that competes or may compete with the businesses of the Group or has any conflict of interests with the Group.

## Directors' Report (continued)

### CONTINUING CONNECTED TRANSACTIONS

Particulars of the non-exempt continuing connected transactions are set out below:

#### Services Framework Agreement entered into between the Company and BII

The Company and BII entered into the 2024 BII Framework Service Agreement (“**2024 BII Framework Service Agreement**”) on 23 October 2024 for a period from 1 January 2025 to 31 December 2027 (both days inclusive). Please refer to the announcement of the Company dated 23 October 2024 and the circular of the Company dated 10 December 2024 for details.

As at 23 October 2024, BII held approximately 55.20% of the shares of the Company through its wholly-owned subsidiary (i.e. BII HK), and therefore, BII is the ultimate holding company and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2024 BII Services Framework Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to the 2024 BII Services Framework Agreement, during the term of which, provided that (i) a member of the Group is awarded with the relevant contract in accordance with the stipulated procedures under the relevant PRC laws and regulations (if required); and (ii) the parties thereto negotiate on an arm's length basis regarding the commercial terms to be set out in the individual agreements for services, the Group agrees to provide BII, its subsidiaries and/or its associates during the term of the 2024 BII Services Framework Agreement with: consulting and technical support services, IT support services, technical services, technological development, software development, software procurement, hardware design and development, hardware procurement, system integration, system procurement, operation and maintenance, construction of projects and other types of ancillary services agreed by the parties in writing from time to time.

Pursuant to the 2024 BII Services Framework Agreement, the Group would enter into individual agreements for the provision of services with BII, its subsidiaries and/or its associates. Pursuant to the 2024 BII Services Framework Agreement, the terms of the individual agreements to be entered into (including service fees) would be negotiated on an arm's length basis between the parties and would be determined by the parties from time to time in the ordinary course of business on normal commercial terms. The prices of the transactions contemplated under the 2024 BII Services Framework Agreement would be determined by government-prescribed price or government-guided price, or market price or agreed price (as the case may be), depending on the method set out in the circular of the Company dated 10 December 2024. Details of the 2024 BII Framework Service Agreement and the relevant continuing connected transactions were set out in the announcement and the circular of the Company dated 23 October 2024 and 10 December 2024, respectively.

As (i) BII is the ultimate controlling shareholder of the Company; and (ii) BII, its subsidiaries and/or its associates have a long-standing business relationship with the Group, the Directors are of the view that BII, its subsidiaries and/or its associates are reliable business partners and that further business cooperation is beneficial to the Group and provides a stable source of income for the Group.

For FY2025, the total transaction amount carried out under the 2024 BII Services Framework Agreement amounted to approximately RMB498.8 million (equivalent to approximately HK\$544.9 million).

### Procurement services framework agreement entered into between the Company and BII

The Company and BII entered into the procurement services framework agreement (“**Procurement Services Framework Agreement**”) on 26 February 2025 for a period from the effective date of the Procurement Services Framework Agreement to 31 December 2027. Please refer to the announcement of the Company dated 26 February 2025 and the circular of the Company dated 8 May 2025 for details.

As at 26 February 2025, BII held approximately 55.20% of the shares of the Company through its wholly-owned subsidiary (i.e. BII HK), and therefore, BII is the ultimate holding company and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Procurement Services Framework Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Procurement Services Framework Agreement, during the term of which, provided that (i) BII, its subsidiaries and/or associates is/are awarded with the relevant contract in accordance with the stipulated procedures under the relevant PRC laws and regulations (if required); and (ii) the parties thereto negotiate at arm's length regarding the commercial terms to be set out in the individual agreements for the services, the Group agrees to procure from BII, its subsidiaries and/or its associates during the term of the Procurement Services Framework Agreement the following services: consultation and technical support services, information technology support services, technology services, technology development, software development, software procurement, hardware design and development, hardware procurement, system integration, system procurement, operations and maintenance, construction of projects, civil communications construction management and other types of ancillary services to be agreed by the parties in writing from time to time.

Pursuant to the Procurement Services Framework Agreement, the Group would enter into individual agreements for the procurement of services with BII, its subsidiaries and/or its associates. Pursuant to the Procurement Services Framework Agreement, the terms of the individual agreements to be entered into (including service fees) would be negotiated on an arm's length basis between the parties and would be determined by the parties from time to time in the ordinary course of business on normal commercial terms. The prices of the transactions contemplated under the Procurement Services Framework Agreement would be determined by government-prescribed price or government-guided price, or market price or agreed price (as the case may be), depending on the method set out in the circular of the Company dated 8 May 2025. Details of the Procurement Services Framework Agreement and the relevant continuing connected transactions were set out in the announcement and the circular of the Company dated 26 February 2025 and 8 May 2025, respectively.

As (i) BII is the ultimate controlling shareholder of the Company; and (ii) BII, its subsidiaries and/or its associates have a long-standing business relationship with the Group, the Directors are of the view that BII, its subsidiaries and/or its associates are reliable business partners and that further business cooperation enhances the Group's capabilities to fulfill its contractual obligations and provides backup for the delivery of the Group's business projects in relation to integration. This could, in turn, develop the Group's experience and reputation and increase the Group's orders resulting from integration business projects.

For FY2025, the total transaction amount carried out under the Procurement Services Framework Agreement amounted to approximately RMB55.0 million (equivalent to approximately HK\$60.1 million).

## Directors' Report (continued)

### Cooperation agreement regarding civil communication business

BII Zhuoyue and BII entered into the Cooperation Agreement (“**Cooperation Agreement**”) on 19 December 2024 for a period from 1 January 2024 to 31 December 2026. Please refer to the announcement of the Company dated 19 December 2024 and the circular of the Company dated 29 May 2025 for details.

As at 19 December 2024, BII held approximately 55.20% of the shares of the Company through its wholly-owned subsidiary (i.e. BII HK), and therefore, BII is the ultimate holding company and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Cooperation Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Cooperation Agreement, BII is responsible for providing the relevant civil communication server room space and utilities support (such as provision of power supply, air-conditioning and chutes) (the “**Resources**”) for the operation and development of BII Zhuoyue’s civil communication transmission systems of the underground stations in the subway lines of the Beijing Subway, which includes the 255 underground stations in operation as at 31 December 2023 and the underground stations pending to be in operation during the term of the Cooperation Agreement.

Pursuant to the Cooperation Agreement, the fees payable by BII Zhuoyue for the use of the Resources under the Cooperation Agreement regarding (i) the 255 underground stations in operation; (ii) the 46 underground stations, where further revenue contracts are expected to be entered into; and (iii) the underground stations pending to be in operation as mentioned above, shall be determined between the parties after arm’s length negotiation, taking into account BII Zhuoyue’s revenue from its civil communication business during the term of the Cooperation Agreement, the amount invested by BII regarding the Resources and the amount invested by BII Zhuoyue regarding the civil communication transmission systems. Details of the Cooperation Agreement and the relevant continuing connected transactions were set out in the announcement and the circular of the Company dated 19 December 2024 and 29 May 2025, respectively.

For FY2025, the total transaction amount carried out under the Cooperation Agreement amounted to approximately RMB31.6 million (equivalent to approximately HK\$34.5 million).

The Company confirms that the Group has followed the relevant pricing policies as set out in the abovementioned agreements when determining the price and terms of the continuing connected transactions conducted during the Period.

The Company’s auditor was engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagement 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740, Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules, issued by Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing the auditor’s findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with the Listing Rules 14A.56, stating that:

- (a) nothing has come to their attention that causes it to believe that the disclosed continuing connected transactions have not been approved by the Company’s board of directors;

- (b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes it to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (c) nothing has come to their attention that causes it to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) with respect to the aggregate amount of each of the disclosed continuing connected transactions, nothing has come to their attention that causes it to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

The independent non-executive Directors have confirmed that the continuing connected transactions are in accordance with Rule 14A.55 of the Listing Rules. Specifically, the independent non-executive Directors confirmed that the continuing connected transactions entered into by the Group were in the ordinary and usual course of its business, on normal commercial terms or on terms no less favourable than those available to or from independent third parties, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the Shareholders as a whole.

The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of each of the connected transactions set out above.

Details of material related party transactions entered into by the Group are set out in Note 30 to the consolidated financial statements. Except for those described under the paragraphs headed "Continuing connected transactions" above, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with, none of those related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

### EVENTS AFTER THE REPORTING PERIOD

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

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, during FY2025 and until the date of this report, there is sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

### TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

### DONATIONS

During FY2025, the donation of the Group was approximately HK\$1,140,500 (FY2024: HK\$42,100).

### EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company, or existed during FY2025.

## Directors' Report (continued)

### DIRECTORS' PERMITTED INDEMNITY PROVISION

Under the Articles, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group recognises its responsibility to protect the environment when conducting its business activities. The Group continually seeks to identify and manage environmental impacts attributable to its operational activities in order to minimise these impacts if possible. Details of the Group's environmental, social and governance practices are set out in the "2025 ESG Reporting" separately published by the Group.

### CHANGES IN DIRECTORS' INFORMATION

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

1. Ms. Sun Fang, former non-executive Director, resigned as a non-executive Director with effect from 28 January 2026, in order to devote more time on her other commitments;
2. Mr. Fang Zhiwei, former non-executive Director, resigned as a non-executive Director with effect from 28 January 2026, in order to devote more time on his other commitments;
3. Mr. Wang Daomin, non-executive Director, has been appointed as a non-executive Director, with effect from 28 January 2026; and
4. Mr. Li Zheng, non-executive Director, has been appointed as a non-executive Director, with effect from 28 January 2026.

### AUDITORS

Baker Tilly Hong Kong Limited ("**Baker Tilly**") was appointed as the auditors of the Company following the retirement of KPMG at the conclusion of the 2023 annual general meeting of the Company. Save for the appointment of Baker Tilly, there was no change in auditors of the Company for the preceding three years.

The consolidated financial statements for FY2025 were audited by Baker Tilly and they have issued an unqualified opinion. Baker Tilly shall retire and, being eligible, offer themselves for re-appointment at the 2026 AGM. A resolution to re-appoint Baker Tilly as auditors of the Company and to authorise the Directors to fix the auditors' remuneration will be proposed at the 2026 AGM.

By Order of the Board

**BII Railway Transportation Technology Holdings Company Limited**

**Liu Yu**

*Executive Director  
Chief Executive Officer*

Hong Kong, 27 March 2026

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report for FY2025.

## CORPORATE GOVERNANCE PRACTICES

The Board believes that maintaining high standard of corporate governance practices is crucial to safeguarding shareholders' and stakeholders' interests, formulating business strategies and policies as well as enhancing corporate value, transparency and accountability.

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the Corporate Governance Code contained in Appendix C1 of the Listing Rules (the "CG Code"). Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices and has devised its own code of corporate governance based on the major principles and practices as set out in the CG Code. For FY2025, the Company was in compliance with the CG Code.

## BOARD OF DIRECTORS

The Company is headed by an effective Board which makes strategic decisions and supervises the achievement of the Group's business and performance. The Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his or her responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board's responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

### Board Composition

On 31 December 2025, the Board had nine Directors, comprising two executive Directors, four non-executive Directors and three independent non-executive Directors. Details of the Board composition are set out below:

#### Executive Directors

Mr. Liu Yu (Chief Executive Officer and member of the ESG Committee)  
Ms. Zhao Jingyuan

#### Non-executive Directors

Mr. Ren Yuhang (Chairman, chairman of the Nomination Committee, chairman of the ESG Committee and member of the Remuneration Committee)

Ms. Sun Fang<sup>Note</sup>  
Mr. Cao Mingda  
Mr. Fang Zhiwei<sup>Note</sup>

#### Independent non-executive Directors

Mr. Luo Zhenbang (Chairman of the Audit Committee and member of the ESG Committee)  
Mr. Huang Lixin (Member of the Audit Committee, member of the Remuneration Committee and member of the Nomination Committee)  
Ms. Ng Wing Yan Claudia (Chairman of the Remuneration Committee and member of the Audit Committee and member of the Nomination Committee)

Note: Subsequent to the Period, Mr. Wang Daomin and Mr. Li Zheng were appointed as non-executive Directors with effect from 28 January 2026 in replacement of Ms. Sun Fang and Mr. Fang Zhiwei.

## Corporate Governance Report (continued)

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules.

Ms. Ng Wing Yan Claudia was appointed as an independent non-executive Director with effect from 22 April 2025. In compliance with Rule 3.09D of the Listing Rules, Ms. Ng Wing Yan Claudia has also obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 15 April 2025 and has confirmed that she understood her obligations as a Director of a listed issuer.

Subsequent to the Period, Mr. Wang Daomin and Mr. Li Zheng were appointed as non-executive Directors with effect from 28 January 2026. In compliance with Rule 3.09D of the Listing Rules, Mr. Wang Daomin and Mr. Li Zheng have also obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 27 January 2026 and 23 January 2026, respectively, and have confirmed that they understood their obligations as Directors of a listed issuer.

The biographical information of the Directors are set out in the section headed “Biographical details of Directors and senior management” on pages 24 to 30 of this annual report. None of the members of the Board is related to one another, whether financial, business, family or otherwise.

### Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer are segregated and held by Mr. Ren Yuhang and Mr. Liu Yu, respectively, to ensure their respective independence, accountability and responsibility. The Chairman provides leadership and is responsible for the Group’s strategic planning and the management of the operations of the Board, while the Chief Executive Officer is responsible for carrying out the policies of the Board, takes the lead in the Group’s operations and business development, and focuses on the daily management and operations generally. There is a clear division of responsibilities between the Chairman and Chief Executive Officer which provides a balance of power and authority.

### Independent non-executive Directors

The Board consists of at least three independent non-executive Directors representing one-third of the Board with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise at all times during FY2025.

The Company has received written annual confirmation from each independent non-executive Director in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors are independent.

### Appointment and re-election of Directors

Each of the executive Directors has entered into a service agreement with the Company for a term of three years which can be terminated by either party by giving to the other not less than one month’s prior written notice. Each of the non-executive Directors (including independent non-executive Directors) has entered into a letter of appointment with the Company for a fixed term of three years which can be terminated by the Company by not less than three months’ prior written notice.

According to Article 16.2 of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

## Corporate Governance Report (continued)

According to Article 16.3 of the Articles, the Company may from time to time increase or reduce the number of Directors in general meeting by ordinary resolution but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Companies Act Cap. 22 of the Cayman Islands, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election thereat.

According to Article 16.18 of the Articles, at every annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed pursuant to Article 16.2 or 16.3 of the Articles shall not be taken into account in determining which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat.

### **RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT**

The Board has overall responsibility for the leadership and control of the Group, including the responsibilities for the formulation of long-term strategies, and appointing and supervising senior management to ensure that the operation of the Company is conducted in accordance with the objective of the Group; and is collectively responsible for directing and supervising the Group's affairs.

The Board directly, and indirectly through its committees, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Group. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Group are delegated to the management.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent views and judgement on corporate actions and operations.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors may, upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reviews and evaluates the independence of the Board on an annual basis and ensures that the Board is provided with independent views and opinions by adopting a series of methods and approaches such as ensuring the proportion of independent non-executive Directors on the Board and the Board committees, regularly evaluating the independence of all non-executive Directors, striving to ensure that all Directors have equal opportunities and channels to communicate and express their independent views and opinions to the Board and the Board committees, etc..

During FY2025, the Board reviewed the effectiveness of Board independence mechanisms and the results were satisfactory.

## Corporate Governance Report (continued)

### BOARD MEETINGS

The Board meets regularly (at least four times a year) to discuss and approve the overall strategies and policies, monitor the financial and operational performance, review corporate governance practices, consider and approve the financial results as well as other significant matters of the Group. Additional meetings are convened as and when the Board considers necessary. In case where conflict of interest arises involving a substantial shareholder or a Director, such matter will not be dealt with by written resolutions. Independent non-executive Directors with no conflict of interest will deal with such issues involving conflict of interest.

A tentative schedule for regular Board meetings for each year is provided to Directors at the beginning of each calendar year. Notice of at least 14 days will be given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying Board papers in respect of regular Board meetings are sent out in full to all Directors at least 3 days before the meeting. Draft minutes of all Board meetings are circulated to Directors for comment within a reasonable time prior to confirmation.

All Directors have access to Board papers and related materials, and are provided with adequate information in a timely manner, which enable the Board to make an informed decision on matters placed before it.

Four regular Board meetings and seven extraordinary Board meetings were held during FY2025. The attendance record of each Director at the Board meetings held during FY2025 is set out below:

Name of Directors	Meetings attended/Number of meetings	
	Regular Board meeting	Extraordinary Board Meeting
<b>Executive Directors</b>		
Mr. Liu Yu ( <i>Chief Executive Officer</i> )	4/4	7/7
Ms. Zhao Jingyuan	4/4	7/7
<b>Non-executive Directors</b>		
Mr. Ren Yuhang ( <i>Chairman</i> )	4/4	7/7
Ms. Sun Fang	4/4	7/7
Mr. Cao Mingda	4/4	7/7
Mr. Fang Zhiwei	4/4	7/7
<b>Independent Non-executive Directors</b>		
Mr. Luo Zhenbang ( <i>CPA</i> )	4/4	7/7
Mr. Huang Lixin	4/4	7/7
Mr. Li Wei <sup>(note 1)</sup>	1/1	3/3
Ms. Ng Wing Yan Claudia	3/3	4/4

Note:

1. Ms. Ng Wing Yan Claudia was appointed as an independent non-executive Director in replacement of Mr. Li Wei with effect from 22 April 2025.

## Corporate Governance Report (continued)

Apart from regular Board meetings and extraordinary Board meetings, the Chairman of the Board also held meeting with independent non-executive Directors without the presence of other Directors during FY2025.

### BOARD COMMITTEES

The Board has established four committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee and ESG Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the aforesaid committees have been posted on the Company's website and the website of the Stock Exchange and are available to the Shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Board Composition" in this Corporate Governance Report.

#### Audit Committee

The Company established the Audit Committee on 8 December 2011 with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules. On 30 December 2015, the Board adopted the revised written terms of reference which became effective on 1 January 2016. On 25 December 2018, the Board adopted the further revised written terms of reference which became effective on the same date. The written terms of reference of the Audit Committee were adopted in compliance with code provisions D.3.3 and D.3.7 of the CG Code.

The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Luo Zhenbang (chairman of the Audit Committee), Mr. Huang Lixin and Ms. Ng Wing Yan Claudia<sup>Note</sup>.

Note: Ms. Ng Wing Yan Claudia was appointed as a member of the Audit Committee with effect from 22 April 2025 in replacement of Mr. Li Wei.

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

The Audit Committee held six meetings during FY2025 to, among others, review the interim and annual financial results and reports of the Group and significant issues on financial reporting, operational and compliance controls. The Audit Committee also reviewed the effectiveness of the Group's risk management and internal control systems, internal audit function and compliance procedures, and considered matters regarding reappointment of external auditors, relevant scope of works and connected transactions and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors twice without presence of the executive Directors.

The attendance record of each member at the Audit Committee meetings held during FY2025 is set out below:

	Meetings attended/ Number of meetings
Mr. Luo Zhenbang (CPA) (chairman of the Audit Committee)	6/6
Mr. Huang Lixin	6/6
Ms. Ng Wing Yan Claudia	4/4
Mr. Li Wei	2/2

## Corporate Governance Report (continued)

### Remuneration Committee

The Company established the Remuneration Committee on 8 December 2011 with written terms of reference in compliance with Rules 3.25 and 3.26 of the Listing Rules. On 25 December 2018 and 26 October 2022, the Board respectively adopted the revised written terms of reference which became effective on the same date. The written terms of reference of the Remuneration Committee was adopted in compliance with code provision E.1.2 of the CG Code.

The Remuneration Committee currently consists of two independent non-executive Directors, namely Ms. Ng Wing Yan Claudia<sup>Note</sup> (chairman of the Remuneration Committee) and Mr. Huang Lixin, and one non-executive Director, namely Mr. Ren Yuhang.

Note: Ms. Ng Wing Yan Claudia was appointed as the chairman of the Remuneration Committee with effect from 22 April 2025 in replacement of Mr. Li Wei.

The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the remuneration packages of executive Directors, non-executive Directors and senior management and overall remuneration policy and structure relating to all Directors and senior management of the Group, and establish transparent procedures for developing such remuneration policy and structure and to ensure that none of the Directors or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee held three meetings during FY2025 to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management. Details of the remuneration of senior management by band are set out in Note 9 to the consolidated financial statements in this annual report.

The attendance record of each member at the Remuneration Committee meeting held during FY2025 is set out below:

	Meetings attended/ Number of meetings
Ms. Ng Wing Yan Claudia ( <i>chairman of the Remuneration Committee</i> )	1/1
Mr. Li Wei ( <i>former chairman of the Remuneration Committee</i> )	2/2
Mr. Ren Yuhang	3/3
Mr. Huang Lixin	3/3

### Nomination Committee

The Company established the Nomination Committee on 8 December 2011 with written terms of reference in compliance with code provisions B.3.1 of the CG Code. On 25 December 2018, the Board adopted the revised written terms of reference which became effective on the same date. The Nomination Committee adopted a board diversity policy on 30 August 2013 to achieve diversity on the Board which was subsequently revised on 25 December 2018. On 19 June 2025, the Board adopted the revised written terms of reference which became effective on the same date.

The Nomination Committee currently consists of one non-executive Director, namely Mr. Ren Yuhang (chairman of the Nomination Committee) and two independent non-executive Directors, namely Mr. Huang Lixin and Ms. Ng Wing Yan Claudia<sup>Note</sup>.

Note: Ms. Ng Wing Yan Claudia was appointed as a member of the Nomination Committee with effect from 22 April 2025 in replacement of Mr. Li Wei.

## Corporate Governance Report (continued)

The primary duties of the Nomination Committee are to review the structure, size, diversity and composition of the Board on a regular basis; develop and formulate relevant procedures for the nomination and appointment of Directors; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or succession planning of Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Company's director nomination policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. The director nomination policy as adopted by the Board sets out the procedure and criteria in the nomination and appointment of Directors.

The Nomination Committee held three meetings during FY2025 to discuss and review the structure, size and composition of the Board and the independence of the independent non-executive Directors as well as matters regarding retirement and re-election of Directors at annual general meeting.

The attendance record of each member at the Nomination Committee meeting held during FY2025 is set out below:

	Meetings attended/ Number of meetings
Mr. Ren Yuhang ( <i>chairman of the Nomination committee</i> )	3/3
Mr. Huang Lixin	3/3
Ms. Ng Wing Yan Claudia	1/1
Mr. Li Wei	2/2

### ESG Committee

The Company established the ESG Committee on 29 November 2021 with written terms of reference. On 130 December 2025, the Board adopted the revised written terms of reference which became effective on the same date.

The ESG Committee currently consists of one non-executive Director, namely Mr. Ren Yuhang (chairman of the ESG Committee), one executive Director, namely Mr. Liu Yu, and one independent non-executive Director, namely Mr. Luo Zhenbang.

The terms of reference of the ESG Committee are to review, approve and report to the board of directors the company's ESG principles, objectives, standards and matters, and to supervise, review and evaluate their effective implementation in the formulation of strategies, systems and business practices. The ESG Committee is also responsible for reviewing and recommending the ESG reports to the board of directors, etc.

The ESG Committee held two meetings during FY2025 to discuss the Company's ESG report, ESG objectives, etc. and report to the Board.

## Corporate Governance Report (continued)

The attendance record of each member at the ESG Committee meeting held during FY2025 is set out below:

	Meeting attended/ Number of meeting
Mr. Ren Yuhang ( <i>chairman of the ESG committee</i> )	2/2
Mr. Liu Yu	2/2
Mr. Luo Zhenbang	2/2

### BOARD DIVERSITY POLICY

The Company adopted a board diversity policy on 30 August 2013 to achieve diversity on the Board which was subsequently revised on 6 December 2013 and 25 December 2018 (the “**Board Diversity Policy**”) and is available on the website of the Company. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to maintaining diversity at all levels and will consider the measurable objectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience.

The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company’s business growth and is also committed to ensuring that selection and nomination of Board positions are appropriately structured so that a diverse range of candidates are considered.

For the purpose of implementation of the Board Diversity Policy, the Board will consider the following measurable objectives:

1. at least one third of the Directors shall be an independent non-executive Directors;
2. at least one Director and senior management is female; and
3. at least one Director shall have obtained accounting or other professional qualifications.

During the Period, all the measurable objectives have been fulfilled and the Company considers that the Board satisfies the Board Diversity Policy.

As at 31 December 2025, the Board comprised nine members, including two female Directors who have a balance mix of knowledge, skill and experience. The Company has taken and will continue to take steps to promote gender diversity at all levels of the Company, including but without limitation at Board and senior management levels.

For succession planning to maintain gender diversity on the Board, the Board will ensure, by upholding an open, fair, just and reasonable human resource policy with equal opportunities for talent attraction and promotion regardless of gender, that a diverse pipeline of candidates are available to take up leadership positions when any vacancy arises.

The Company will also ensure that there is gender diversity when recruiting staff at mid to senior levels. It is the Company’s objective to maintain an appropriate balance of gender diversity with reference to the stakeholders’ expectation and international and local recommended best practices. As at 31 December 2025, the gender ratio in the workforce (including senior management) was approximately 71.3% males and 28.7% females.

At present, the Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained and has achieved the measurable objectives in implementing the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy, as appropriate and on a regular basis, to ensure its continued effectiveness.

### DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company. Without prejudice to the authority and duties of the Nomination Committee as set out in its terms of reference, the ultimate responsibility for selection and appointment of Directors of the Company rests with the entire Board.

The Company has adopted a director nomination policy (the “**Director Nomination Policy**”) which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process set out in the Director Nomination Policy is as follows:

#### Appointment of New Director

- The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to recommendation by Shareholders, re-designation etc.;
- The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship;
- If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);
- The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable;
- For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship; and
- Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

## Corporate Governance Report (continued)

### Re-election of Director at General Meeting

- The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board;
- The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above; and
- The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity aspects under the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee of the Company.

During FY2025, the Nomination Committee recommended to the Board the appointment of an independent non-executive Director, namely Ms. Ng Wing Yan Claudia. Such appointment was subject to a stringent nomination process in accordance with the Director Nomination Policy and the Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company's strategy.

The Nomination Committee will conduct a regular review on the Director Nomination Policy, as appropriate, to ensure its effectiveness.

### **CORPORATE GOVERNANCE FUNCTIONS**

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board determines the Company's corporate governance policies and performs corporate governance duties set out in the CG Code. Its corporate governance duties include, among others, (i) to develop and review the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal or regulatory requirements; and (iv) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Throughout FY2025, the Board has performed the functions set out in code provision A.2.1 of the CG code.

### **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has devised the Securities Dealing Code on terms no less exacting than the required standard of dealings set out in the Model Code. The Company customarily issues notices to its Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results. Having made specific enquiry of the Directors, all the Directors confirmed that they have complied with the required standards set out in the Securities Dealing Code and the Model Code throughout FY2025. The Securities Dealing Code also applies to employees to whom the Securities Dealing Code was given. The Company was not aware of any non-compliance of the Model Code for FY2025.

### **DIRECTORS' AND OFFICERS' LIABILITIES**

The Company has arranged for appropriate insurance covering the liabilities of the Directors and officers in respect of any legal actions taken against the Directors and officers that may arise out of the corporate activities. The insurance coverage will be reviewed on an annual basis.

### **CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS**

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Induction materials and relevant guideline materials regarding the duties and responsibilities of being a director, the relevant laws and regulations applicable to directors, duty of disclosure of interests and business in the Group will be provided to newly appointed Directors shortly upon their appointment as Directors to ensure appropriate understanding of the business and operations of the Group and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Continuing briefings and professional development to Directors will be arranged when necessary. All Directors are encouraged to attend relevant training courses at the Company's expenses.

## Corporate Governance Report (continued)

In FY2025, the Company held many training courses for all Directors, including listing rules and relevant guidelines, inside information, ESG, etc.. All Directors attended the trainings.

Name of Directors	Participation
<b>Executive Directors</b>	
Mr. Liu Yu ( <i>Chief Executive Officer</i> )	Attended
Ms. Zhao Jingyuan	Attended
<b>Non-executive Directors</b>	
Mr. Ren Yuhang ( <i>Chairman</i> )	Attended
Ms. Sun Fang	Attended
Mr. Cao Mingda	Attended
Mr. Fang Zhiwei	Attended
<b>Independent Non-executive Directors</b>	
Mr. Luo Zhenbang	Attended
Mr. Huang Lixin	Attended
Ms. Ng Wing Yan Claudia	Attended

### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board of Directors is responsible for evaluating and determining the nature and extent of risks it is willing to accept in achieving the Group's strategic objectives (including but not limited to material ESG-related risks).

In FY2025, the Group conducted a comprehensive risk assessment and communicated the results to the Board once. This assessment covered the management and key positions within various business units and was performed based on the Group's current comprehensive risk list, which includes strategic, operational, market, legal, financial, compliance, and ESG risks. Through a process of risk identification, evaluation, prioritisation, and management, the major risks currently faced were determined, and ongoing risk management will be implemented until the next comprehensive risk assessment to ensure the Group's stable operation and long-term development.

Since the comprehensive risk assessment in FY2024, there have been no significant changes in the nature and severity of the Group's major risks (including ESG risks), nor in the ability to respond to business and external environmental changes.

The Board ensures that the Group has and maintains appropriate and effective risk management and internal control systems to address identified risks, safeguard the issuer's assets, prevent and detect fraud, misconduct, and losses and ensure accurate financial reporting and compliance with applicable laws and regulations.

The Group continues to optimise its integrated management system of "internal control, compliance, risk, legal affairs, and audits". In FY2025, the Internal Control, Compliance, and Risk Management Manual was updated to fully align with the standards of BII. This update involved refining and simplifying control activity descriptions, highlighting the compliance responsibilities of key positions, and ensuring each responsibility is matched with its regulatory basis or operational mechanism.

## Corporate Governance Report (continued)

The Board continuously supervises the management's design, implementation, and monitoring of the risk management and internal control systems and ensures that the Group and its subsidiaries review the effectiveness of these systems annually. The management provides confirmation to the Board regarding the effectiveness.

The Group's internal audit function is assigned to the Legal Audit Department, which is responsible for organising reviews of the effectiveness of risk management and internal control systems by the Group and its subsidiaries in FY2025. This involves evaluating internal controls and assessing the effectiveness of the compliance management system. The review encompasses all major control measures, including financial, operational, and compliance aspects. The management communicated the review results to the Board once, and the Board confirmed that the Group's risk management and internal control systems were adequate and effective for FY2025, with no significant control failures or weaknesses identified.

The Group's procedures for financial reporting and compliance with the Listing Rules are well-designed and effectively executed, ensuring accurate, reliable, and consistently compliant financial reporting.

The Group allocates sufficient resources to its accounting, internal audit, and financial reporting functions, as well as environmental, social, and governance performance and reporting. The Finance Department, Legal and Audit Department, and Capital Operation Department are respectively responsible for accounting and financial reporting, internal auditing, and ESG-related work. The employees of these departments all possess relevant experience and expertise.

As the reporting policy of the Group, the Reporting Management Measures allows employees and other persons who have dealings with the Group (e.g. customers and suppliers) to confidentially and anonymously raise their concerns about any potential misconduct related to the Group with the Audit Committee. The Reporting Handling Office reported to the Board and Audit Committee that it did not receive any concerns about possible improprieties relating to the Group in FY2025.

As the Group's policy to promote and support anti-corruption laws and regulations, the Anti-fraud Regulation sets out the definition of fraud, remedial measures and penalties, with the aim of preventing and controlling fraud, strengthening the Group's risk management and internal control systems, promoting a culture of probity, standardising business practices, safeguarding the interests of the Group, and protecting the legitimate rights and interests of shareholders.

## Corporate Governance Report (continued)

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company for FY2025 and ensure that the financial statements are prepared in accordance with applicable statutory requirements and financial reporting standards. Appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made.

Having made appropriate enquiries, the Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Company's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The statement of the external auditors of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 63 to 69 of this annual report.

### AUDITORS' REMUNERATION

The fees paid and payable to the Company's external auditors in respect of their audit and non-audit services provided to the Company for FY2025 were as follows:

	Amount HK\$'000
<b>Type of services</b>	
Audit services	1,406
Non-audit services (for provision of interim results review service)	602
	2,008

### COMPANY SECRETARY

The position of joint company secretaries of the Company is held by Mr. Liu Yefei and Ms. Ng Ka Man. Ms. Ng is a senior manager of the Listing Services Department of TMF Hong Kong Limited, a global professional services provider specialising in integrated business, corporate and investor services. Mr. Liu is general manager of Capital Operation Department of Company. Mr. Liu is also the primary corporate contact person of Ms. Ng. He would work and communicate with Ms. Ng on the Company's corporate governance and secretarial and administrative matters. All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. Mr. Liu and Ms. Ng have taken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules during FY2025.

### INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communications with the Shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations and investor understanding of the Group's business performance and strategies. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public.

The Company updates its Shareholders on its latest business developments and financial performance through its corporate publications including interim and annual reports as well as other announcements and circulars. The Company maintains its website ([www.biitt.cn](http://www.biitt.cn)) to provide a communication channel for the public and its shareholders. All corporate communication and the Company's latest updates are available on the Company's website for public information.

The annual general meeting ("AGM") or extraordinary general meeting ("EGM") of the Company provide opportunities for direct communication between the Shareholders and the Board and the Directors are available to meet the Shareholders and answer their questions. During FY2025, an AGM and two EGMs were held.

The attendance records of each Director at the AGM and the EGMs are set out below:

Name of Directors	Meetings attended/Number of meetings	
	AGM	EGM
<b>Executive Directors</b>		
Mr. Liu Yu ( <i>Chief Executive Officer</i> )	1/1	2/2
Ms. Zhao Jingyuan	1/1	2/2
<b>Non-executive Directors</b>		
Mr. Ren Yuhang ( <i>Chairman</i> )	1/1	2/2
Ms. Sun Fang	1/1	2/2
Mr. Cao Mingda	1/1	2/2
Mr. Fang Zhiwei	1/1	2/2
<b>Independent Non-executive Directors</b>		
Mr. Luo Zhenbang ( <i>CPA</i> )	1/1	2/2
Mr. Huang Lixin	1/1	2/2
Ms. Ng Wing Yan Claudia	1/1	2/2

## Corporate Governance Report (continued)

### SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantial issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

The Company engages with Shareholders through various communication channels.

### Procedures for Shareholders to Convene an EGM

According to Article 12.3 of the Articles, EGM of the Company may be convened on the written requisition of any one or more members of the Company holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company, on a one vote per share basis.

If the Board does not within 21 days from the date of deposit of the requisition proceed to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the EGM in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) shall be reimbursed to them by the Company.

### Procedures for Shareholders to Put Forward Proposals at Shareholders' Meetings

According to Article 12.3 of the Articles, Shareholders may put forward proposals at Shareholders' Meetings by the written requisition of any one or more members of the Company holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company, on a one vote per share basis.

### Procedures for Shareholders to Direct Enquiries to the Board

For putting enquiries to the Board, the Shareholders can contact the Company as follows:

Address:	Rm 2502, 25/F, Tower 1, Enterprise Square Five 38 Wang Chiu Road Kowloon Bay Hong Kong
Email:	IR@biitt.cn
Tel (HK):	(852) 2805 2588
Tel (Beijing):	(86) 010 8462 2731
Fax:	(852) 2805 2488
Attention:	The Board of Directors c/o Capital Operation Department

## Corporate Governance Report (continued)

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered shareholders shall contact the Company's Hong Kong branch share registrar and transfer office as follows:

Address:	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Email:	is-enquiries@vistra.com
Tel:	(852) 2980 1333
Fax:	(852) 2810 8185

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above addresses, where appropriate, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Shareholders may call the Company at (852) 2805 2588 for any assistance.

### Policies relating to Shareholders

The Company has in place a Shareholders' Communication Policy to ensure that shareholders' views and concerns are appropriately addressed. The Company maintains close contact with investors, continuously communicating with them through online meetings, phone calls, face-to-face conversations, and other means, and answering questions about the Group's strategic direction, business development, prospects, and other concerns at any time. Investors can also learn about the latest information of the Company through Shareholder meetings, Company websites, Shareholder inquiries, and other means. In 2025, the Group has communicated with investors and analysts more than 50 times. The Board has conducted an annual review of the implementation and effectiveness of the Shareholders Communication Policy of the Company, and considered that the policy was implemented effectively during the year.

The Company has adopted a Dividend Policy on payment of dividends, which sets out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders. After the Board took comprehensive consideration of strategic planning, business expansion, operation management, dividend payout and other factors, the Group has established a sustainable, stable and scientific return mechanism for Shareholders. The mid-to-long-term dividend payout ratio is not lower than 30% in principle, which will provide Shareholders with tangible returns. The specific dividend allocation will depend on the annual results, cash flows and other factors, subject to the approval of Shareholders at the relevant annual general meeting.

### Constitutional Documents

There had been no changes in the constitutional documents of the Company during FY2025.

The second amended and restated memorandum and articles of association of the Company is available on the websites of the Stock Exchange and of the Company.

# DEFINITIONS

2026 annual general meeting of the Company	“2026 AGM”
Automatic Fare Collection Clearing Centre (自動售檢票清算中心)	“ACC”
Automated Fare Collection System (自動售檢票系統)	“AFC”
Automatic Fare Collection Network Control Centre (自動售檢票線網管理中心)	“ANCC”
Baoding Cornerstone Lianying Venture Capital Investment Fund Centre (Limited Liability Partnership)* (保定基石連盈創業投資基金中心(有限合夥))	“Cornerstone Lianying”
Beijing Beikong Telecom Technology Service Co., Ltd.* (北京北控電信通技術服務有限公司)	“Beikong Telecom”
Beijing Capital Metro Co., Ltd.* (北京京城地鐵有限公司)	“Capital Metro”
Beijing City Railway Holdings Company Limited (北京城市軌道交通控股有限公司)	“Beijing City Railway”
Beijing Cornerstone Huiying Venture Capital Centre (Limited Liability Partnership) (北京基石慧盈創業投資中心(有限合夥))	“Cornerstone Huiying”
Beijing Infrastructure Investment Co., Ltd.* (北京市基礎設施投資有限公司)	“BII”
Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司)	“BII HK”
Beijing Jingtou Rail Transit Real Estate Development Co., Ltd* (北京京投軌道交通置業開發有限公司)	“BII Real Estate”
Beijing Metro Network Administration Co., Ltd.* (北京軌道交通路網管理有限公司)	“Metro Network”
Beijing Metro Science and Technology Development Co., Ltd.* (北京地鐵科技發展有限公司)	“Metro Technology”
Beijing Ruubypay Science and Technology Co., Ltd* (北京如易行科技有限公司)	“Ruubypay”
Beijing SmartTOD Technology Development Co., Ltd* (北京京智網智慧科技發展有限公司)	“SmartTOD Technology”

## Definitions (continued)

Beijing Subway Information Development Co., Ltd. (北京地鐵信息發展有限公司)	“Information Development”
Beijing Traffic Control Silicon Valley Technology Co., Ltd.* (北京交控硅谷科技有限公司)	“Traffic Control Silicon Valley”
BII Information Security Technology Development Company Limited* (北京京投信安科技發展有限公司)	“BII Xin An”
BII Railway Technology Development Holdings Company Limited (京投軌道科技發展有限公司)	“BII Railway”
BII Railway Transportation Technology Holdings Company Limited (京投軌道交通科技控股有限公司)	“the Company”
BII Railway Transportation Technology Holdings Company Limited and its subsidiaries (京投軌道交通科技控股有限公司及其附屬公司)	“the Group”
BII Technical Equipment Group Co., Ltd.* (北京軌道交通技術裝備集團有限公司)	“BII Technical”
BII Technology Development Co., Ltd.* (北京京投卓越科技發展有限公司)	“BII-TDBJ”
BII Transit Systems (Beijing) Co., Ltd.* (億雅捷交通系統(北京)有限公司)	“BII-TSBJ”
BII Transit Systems (HK) Co., Ltd (京投交通科技(香港)有限公司)	“BII-TSHK”
BII Transportation Technology (Beijing) Co., Ltd.* (北京京投億雅捷交通科技有限公司)	“BII-TTBJ”
BII Zhongfu Technology Company Limited* (京投眾甫科技有限公司)	“BII Zhongfu”
Board of Directors	“Board”
China City Railway Transportation Technology Investment Co., Ltd. (中國城市軌道交通科技投資有限公司)	“CCRIT Investment”
For the year ended 31 December 2023	“FY2023”
For the year ended 31 December 2024	“FY2024”
For the year ended 31 December 2025	“FY2025”, “Period”

## Definitions (continued)

Great Legend Development Limited (華駿發展有限公司)	“Great Legend”
Litmus Technologies (Beijing) Co., Ltd.* (北京樂碼仕智能科技有限公司)	“Litmus”
More Legend Limited	“More Legend”
Multiple Line Centre (多線共用線路中心)	“MLC”
Ordinary share(s) of HK\$0.01 each in the share capital of the Company	“Share(s)”
Passenger Information System (乘客信息系統)	“PIS”
Shareholder(s) of the Company	“Shareholder(s)”
Suzhou Huaqi Intelligent Technology Co., Ltd.* (蘇州華啟智能科技股份有限公司)	“Huaqi Intelligent”
the director(s) of the Company	“Director(s)”
The Rules Governing the Listing of Securities on the Stock Exchange	“Listing Rules”
The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)	“Stock Exchange”
Traffic Control Centre (線網指揮中心)	“TCC”
Youdao Technology Co., Ltd (友道科技有限公司, formerly known as Beijing Zhilian Youdao Technology Co., Ltd (北京智聯友道科技有限公司))	“Youdao Technology”

\* For identification purposes only

# Independent Auditor's Report



**Independent auditor's report to the shareholders of  
BII Railway Transportation Technology Holdings Company Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

## **OPINION**

We have audited the consolidated financial statements of BII Railway Transportation Technology Holdings Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 70 to 158, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## **BASIS FOR OPINION**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independent Auditor's Report (continued)

### KEY AUDIT MATTERS

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

#### Loss allowances for trade receivables and contract assets

Refer to Notes 3(b), 18(a), 19 and 29(a) to the consolidated financial statements and the accounting policies in Note 2(k)(i).

##### The Key audit matter

As at 31 December 2025, the Group's trade receivables and contract assets amounted to approximately HK\$649,973,000 and HK\$1,017,498,000, representing 12.80% and 20.04% of the total assets, respectively.

The Group measures loss allowances on trade receivables and contract assets at amounts equal to lifetime expected credit losses (the "ECL") using a provision matrix which involved significant management judgement in estimating loss rate and adjusting factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. For trade receivables or contract assets that are individually significant with objective evidence that the credit risk is obviously different from others, ECL is measured on an individual basis.

We identified assessing loss allowances for trade receivables and contract assets as a key audit matter because of the significance of the balances of trade receivables and contract assets to the consolidated financial statements and the significant management judgement required in estimating the loss allowances at the reporting date, which can be inherently uncertain.

##### How the matter was addressed in our audit

Our audit procedures to assess the loss allowances for trade receivables and contract assets included the following:

- understanding and evaluating the design and implementation of key internal controls relating to credit control, debt collection and estimating loss allowances for trade receivables and contract assets;
- evaluating the Group's policy and methodology for estimating the credit loss allowance with reference to the requirements of the prevailing accounting standards;
- on a sample basis, comparing the categorisation of trade receivables and contract assets in the ageing report with invoices issued, contract terms, contract progress reports and other relevant underlying documentation;
- understanding the key data and assumptions of the expected credit loss model adopted by management, including the basis of the segmentation of the trade receivables and contract assets based on credit risk characteristics, the historical default data, and the assumptions involved in management's estimated loss rate;

## Independent Auditor's Report (continued)

### KEY AUDIT MATTERS (CONTINUED)

#### Loss allowances for trade receivables and contract assets (continued)

Refer to Notes 3(b), 18(a), 19 and 29(a) to the consolidated financial statements and the accounting policies in Note 2(k)(i).

#### The Key audit matter

#### How the matter was addressed in our audit

Our audit procedures to assess the loss allowances for trade receivables and contract assets included the following: (continued)

- assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information; and
- on a sample basis, inspecting cash receipts after 31 December 2025 from customers relating to trade receivables and contract assets balances as at 31 December 2025.

## Independent Auditor's Report (continued)

### KEY AUDIT MATTERS (CONTINUED)

#### Assessing potential impairment of goodwill and trademarks with indefinite useful life

Refer to Notes 3(c), 12 and 13 to the consolidated financial statements and the accounting policies in Note 2(k)(ii).

##### The Key audit matter

As at 31 December 2025, goodwill and trademarks with indefinite useful life amounted to approximately HK\$557,687,000 and HK\$94,108,000, respectively.

Goodwill and trademarks with indefinite useful life are assessed annually for potential impairment. Management performs impairment assessments of the cash-generating units ("CGUs") to which the assets are allocated by considering the value-in-use of these assets.

The value-in-use was determined by preparing discounted cash flow forecasts of the relevant CGUs. This involves a significant degree of management judgement, particularly the future sales growth rates, corresponding gross margin rates and the discount rates applied.

We identified assessing potential impairment of goodwill and trademarks with indefinite useful life as a key audit matter because the impairment assessment of these assets involves a significant degree of management judgement in relation to the key assumptions adopted in the impairment assessment models some of which are inherently uncertain and may be subject to management bias.

##### How the matter was addressed in our audit

Our audit procedures to assess the potential impairment of goodwill and trademarks with indefinite useful life included the following:

- understanding and evaluating the design and implementation of key internal controls over the impairment assessment;
- evaluating management's identification of CGUs and the amounts of goodwill, trademarks with indefinite useful life and other assets allocated to those CGUs;
- evaluating the methodology used by management in preparing the discounted cash flow forecasts with reference to the requirements of the prevailing accounting standards and assessing the discount rates applied in the discounted cash flow forecasts by comparing with the range of those adopted by other companies in the same industry;
- assessing and challenging the key assumptions adopted by management in its discounted cash flow forecasts, such as the estimated future sales growth rates and corresponding gross margin rates, with reference to historical sales growth rates and corresponding profit margins rates of the individual CGUs and the financial budgets approved by the directors of the Company;

## Independent Auditor's Report (continued)

### KEY AUDIT MATTERS (CONTINUED)

#### Assessing potential impairment of goodwill and trademarks with indefinite useful life (continued)

Refer to Notes 3(c), 12 and 13 to the consolidated financial statements and the accounting policies in Note 2(k)(ii).

#### The Key audit matter

#### How the matter was addressed in our audit

Our audit procedures to assess the potential impairment of goodwill and trademarks with indefinite useful life included the following: (continued)

- performing a retrospective review of the prior year's discounted cash flow forecasts and comparing the forecast with the current year's actual results to assess the reliability of management's forecasting process;
- obtaining from management sensitivity analyses of the key assumptions, including future sales growth rates, corresponding gross margin rates and the discount rates applied, adopted in the discounted cash flow forecasts and considering any indicators of management bias; and
- assessing the adequacy of disclosures relating to impairment testing of goodwill and trademarks with indefinite useful life in the context of the applicable financial reporting standards.

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditor's Report (continued)

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## Independent Auditor's Report (continued)

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement director on the audit resulting in this independent auditor's report is Wan Wing Ping.

#### **Baker Tilly Hong Kong Limited**

Certified Public Accountants

#### **Wan Wing Ping**

Practising certificate number P07471

Hong Kong, 30 March 2026

# Consolidated Statement of Profit or Loss

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	4	<b>1,775,748</b>	1,656,773
Cost of sales		<b>(1,182,210)</b>	(1,037,086)
<b>Gross profit</b>		<b>593,538</b>	619,687
Other income and other gains/losses	5	<b>19,183</b>	21,790
Selling, general and administrative expenses		<b>(266,438)</b>	(266,556)
Impairment loss on trade, bills and other receivables and contract assets, net	29(a)	<b>(11,368)</b>	(13,447)
Research and development expenses		<b>(166,703)</b>	(159,599)
<b>Profit from operations</b>		<b>168,212</b>	201,875
Finance costs	6(a)	<b>(12,333)</b>	(9,884)
Share of results of joint ventures and associates		<b>23,939</b>	21,888
Fair value changes in other financial assets measured at fair value through profit or loss ("FVTPL")		<b>(9,253)</b>	(7,597)
<b>Profit before taxation</b>	6	<b>170,565</b>	206,282
Income tax	7	<b>(26,301)</b>	(26,775)
<b>Profit for the year</b>		<b>144,264</b>	179,507
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>133,974</b>	167,604
Non-controlling interests		<b>10,290</b>	11,903
<b>Profit for the year</b>		<b>144,264</b>	179,507
<b>Earnings per share</b>			
Basic and diluted (HK\$)	10	<b>0.064</b>	0.080

The notes on pages 78 to 158 form part of these consolidated financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 28(b).

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	2025 HK\$'000	2024 HK\$'000
<b>Profit for the year</b>	<b>144,264</b>	179,507
<b>Other comprehensive (expense)/income for the year, net of tax:</b>		
Item that will not be reclassified to profit or loss:		
Other financial assets designated at fair value through other comprehensive income ("FVTOCI")		
Change in fair value	<b>(8,740)</b>	6,578
Tax effect	<b>1,311</b>	(987)
	<b>(7,429)</b>	5,591
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<b>83,665</b>	(65,853)
<b>Other comprehensive income/(expense) for the year</b>	<b>76,236</b>	(60,262)
<b>Total comprehensive income for the year</b>	<b>220,500</b>	119,245
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>204,822</b>	119,606
Non-controlling interests	<b>15,678</b>	(361)
<b>Total comprehensive income for the year</b>	<b>220,500</b>	119,245

The notes on pages 78 to 158 form part of these consolidated financial statements.

# Consolidated Statement of Financial Position

As at 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	11	252,311	258,100
Intangible assets	12	172,984	181,559
Goodwill	13	557,687	543,944
Interests in joint ventures and associates	15	298,985	385,430
Other financial assets	16	226,058	197,387
Deferred tax assets	26(a)	35,801	33,536
		<b>1,543,826</b>	1,599,956
<b>Current assets</b>			
Inventories	17	493,554	451,136
Contract assets	18(a)	1,017,498	735,056
Trade and other receivables	19	1,202,219	1,285,764
Bank deposit and cash	20(a)	820,638	761,204
		<b>3,533,909</b>	3,233,160
<b>Current liabilities</b>			
Trade and other payables	21	1,523,518	1,356,920
Contract liabilities	18(b)	25,643	38,604
Bank borrowings	22	116,251	101,507
Other borrowings	23	28,832	28,262
Lease liabilities	24	17,731	18,287
Current taxation		30,694	27,043
Provision for warranties	25	5,427	5,165
		<b>1,748,096</b>	1,575,788
<b>Net current assets</b>		<b>1,785,813</b>	1,657,372
<b>Total assets less current liabilities</b>		<b>3,329,639</b>	3,257,328

## Consolidated Statement of Financial Position (continued)

As at 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current liabilities</b>			
Other borrowings	23	165,000	255,000
Lease liabilities	24	18,673	20,243
Contingent considerations		–	1,955
Deferred tax liabilities	26(a)	31,935	33,690
Deferred income	27	2,558	1,296
Provision for warranties	25	4,313	4,201
		<b>222,479</b>	316,385
<b>NET ASSETS</b>		<b>3,107,160</b>	2,940,943
<b>CAPITAL AND RESERVES</b>			
	28		
Share capital		20,971	20,971
Reserves		2,909,120	2,754,630
<b>Total equity attributable to equity shareholders of the Company</b>		<b>2,930,091</b>	2,775,601
Non-controlling interests		177,069	165,342
<b>TOTAL EQUITY</b>		<b>3,107,160</b>	2,940,943

Approved and authorised for issue by the board of directors on 30 March 2026.

**Liu Yu**  
Director

**Zhao Jingyuan**  
Director

The notes on pages 78 to 158 form part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company									Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Statutory reserves	Fair value reserve (non-recycling)	Exchange reserve	Retained profits	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
<b>Balance at 1 January 2024</b>	20,971	1,607,664	53,480	98,473	51,211	(179,015)	1,055,034	2,707,818	171,031	2,878,849	
<b>Changes in equity for 2024:</b>											
Profit for the year	-	-	-	-	-	-	167,604	167,604	11,903	179,507	
Other comprehensive income/(expense)	-	-	-	-	5,591	(53,589)	-	(47,998)	(12,264)	(60,262)	
Total comprehensive income/(expense)	-	-	-	-	5,591	(53,589)	167,604	119,606	(361)	119,245	
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(5,328)	(5,328)	
Dividends approved in respect of the previous year (Note 28(b)(ii))	-	(52,429)	-	-	-	-	-	(52,429)	-	(52,429)	
Appropriation to reserves	-	-	-	18,847	-	-	(18,847)	-	-	-	
Others	-	-	606	-	-	-	-	606	-	606	
	-	(52,429)	606	18,847	-	-	(18,847)	(51,823)	(5,328)	(57,151)	
<b>Balance at 31 December 2024</b>	20,971	1,555,235	54,086	117,320	56,802	(232,604)	1,203,791	2,775,601	165,342	2,940,943	

## Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Statutory reserves HK\$'000	Fair value	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
					reserve (non-recycling) HK\$'000					
<b>Balance at 1 January 2025</b>	20,971	1,555,235	54,086	117,320	56,802	(232,604)	1,203,791	2,775,601	165,342	2,940,943
<b>Changes in equity for 2025:</b>										
Profit for the year	-	-	-	-	-	-	133,974	133,974	10,290	144,264
Other comprehensive (expense)/income	-	-	-	-	(7,429)	78,277	-	70,848	5,388	76,236
Total comprehensive (expense)/income	-	-	-	-	(7,429)	78,277	133,974	204,822	15,678	220,500
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(3,951)	(3,951)
Dividends approved in respect of the previous year (Note 28(b)(ii))	-	(50,332)	-	-	-	-	-	(50,332)	-	(50,332)
Appropriation to reserves	-	-	-	17,478	-	-	(17,478)	-	-	-
	-	(50,332)	-	17,478	-	-	(17,478)	(50,332)	(3,951)	(54,283)
<b>Balance at 31 December 2025</b>	20,971	1,504,903	54,086	134,798	49,373	(154,327)	1,320,287	2,930,091	177,069	3,107,160

The notes on pages 78 to 158 form part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
<b>Operating activities</b>			
Profit before taxation		<b>170,565</b>	206,282
Adjustments for:			
Depreciation and amortisation	6(c)	<b>75,016</b>	61,247
Impairment loss on trade, bills and other receivables and contract assets, net	29(a)	<b>11,368</b>	13,447
Impairment of prepayment	6(c)	<b>296</b>	–
Write down of inventories, net	17(b)	<b>1,096</b>	758
Interest income	5	<b>(5,995)</b>	(4,444)
Dividends income from other financial assets measured at FVTPL	5	–	(1,317)
Loss on disposal of a joint venture	5	<b>6,431</b>	–
Loss on disposal of an associate	5	–	110
Loss on deemed partial disposal of an associate	5	–	23
Gain on deemed disposal of an associate	5	<b>(856)</b>	–
Finance costs	6(a)	<b>12,333</b>	9,884
Share of results of joint ventures and associates		<b>(23,939)</b>	(21,888)
Net loss on disposal of property, plant and equipment	6(c)	<b>91</b>	202
Net loss on early termination of leases	5	–	549
Fair value changes in other financial assets measured at FVTPL		<b>9,253</b>	7,597
Changes in working capital:			
Increase in inventories		<b>(31,793)</b>	(97,329)
Decrease/(increase) in trade and other receivables		<b>76,623</b>	(190,076)
Increase in contract assets		<b>(261,668)</b>	(38,495)
Increase in deferred income		<b>1,213</b>	1,316
Increase in provision for warranties		<b>136</b>	288
Increase in trade and other payables		<b>188,122</b>	224,262
Decrease in contract liabilities		<b>(13,753)</b>	(6,310)
Decrease in restricted bank deposits		<b>10,574</b>	92,542
<b>Cash generated from operations</b>		<b>225,113</b>	258,648
Interest received		<b>5,995</b>	4,444
Income tax paid		<b>(26,036)</b>	(35,228)
<b>Net cash generated from operating activities</b>		<b>205,072</b>	227,864

## Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
<b>Investing activities</b>			
Payment for the purchase of property, plant and equipment and intangible assets		(9,112)	(47,235)
Proceeds from disposal of property, plant and equipment		3	2
Payment of consideration for acquisition of a subsidiary in previous years		(81,891)	–
Contingent consideration paid		(1,985)	–
Dividends received from other financial assets measured at FVTPL		–	1,317
Dividends received from joint ventures and associates		4,244	2,818
Cash received from return on investment in an associate		–	3,083
Proceeds from disposal of an associate		–	7,586
Proceeds from disposal of a joint venture		74,564	–
Withdrawal of bank deposits with original maturity over three months		196,111	–
Placement of bank deposits with original maturity over three months		(460,650)	–
<b>Net cash used in investing activities</b>		<b>(278,716)</b>	<b>(32,429)</b>
<b>Financing activities</b>			
Payment for acquisition of non-controlling interest of a subsidiary		–	(603)
Capital element of lease rentals paid	20(b)	(19,112)	(16,595)
Interest element of lease rentals paid	20(b)	(1,390)	(1,859)
Proceeds of bank borrowings	20(b)	114,716	103,747
Repayment of bank borrowings	20(b)	(102,699)	(75,918)
Proceeds of other borrowings	20(b)	28,451	28,690
Repayment of other borrowings	20(b)	(90,000)	–
Interest paid	20(b)	(11,312)	(7,399)
Dividends paid to equity shareholders of the Company		(50,332)	(52,429)
Dividends paid to non-controlling interests		(3,951)	(5,328)
<b>Net cash used in financing activities</b>		<b>(135,629)</b>	<b>(27,694)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(209,273)</b>	<b>167,741</b>
<b>Cash and cash equivalents at 1 January</b>	20(a)	<b>725,439</b>	<b>568,331</b>
<b>Effect of foreign exchange rate changes</b>		<b>10,621</b>	<b>(10,633)</b>
<b>Cash and cash equivalents at 31 December</b>	20(a)	<b>526,787</b>	<b>725,439</b>

The notes on pages 78 to 158 form part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars)

## 1 GENERAL INFORMATION

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

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

## 2 MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these consolidated financial statements.

### (b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint ventures and associates.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- investments in equity securities (see Note 2(g)); and
- contingent considerations.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (b) Basis of preparation of the consolidated financial statements (continued)

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 3.

#### (c) Changes in accounting policies

The Group has applied the amendments to IAS 21. The effects of changes in foreign exchange rates – Lack of exchangeability issued by the IASB to these consolidated financial statements for the current accounting period. The amendments do not have a material impact on these consolidated financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new or revised standards or interpretation that is not yet effective for the current accounting period.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised incomes and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(o) or 2(q) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the expected credited loss ("ECL") model to such other long-term interests where applicable (see Note 2(k)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate or a joint venture is stated at cost less impairment losses (see Note 2(k)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

#### (f) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(k)(ii)).

#### (g) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVTPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 29(e). These investments are subsequently accounted for as follows, depending on their classification.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (g) Other investments in securities (continued)

##### (i) NON-EQUITY INVESTMENTS

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(u)(ii)(b)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVTOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial assets was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

##### (ii) EQUITY INVESTMENTS

An investment in equity securities is classified as FVTPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income (see Note 2(u)(ii)(a)).

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (h) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)).

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(j)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gains or losses on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

	Estimated useful lives
Buildings	The shorter of 20 years or the unexpired term of lease
Right-of-use assets	Over the terms of leases
Civil communication transmission systems	The shorter of 10 years or the estimated remaining useful lives
Others	3-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred.

An internally developed software arising from development activities is capitalised only if the expenditure can be measured reliably the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)).

Other intangible assets, including purchased software, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)).

Expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

	Estimated useful lives
Software	3-10 years
Income rights	The shorter of 13 years or the estimated remaining useful lives
Patent rights	10-15 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above. The Group treats trademarks as intangible asset with indefinite useful life and reviews annually.

#### (j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (j) Leased assets (continued)

##### AS A LESSEE

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(h) and 2(k)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (k) Credit losses and impairment of assets

##### (i) CREDIT LOSSES FROM FINANCIAL INSTRUMENTS AND CONTRACT ASSETS

The Group recognises a loss allowance for ECLs on:

- financial assets measured at amortised cost (including bank deposits and cash, and trade and other receivables);
- contract assets (see Note 2(m)); and
- non-equity securities measured at FVOCI (recycling) (see Note 2(g)(i)).

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following rates if effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (k) Credit losses and impairment of assets (continued)

##### (i) CREDIT LOSSES FROM FINANCIAL INSTRUMENTS AND CONTRACT ASSETS (CONTINUED)

###### *Measurement of ECLs (continued)*

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

###### *Significant increases in credit risk*

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting 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. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVTOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (k) Credit losses and impairment of assets (continued)

##### (I) CREDIT LOSSES FROM FINANCIAL INSTRUMENTS AND CONTRACT ASSETS (CONTINUED)

###### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether a financial asset is 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 events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

###### *Write-off policy*

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

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.

##### (II) IMPAIRMENT OF OTHER NON-CURRENT ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (k) Credit losses and impairment of assets (continued)

##### (ii) IMPAIRMENT OF OTHER NON-CURRENT ASSETS (CONTINUED)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### (iii) INTERIM FINANCIAL REPORTING AND IMPAIRMENT

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Note 2(k)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (m) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(u)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(k)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(n)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(u)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(n)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(u)).

#### (n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(k)(i)).

#### (o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs (see Note 2(k)(i)).

#### (q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(w).

#### (r) Employee benefits

##### (I) SHORT-TERM EMPLOYEE BENEFITS AND CONTRIBUTIONS TO DEFINED CONTRIBUTION RETIREMENT PLANS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

##### (II) TERMINATION BENEFITS

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises cost for a restructuring.

#### (s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (s) Income tax (continued)

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2(k)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services in the ordinary course of the Group's business.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (u) Revenue and other income (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

##### (i) REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- 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 in time when the customer obtains control of the distinct good or service.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (u) Revenue and other income (continued)

##### (i) REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

###### (a) Provision of services

###### Digital-intelligence urban rail services

Revenue from provision of digital-intelligence urban rail services is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs, which provides a faithful depiction of the transfer of those services.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with the policy set out in Note 2(t).

###### Data transmission network services under innovative development business

Revenue arising from data transmission network services is recognised over time based on the output method, either as the service allowance units are used or as time elapses, because it reflects the pattern by which the Group satisfies the performance obligation through the rendering of services to the customer.

###### Maintenance services

Revenue arising from maintenance services is recognised over time as these services are provided.

###### (b) Sale of hardware and software products

Revenue arising from the sales of hardware and software products is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (u) Revenue and other income (continued)

##### (ii) REVENUE FROM OTHER SOURCES AND OTHER INCOME

###### (a) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

###### (b) Interest income

Interest income is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

###### (c) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of investment in equity securities designated as at FVTOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss) are recognised in OCI.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Hong Kong dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### (w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (x) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (y) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 3 ACCOUNTING JUDGEMENTS AND ESTIMATES

#### Sources of estimation uncertainty

Notes 25 and 29 contain information about the assumptions and their risk factors relating to estimation of provision for warranties and financial instruments. Other key sources of estimation uncertainty are as follows:

#### (A) REVENUE RECOGNITION

As explained in policy Note 2(u)(i)(a), revenue from service contracts are recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date.

Based on the Group's recent experience and the nature of the manufacturing and construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. The Group prepares budgets for service contracts individually and the budget, which is used in the Group's financial reporting, is reviewed regularly. Onerous contracts are provided for when identified. Material adjustments to the budgeted costs may occur in future if there is a significant change in the market environment.

#### (B) EXPECTED CREDIT LOSSES FOR TRADE RECEIVABLES AND CONTRACT ASSETS

The credit losses for trade receivables and contract assets are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 29(a). Changes in these assumptions and estimates could materially affect the results of the assessment and it may be necessary to charge additional impairment to profit or loss.

#### (C) IMPAIRMENT OF GOODWILL AND TRADEMARKS WITH INDEFINITE USEFUL LIFE

The Group determines whether goodwill and trademarks with indefinite useful life are impaired at least on an annual basis. This requires an estimation of the value in use of the CGUs. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of impairment testing of goodwill and trademarks with indefinite useful life are set out in Notes 12 and 13.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 3 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Sources of estimation uncertainty (continued)

##### (D) DEFERRED TAX

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. In determining the amount of deferred tax assets to be recognised, significant judgement is required regarding the timing and level of future taxable profits, after taking into account future tax planning strategies. The amount of deferred tax assets recognised at future dates are adjusted if there are significant changes from these estimates.

### 4 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are (i) provision of hardware and software products and services of passenger information system of high-speed railways, intercity railways, suburban railways and metro system; (ii) provision of professional integration service and intelligent hardware and software products and services of metro transportation, including cloud and big data service; (iii) provision of one-stop intelligent infrastructure services for domestic and international clients; and (iv) investments in railway transportation and infrastructure areas through investing in equity.

##### (I) DISAGGREGATION OF REVENUE

	2025 HK\$'000	2024 HK\$'000
<b>Revenue from contracts with customers within the scope of IFRS 15 (re-presented) (see Note 4(b))</b>		
Disaggregated by major service lines		
– Revenue from intelligent passenger information services	<b>765,707</b>	734,436
– Revenue from digital-intelligence urban rail services	<b>688,563</b>	515,589
– Revenue from innovative development	<b>321,478</b>	406,748
	<b>1,775,748</b>	1,656,773

Disaggregation of revenue from contracts with customers by timing of revenue recognition and by geographic markets is disclosed in Notes 4(b)(i) and 4(b)(iii).

For the year ended 31 December 2025, revenue from transactions with two customers arose from intelligent passenger information services segment and digital-intelligence urban rail services segment (2024: one customer arose from intelligent passenger information services segment) have exceeded 10% of the Group's revenue:

	2025 HK\$'000	2024 HK\$'000
Customer A	<b>223,261</b>	176,619
Customer B	<b>189,231</b>	N/A <sup>(Note)</sup>

Note: The corresponding revenue does not contribute over 10% of the total revenue of the Group.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

#### (a) Revenue (continued)

##### (ii) REVENUE EXPECTED TO BE RECOGNISED IN THE FUTURE ARISING FROM CONTRACTS WITH CUSTOMERS IN EXISTENCE AT THE REPORTING DATE

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately HK\$3,144,669,000 (2024: HK\$3,226,263,000). This amount represents revenue expected to be recognised in the future from intelligent passenger information services contracts, digital-intelligence urban rail services contracts and innovative development contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 1 to 36 months (2024: next 1 to 48 months).

The above amount does not include any amounts of completion bonuses that the Group may earn in the future by meeting the conditions set out in the Group's service contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

#### (b) Segment reporting

The Group manages its businesses by business lines in a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessments.

Starting from the current year, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments as the Group's most senior executive management consider that the revised reportable segments provide a better summary to them in reviewing the Group's operating performance and making decisions in resource allocation. Accordingly, the comparative figures of the reportable segments have been re-presented to conform with the current period's presentation. The Group now presents the following four reportable segments:

- Intelligent passenger information services: this segment mainly provides hardware and software products and services of passenger information system of high-speed railways, intercity railways, suburban railways and metro system.
- Digital-intelligence urban rail services: this segment mainly provides professional integration service and intelligent hardware and software products and services of metro transportation, including cloud and big data service.
- Innovative development: this segment mainly provides one-stop intelligent infrastructure services for domestic and international clients.
- Business development investment: this segment manages the equity investments in railway transportation and infrastructure areas.

No operating segments have been aggregated to form the above reportable segments.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

#### (b) Segment reporting (continued)

##### (i) SEGMENT RESULTS

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

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

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

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	2025				Total HK\$'000
	Intelligent passenger information services HK\$'000	Digital- intelligence urban rail services HK\$'000	Innovative development HK\$'000	Business development investment HK\$'000	
<b>Disaggregated by timing of revenue recognition</b>					
Point in time	697,006	584,334	83,725	–	1,365,065
Over time	68,701	104,229	237,753	–	410,683
Revenue from external customers	765,707	688,563	321,478	–	1,775,748
Inter-segment revenue	19,633	2,284	888	–	22,805
Reportable segment revenue	785,340	690,847	322,366	–	1,798,553
Reportable segment profit	322,771	127,420	143,347	–	593,538
Share of results of joint ventures and associates	–	–	–	23,939	23,939

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

#### (b) Segment reporting (continued)

##### (i) SEGMENT RESULTS (CONTINUED)

	2024 (re-presented)				Total HK\$'000
	Intelligent passenger information services HK\$'000	Digital- intelligence urban rail services HK\$'000	Innovative development services HK\$'000	Business development investment HK\$'000	
<b>Disaggregated by timing of revenue recognition</b>					
Point in time	732,051	417,540	76,287	–	1,225,878
Over time	2,385	98,049	330,461	–	430,895
Revenue from external customers	734,436	515,589	406,748	–	1,656,773
Inter-segment revenue	6,065	5,379	2,513	–	13,957
Reportable segment revenue	740,501	520,968	409,261	–	1,670,730
Reportable segment profit	308,645	101,908	209,134	–	619,687
Share of results of joint ventures and associates	–	–	–	21,888	21,888

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

	2025 HK\$'000	2024 HK\$'000
Reportable segment profit	<b>593,538</b>	619,687
Share of results of joint ventures and associates	<b>23,939</b>	21,888
Other income and other gains/losses	<b>19,183</b>	21,790
Selling, general and administrative expenses	<b>(266,438)</b>	(266,556)
Impairment loss on trade, bills and other receivables and contract assets, net	<b>(11,368)</b>	(13,447)
Research and development expenses	<b>(166,703)</b>	(159,599)
Finance costs	<b>(12,333)</b>	(9,884)
Fair value changes in other financial assets measured at FVTPL	<b>(9,253)</b>	(7,597)
Profit before taxation	<b>170,565</b>	206,282

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

#### (b) Segment reporting (continued)

##### (iii) GEOGRAPHIC INFORMATION

Disaggregation of revenue from contracts with customers by geographical location of customers is as follows:

	2025 HK\$'000	2024 HK\$'000
– Chinese Mainland	1,705,799	1,596,171
– Hong Kong	30,324	25,389
– Overseas	39,625	35,213
	<b>1,775,748</b>	1,656,773

The Group's non-current assets, including property, plant and equipment, intangible assets, goodwill and interests in joint ventures and associates, are substantially all located or allocated to operations located in Chinese Mainland.

### 5 OTHER INCOME AND OTHER GAINS/LOSSES

	2025 HK\$'000	2024 HK\$'000
Interest income	5,995	4,444
Dividend income from other financial assets measured at FVTPL	–	1,317
Government grants (Note)	22,112	19,656
Loss on disposal of a joint venture	(6,431)	–
Loss on disposal of an associate	–	(110)
Loss on deemed partial disposal of an associate	–	(23)
Gain on deemed disposal of an associate	856	–
Net foreign exchange loss	(3,058)	(3,202)
Net loss on early termination of leases	–	(549)
Others	(291)	257
	<b>19,183</b>	21,790

Note: Government grants mainly represented subsidies provided to the Group to support the improvement of scientific and technology innovation capabilities and accelerate the promotion of digital transformation and technological transformation, and there were no unfulfilled conditions.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

#### (a) Finance costs

	Note	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings		3,598	2,706
Interest on other borrowings		7,345	5,319
Interest on lease liabilities	20(b)	1,390	1,859
	20(b)	<b>12,333</b>	9,884

#### (b) Staff costs

	2025 HK\$'000	2024 HK\$'000
Salaries, wages and other benefits	262,430	262,509
Contributions to defined contribution retirement plans	27,154	28,094
	<b>289,584</b>	290,603

The employees of the subsidiaries of the Group established in The People's Republic of China (the "PRC") participate in a defined contribution retirement benefit scheme managed by the local government authority, whereby these subsidiaries are required to contribute to the scheme at a rate of 16% of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC, from the above mentioned retirement scheme at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed by the Group's subsidiaries incorporated in Hong Kong under a trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 6 PROFIT BEFORE TAXATION (CONTINUED)

#### (c) Other items

	Note	2025 HK\$'000	2024 HK\$'000
Auditors' remuneration:			
– audit services		<b>1,406</b>	1,372
– other services		<b>602</b>	588
Amortisation of intangible assets	12	<b>22,317</b>	20,587
Depreciation charge	11(a)		
– owned property, plant and equipment		<b>34,047</b>	29,013
– right-of-use assets		<b>18,652</b>	11,647
Cost of inventories (Note)	17(b)	<b>859,878</b>	687,237
Increase in provision for warranties	25	<b>8,678</b>	7,224
Impairment loss on trade, bills and other receivables and contract assets, net		<b>11,368</b>	13,447
Impairment of prepayment		<b>296</b>	–
Expense relating to short-term leases, which not included in the measurement of lease liabilities		–	909
Net loss on disposal of property, plant and equipment		<b>91</b>	202

Note: Cost of inventories includes approximately HK\$90,572,000 (2024: HK\$90,584,000) relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 7 INCOME TAX

(a) Income tax in the consolidated statement of profit or loss represents:

	2025 HK\$'000	2024 HK\$'000
<b>Current taxation – the PRC Enterprise Income Tax (“EIT”):</b>		
– Provision for the year	14,678	27,113
– Withholding tax on dividend income (Note 7(b)(viii))	6,214	5,443
– Withholding tax on transfer of shares (Note 7(b)(ix))	5,849	–
	<b>26,741</b>	32,556
<b>Current taxation – Hong Kong Profits Tax:</b>		
– Provision for the year	1,362	1,060
– Over-provision for in prior years	(2)	(177)
	<b>1,360</b>	883
<b>Current taxation – India Profits Tax:</b>		
– Provision for the year	864	3,157
<b>Deferred taxation:</b>		
– Origination and reversal of temporary differences	(2,664)	(9,821)
	<b>26,301</b>	26,775

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	170,565	206,282
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii), (iii) and (iv))	49,158	52,989
Tax effect of non-deductible expenses	9,075	5,456
Tax effect of share of results of joint ventures and associates	(4,195)	(4,954)
Tax effect of non-taxable interest income	(110)	(206)
Tax effect of foreign exchange gain/loss	447	588
Tax effect of utilisation/recognition of prior years' tax losses and temporary differences previously not recognised	(188)	(1,360)
Tax effect of tax losses and deductible temporary differences not recognised	5,285	16,198
Tax effect of withholding tax in connection with the distributions made by subsidiaries and joint ventures (Note (viii))	6,214	5,443
Tax effect of withholding tax in connection with the transfer of shares (Note (ix))	5,849	–
Tax concessions (Notes (i), (v), (vi) and (vii))	(45,232)	(47,202)
Over-provision in prior years	(2)	(177)
Income tax	<b>26,301</b>	26,775

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 7 INCOME TAX (CONTINUED)

#### (b) Reconciliation between tax expense and accounting profit at applicable tax rates: (continued)

Notes:

- (i) The Company and its subsidiaries incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% (2024: 16.5%) for the year ended 31 December 2025, except for one subsidiary which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

- (ii) The subsidiaries incorporated in jurisdictions other than the PRC, Hong Kong and India are not subject to any income tax, pursuant to the rules and regulations of their respective jurisdictions of incorporation.
- (iii) The subsidiary incorporated in India is subject to India Profits Tax rate of 25% (2024: 25%) for the year ended 31 December 2025.
- (iv) The subsidiaries established in the PRC are subject to the PRC EIT rate of 25% (2024: 25%) for the year ended 31 December 2025.
- (v) Certain subsidiaries established in the PRC have obtained approvals from the tax bureau to be taxed as enterprises with advanced and new technologies. As a result, these subsidiaries enjoyed the preferential PRC EIT rate of 15% (2024: 15%) for the year ended 31 December 2025. In addition to the preferential PRC EIT rate, these subsidiaries are also entitled to an additional deductible tax allowance calculated at 80%/100% (2024: 80%/100%) of the qualified research and development costs incurred by these subsidiaries.
- (vi) Certain subsidiaries engaged in the encouraged industries in western region of the PRC and enjoyed a preferential PRC EIT rate of 15% (2024: 15%) for the year ended 31 December 2025.
- (vii) During the year ended 31 December 2025, certain subsidiaries established in the PRC met the criteria of Small Low-profit Enterprise and enjoyed a preferential income tax policy. As such, for these subsidiaries, the first Renminbi (“RMB”) 1 million of taxable profits are taxed at an effective tax rate of 2.5% (2024: 2.5%); the second and third RMB1 million of taxable profits are taxed at an effective tax rate of 5% (2024: 5%).
- (viii) Under the Law of the PRC EIT, 10% (2024: 10%) withholding tax is levied on dividend from enterprises established in Chinese Mainland to enterprises established outside Chinese Mainland.
- (ix) Under the Law of the PRC EIT, 10% withholding tax is levied on gain from transfer of shares in enterprises established in Chinese Mainland by the enterprises established outside Chinese Mainland.
- (x) The Group is operating in certain jurisdictions where the Global Anti-Base Erosion Model Rules (“Pillar Two Rules”) are effective. However, as the Group’s estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%. The management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025				
	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Liu Yu (Chief executive officer)	–	551	1,077	121	1,749
Ms. Zhao Jingyuan	–	432	732	121	1,285
<b>Non-executive directors</b>					
Mr. Cao Mingda (Note (ii))	–	–	–	–	–
Mr. Li Zheng (appointed on 28 January 2026)	–	–	–	–	–
Mr. Ren Yuhang (Note (ii))	–	–	–	–	–
Mr. Wang Daomin (appointed on 28 January 2026)	–	–	–	–	–
Ms. Fang Zhiwei (Note (ii)) (resigned on 28 January 2026)	–	–	–	–	–
Ms. Sun Fang (Note (ii)) (resigned on 28 January 2026)	–	–	–	–	–
<b>Independent non-executive directors</b>					
Mr. Luo Zhenbang	240	–	–	–	240
Mr. Huang Lixin	240	–	–	–	240
Mr. Li Wei (resigned on 22 April 2025)	75	–	–	–	75
Ms. Ng Wing Yan Claudia (appointed on 22 April 2025)	165	–	–	–	165
	<b>720</b>	<b>983</b>	<b>1,809</b>	<b>242</b>	<b>3,754</b>

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 8 DIRECTORS' EMOLUMENTS (CONTINUED)

	2024				
	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonuses HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
<b>Executive directors</b>					
Mr. Liu Yu (Chief executive officer)	–	598	1,157	118	1,873
Ms. Zhao Jingyuan (appointed on 8 August 2024)	–	479	840	118	1,437
<b>Non-executive directors</b>					
Mr. Cao Mingda (Note (ii))	–	–	–	–	–
Ms. Fang Zhiwei (Note (ii)) (appointed on 8 August 2024)	–	–	–	–	–
Mr. Ren Yuhang (Note (ii)) (appointed on 21 November 2024)	–	–	–	–	–
Ms. Sun Fang (Note (ii))	–	–	–	–	–
Mr. Guan Jifa (Note (ii)) (resigned on 21 November 2024)	–	–	–	–	–
Ms. Hou Weiwei (Note (ii)) (resigned on 8 August 2024)	–	–	–	–	–
<b>Independent non-executive directors</b>					
Mr. Luo Zhenbang	240	–	–	–	240
Mr. Huang Lixin	240	–	–	–	240
Mr. Li Wei	240	–	–	–	240
	720	1,077	1,997	236	4,030

Notes:

- (i) There were no amounts paid during the years ended 31 December 2025 and 2024 to the directors or any of the five highest paid individuals set out in Note 9 as an inducement to join or upon joining the Group or as compensation for loss of office.
- (ii) During the year ended 31 December 2025, the four (2024: six) directors agreed to waive their entitlements to directors' fees totally amounted to HK\$960,000 (2024: HK\$960,000). Apart from this, there was no arrangement under which a director waived or agreed to waive any remuneration during the year.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2024: two) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other three (2024: three) individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	1,240	1,457
Discretionary bonuses	2,109	2,568
Retirement scheme contributions	333	354
	<b>3,682</b>	4,379

The emoluments of the three individuals (2024: three individuals) who are amongst the 5 highest paid individuals of the Group but not directors are within the following bands:

	2025	2024
HK\$500,001 – HK\$1,000,000	1	–
HK\$1,000,001 – HK\$1,500,000	2	3

### 10 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2025 is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK\$133,974,000 (2024: HK\$167,604,000) and the weighted average of 2,097,147,000 ordinary shares (2024: 2,097,147,000 ordinary shares) in issue during the year.

The Group has no dilutive ordinary shares outstanding for the years ended 31 December 2025 and 2024. Therefore, there was no difference between basic and diluted earnings per share.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 11 PROPERTY, PLANT AND EQUIPMENT

#### (a) Reconciliation of carrying amount

	Ownership interests in land and buildings held for own use HK\$'000	Other properties leased for own use HK\$'000	Civil communication transmission systems HK\$'000	Other plant and equipment HK\$'000	Construction in progress HK\$'000	Total HK\$'000
<b>Cost:</b>						
At 1 January 2024	17,437	87,823	409,924	57,125	7,768	580,077
Additions	-	18,485	-	12,299	55,382	86,166
Lease modification	-	(717)	-	-	-	(717)
Early termination of leases	-	(3,393)	-	-	-	(3,393)
Write-off/disposals	-	(29,617)	-	(4,087)	-	(33,704)
Transfer	-	-	60,720	330	(61,050)	-
Exchange adjustments	(374)	(1,427)	(10,778)	(159)	(82)	(12,820)
At 31 December 2024 and 1 January 2025	<b>17,063</b>	<b>71,154</b>	<b>459,866</b>	<b>65,508</b>	<b>2,018</b>	<b>615,609</b>
Additions	-	15,967	-	5,589	19,008	40,564
Lease modification	-	167	-	-	-	167
Write-off/disposals	-	(15,278)	-	(16,798)	-	(32,076)
Transfer	-	-	18,816	-	(18,816)	-
Exchange adjustments	431	1,644	11,770	1,649	53	15,547
At 31 December 2025	<b>17,494</b>	<b>73,654</b>	<b>490,452</b>	<b>55,948</b>	<b>2,263</b>	<b>639,811</b>
<b>Accumulated depreciation and impairment:</b>						
At 1 January 2024	4,704	53,865	259,295	39,130	-	356,994
Charge for the year	868	11,647	21,665	6,480	-	40,660
Early termination of leases	-	(1,383)	-	-	-	(1,383)
Write-off/written back	-	(29,617)	-	(3,883)	-	(33,500)
Exchange adjustments	(113)	(704)	(4,300)	(145)	-	(5,262)
At 31 December 2024 and 1 January 2025	<b>5,459</b>	<b>33,808</b>	<b>276,660</b>	<b>41,582</b>	<b>-</b>	<b>357,509</b>
Charge for the year	865	18,652	25,635	7,547	-	52,699
Write-off/written back	-	(15,278)	-	(16,704)	-	(31,982)
Exchange adjustments	149	822	7,242	1,061	-	9,274
At 31 December 2025	<b>6,473</b>	<b>38,004</b>	<b>309,537</b>	<b>33,486</b>	<b>-</b>	<b>387,500</b>
<b>Carrying amount:</b>						
At 31 December 2025	<b>11,021</b>	<b>35,650</b>	<b>180,915</b>	<b>22,462</b>	<b>2,263</b>	<b>252,311</b>
At 31 December 2024	11,604	37,346	183,206	23,926	2,018	258,100

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

The analysis of the carrying amount value of right-of-use assets by class of underlying asset is as follows:

	2025 HK\$'000	2024 HK\$'000
Buildings leased for own use, carried at depreciated cost	<b>35,650</b>	37,346

The Group has obtained the right to use office premises through tenancy agreements. The leases typically run for an initial period of 24 to 60 months.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of properties leased for own use, carried at depreciated cost	<b>18,652</b>	11,647
Interest on lease liabilities (Note 6(a))	<b>1,390</b>	1,859
Expense relating to short-term leases, which not included in the measurement of lease liabilities	–	909

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 20(c) and 24, respectively.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 12 INTANGIBLE ASSETS

	Internally developed software HK\$'000	Purchased software HK\$'000	Income rights HK\$'000	Patent rights HK\$'000	Trademarks HK\$'000	Total HK\$'000
<b>Cost:</b>						
At 1 January 2024	48,766	37,584	104,059	54,553	93,798	338,760
Additions	8,727	1,754	–	–	–	10,481
Exchange adjustments	(1,175)	(1,297)	(2,229)	(705)	(2,009)	(7,415)
At 31 December 2024 and 1 January 2025	<b>56,318</b>	<b>38,041</b>	<b>101,830</b>	<b>53,848</b>	<b>91,789</b>	<b>341,826</b>
Additions	<b>6,368</b>	<b>2,960</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,328</b>
Exchange adjustments	<b>1,509</b>	<b>1,000</b>	<b>2,573</b>	<b>1,360</b>	<b>2,319</b>	<b>8,761</b>
At 31 December 2025	<b>64,195</b>	<b>42,001</b>	<b>104,403</b>	<b>55,208</b>	<b>94,108</b>	<b>359,915</b>
<b>Accumulated amortisation:</b>						
At 1 January 2024	9,404	29,838	76,762	27,150	–	143,154
Charge for the year	7,660	1,715	5,748	5,464	–	20,587
Exchange adjustments	(316)	(872)	(1,622)	(664)	–	(3,474)
At 31 December 2024 and 1 January 2025	<b>16,748</b>	<b>30,681</b>	<b>80,888</b>	<b>31,950</b>	<b>–</b>	<b>160,267</b>
Charge for the year	<b>8,957</b>	<b>2,151</b>	<b>5,729</b>	<b>5,480</b>	<b>–</b>	<b>22,317</b>
Exchange adjustments	<b>543</b>	<b>802</b>	<b>2,121</b>	<b>881</b>	<b>–</b>	<b>4,347</b>
At 31 December 2025	<b>26,248</b>	<b>33,634</b>	<b>88,738</b>	<b>38,311</b>	<b>–</b>	<b>186,931</b>
<b>Carrying amount:</b>						
At 31 December 2025	<b>37,947</b>	<b>8,367</b>	<b>15,665</b>	<b>16,897</b>	<b>94,108</b>	<b>172,984</b>
At 31 December 2024	39,570	7,360	20,942	21,898	91,789	181,559

Notes:

- (i) The amortisation charges for the year of software, income rights and patent rights are included in "cost of sales", "selling, general and administrative expenses" and "research and development expenses" in the consolidated statement of profit or loss.
- (ii) Internally developed software consists of capitalised development costs being an internally developed intangible asset.
- (iii) Trademarks are regarded as having an indefinite useful life because the related products and services are expected to generate net cash inflows indefinitely.

For the purpose of impairment testing, trademarks with indefinite useful life and goodwill arising from the acquisition 95% equity interest of Suzhou Huaqi Intelligent Technology Co., Ltd. ("Huaqi Intelligent") (蘇州華啟智能科技股份有限公司) have been allocated to the CGU of the provision of intelligent passenger information services (see Note 13).

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 13 GOODWILL

	2025 HK\$'000	2024 HK\$'000
<b>Cost:</b>		
At 1 January	601,927	615,105
Exchange adjustments	15,208	(13,178)
At 31 December	617,135	601,927
<b>Impairment losses:</b>		
At 1 January	57,983	59,252
Exchange adjustments	1,465	(1,269)
At 31 December	59,448	57,983
<b>Carrying amount:</b>		
At 31 December	557,687	543,944

#### Impairments tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's CGUs identified according to the operations of the Group as follows:

	2025 HK\$'000	2024 HK\$'000
Operations in the provision of intelligent passenger information services (Note (i))	495,475	483,265
Operations in the provision of digital-intelligence urban rail services (Note (ii))	52,285	50,997
Operations related to the innovative development (Note (iii))	9,927	9,682
	557,687	543,944

Notes:

- (i) Goodwill arose from the Group's acquisition of the 95% equity interests in Huaqi Intelligent in 2019.
- (ii) Goodwill arose from the Group's acquisition of the digital-intelligence urban rail business in 2013.
- (iii) Goodwill arose from the Group's acquisition of the innovative development business in 2014.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 13 GOODWILL (CONTINUED)

#### Key assumptions

The recoverable amount of the CGU of operations in provision of intelligent passenger information services, the CGU of operations in provision of digital-intelligence urban rail services and the CGU of operations relating to the innovative development were determined based on value-in-use calculations. These calculations used cash flow projections based on financial budgets prepared by the directors of the Company covering a five-year period. Cash flows beyond the five-year period are extrapolated using a steady growth rate. The cash flows are discounted using a discount rate, which is pre-tax and reflect specific risks relating to the relevant segments.

The key assumptions used in the value-in-use calculations for the three CGUs include:

	2025	2024
Operations in the provision of intelligent passenger information services		
– Steady growth rate	0%	0%
– Pre-tax discount rate	11.03%	10.55%
Operations in the provision of digital-intelligence urban rail services		
– Steady growth rate	0%	0%
– Pre-tax discount rate	13.15%	13.31%
Operations related to the innovative development		
– Steady growth rate	0%	0%
– Pre-tax discount rate	13.15%	13.31%

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 14 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets and liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of subsidiary	Place of establishment/ incorporation and operations	Particulars of registered/ issued and paid-up capital	Proportion of ownership interest		Principal activities
			The Group's effective interest	Held by subsidiaries	
BII Transit Systems (Beijing) Co., Ltd.** 億雅捷交通系統(北京)有限公司	The PRC	RMB50,000,000	100%	100%	Design, implementation and sale, and maintenance, of application solutions for the networking and controlling systems of public transport and other companies, sale of related software, hardware and spare parts in utility tunnel areas
BII Transit Systems (HK) Co., Ltd.	Hong Kong	1,000 shares	100%	100%	Design, implementation and maintenance of application solutions for the networking and controlling systems of public transport companies
BII Transportation Technology (Beijing) Co., Ltd.* 北京京投億雅捷交通科技有限公司	The PRC	RMB130,000,000	100%	100%	Design, implementation and sale, and maintenance, of application solutions for the networking and controlling systems of public transport and other companies, sale of related software, hardware and spare parts in utility tunnel areas
BII Technology Development Co., Ltd.* 北京京投卓越科技發展有限公司	The PRC	RMB300,000,000	100%	100%	Provision of civil communication transmission services, design, implementation and sale of related software
China City Railway Transportation Technology Investment Company Limited ("CCRIT Investment")	Hong Kong	18,000,010 shares	70%	70%	Investment holding
BII Information Security Technology Development Co., Ltd.* 北京京投信安科技發展有限公司	The PRC	RMB50,000,000	51%	51%	Design, implementation and maintenance of application solutions for the networking and controlling systems of public transport companies

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 14 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following list contains only the particulars of subsidiaries which principally affected the results, assets and liabilities of the Group. The class of shares held is ordinary unless otherwise stated. (continued)

Name of subsidiary	Place of establishment/ incorporation and operations	Particulars of registered/ issued and paid-up capital	Proportion of ownership interest		Principal activities
			The Group's effective interest	Held by subsidiaries	
Huaqi Intelligent** 蘇州華啟智能科技股份有限公司	The PRC	RMB215,873,016	91.4%	91.4%	Design, production and sale of produce on-board passenger information system ("on-board PIS"), train control and remote diagnosis system and train network control system
Litmus Technologies (Beijing) Co., Ltd.* ("Litmus") 北京樂碼仕智能科技有限公司	The PRC	RMB14,285,700	51%	51%	Design, implementation and sale, and maintenance, of application solutions for the networking and controlling systems of public transport and other companies, sale of related software

\* The official name of the entity is in Chinese. The English name is for identification purpose only.

# These companies are foreign owned enterprises established in the PRC.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 14 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following table lists out the financial information of CCRTT Investment, Huaqi Intelligent and its subsidiaries and Litmus, the major subsidiaries of the Group which have material non-controlling interests (“NCI”). The summarised financial information presented below represents the amounts before any inter-company elimination.

	CCRTT Investment		Huaqi Intelligent and its subsidiaries		Litmus	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Effective NCI percentage	<b>30%</b>	30%	<b>8.56%</b>	8.56%	<b>49%</b>	49%
Non-current assets	–	72,179	<b>212,703</b>	179,429	<b>5,046</b>	6,785
Current assets	<b>71,682</b>	3,531	<b>1,534,396</b>	1,488,935	<b>112,164</b>	108,883
Current liabilities	<b>(81)</b>	(290)	<b>(551,526)</b>	(567,540)	<b>(48,231)</b>	(51,543)
Non-current liabilities	–	–	<b>(18,421)</b>	(8,554)	<b>(2,337)</b>	(4,115)
Net assets	<b>71,601</b>	75,420	<b>1,177,152</b>	1,092,270	<b>66,642</b>	60,010
Net assets attributable of NCI	<b>21,480</b>	22,626	<b>103,952</b>	96,526	<b>32,655</b>	29,405
Revenue	–	–	<b>706,251</b>	692,755	<b>56,894</b>	52,494
(Loss)/profit for the year	<b>(10,873)</b>	786	<b>88,227</b>	88,349	<b>7,549</b>	6,786
Other comprehensive income/(expense)	<b>7,054</b>	(1,579)	<b>28,499</b>	(22,430)	<b>1,584</b>	(1,279)
(Loss)/profit attributable to NCI	<b>(3,262)</b>	236	<b>7,633</b>	8,061	<b>3,699</b>	3,325
Other comprehensive income/(expense) attributable to NCI	<b>2,116</b>	(474)	<b>2,518</b>	(2,175)	<b>777</b>	(627)
Dividends paid to NCI	–	–	<b>2,725</b>	2,105	<b>1,226</b>	3,223
Cash flow from operating activities	<b>59</b>	(157)	<b>3,733</b>	39,991	<b>(8,021)</b>	8,321
Cash flow from investing activities	–	334	<b>(1,427)</b>	428	<b>(333)</b>	(123)
Cash flow from financing activities	–	–	<b>(11,757)</b>	(1,651)	<b>(3,881)</b>	(6,577)

### 15 INTERESTS IN JOINT VENTURES AND ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Interests in joint ventures	<b>270,008</b>	322,673
Interests in associates	<b>28,977</b>	62,757
	<b>298,985</b>	385,430

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 15 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

The following list contains the particulars of joint ventures and associates, all of which are unlisted corporate entities whose quoted market price is not available:

Name of joint venture/ associate	Note	Place of establishment and operations	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
				The Group's effective interest	Held by the Company	Held by a subsidiary	
<b>Joint ventures</b>							
Beijing Metro Science and Technology Development Co., Ltd.* ("Metro Technology") 北京地鐵科技發展有限公司	(i)	The PRC	RMB30,000,000	– (2024: 49.00%)	–	– (2024: 49.00%)	Maintenance of application solutions for the networking and controlling systems of public transport companies
Beijing Metro Co., Ltd.* ("Beijing Metro") 北京京城地鐵有限公司	(ii)	The PRC	RMB500,000,000	49.00% (2024: 49.00%)	49.00% (2024: 49.00%)	–	Subway operations management
<b>Associates</b>							
Baoding Cornerstone Lianying Venture Capital Investment Fund Centre (Limited Liability Partnership)* ("Lianying Centre") 保定基石連盈創業投資基金中心 (有限合夥)	(iii) and (v)	The PRC	RMB298,000,000	– (2024: 8.39%)	–	– 2024: 8.39%	Investment holding
Suzhou YQK Electronic Technology Co., Ltd.* ("Suzhou YQK") 蘇州易啟康電子科技有限公司	(iii) and (iv)	The PRC	RMB15,000,000	13.33% (2024: 13.33%)	–	13.33% (2024: 13.33%)	Research and Production of "on-board PIS" products
Suzhou Shida Xunyuan Electronic Technology Co., Ltd.* 蘇州視達訊遠電子科技有限公司	(iii)	The PRC	RMB6,400,000	20.00% (2024: 20.00%)	–	20.00% (2024: 20.00%)	Production of railway accessories
Zhongci Jiangsu Transportation Industry Co., Ltd.* 中磁江蘇交通產業股份有限公司	(iii)	The PRC	RMB7,771,529	25.73% (2024: 25.73%)	–	25.73% (2024: 25.73%)	Production of railway accessories

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 15 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

The following list contains the particulars of joint ventures and associates, all of which are unlisted corporate entities whose quoted market price is not available: (continued)

Name of joint venture/ associate	Note	Place of establishment and operations	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activities
				The Group's effective interest	Held by the Company	Held by a subsidiary	
<b>Associates</b> (continued)							
Tianjin Wuyang Zhitong Intelligent Technology Co., Ltd.* 天津五洋智通智慧科技有限公司	(iii)	The PRC	RMB10,000,000	49.00% (2024: 49.00%)	–	49.00% (2024: 49.00%)	Production of railway accessories
Beijing Smart TOD Technology Development Co., Ltd.* 北京京智網智慧科技發展有限公司	(iii)	The PRC	RMB20,000,000	32.00% (2024: 32.00%)	–	32.00% (2024: 32.00%)	Technology promotion and application services

\* The official name of the entity is in Chinese. The English name is for identification purpose only.

Notes:

- (i) In March 2025, the Group disposed of a joint venture, Metro Technology, for a consideration of approximately RMB68,332,000 (equivalent to approximately HK\$74,564,000), resulting in a net loss on disposal of approximately HK\$6,431,000.
- (ii) Beijing Metro was established on 15 February 2016 in Beijing by the Company and a major metro operating company, which is another joint venture, to implement operational management of metro lines in Beijing. Beijing Metro is a private company, and its market price is not publicly available.
- (iii) According to the investment agreements or articles of these companies, the Group has rights to designate one or more directors in these companies.
- (iv) In September 2024, upon additional capital contribution made by one of the shareholders of Suzhou YQK, the registered capital of Suzhou YQK was increased from approximately RMB14,350,000 to approximately RMB15,000,000. The Group's equity interest in Suzhou YQK was therefore diluted from 13.94% to 13.33%, resulting in a loss on deemed disposal of approximately HK\$23,000 (see Note 5) in previous year ended 31 December 2024.
- (v) During the year ended 31 December 2025, as the Group no longer had the right to designate director to Lianying Centre and accordingly ceased to have significant influence over the investee, the Group then accounted for its 8.39% equity interest in Lianying Centre as a financial asset measured at FVTOCI (non-recycling) upon the loss of significant influence. The fair value at the date of deemed disposal was approximately HK\$41,363,000, resulting in a gain on deemed disposal of an associate of approximately HK\$856,000.

All of the above joint ventures and associates are accounted for using the equity method in the consolidated financial statements.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 15 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Summarised financial information of the material joint ventures, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	Metro Technology		Beijing Metro	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
<b>Gross amounts of the joint ventures</b>				
Current assets	–	351,566	<b>414,887</b>	365,943
Non-current assets	–	9,435	<b>1,126,591</b>	1,146,303
Current liabilities	–	(213,551)	<b>(113,948)</b>	(99,708)
Non-current liabilities	–	(145)	<b>(876,494)</b>	(899,889)
Net assets	–	147,305	<b>551,036</b>	512,649
Included in the above assets and liabilities:				
Cash and cash equivalents	–	131,011	<b>68,316</b>	147,796
Current financial liabilities (excluding trade and other payables and provisions)	–	9,768	<b>407</b>	208
Non-current financial liabilities (excluding trade and other payables and provisions)	–	–	<b>876,494</b>	899,889
Revenue	<b>66,191</b>	403,313	<b>436,601</b>	420,744
Profit for the year	<b>3,597</b>	1,055	<b>29,082</b>	27,273
Other comprehensive income/(expense)	<b>2,461</b>	(3,222)	<b>13,240</b>	(11,039)
Total comprehensive income/(expense)	<b>6,058</b>	(2,167)	<b>42,322</b>	16,234
Dividend from joint ventures	–	372	<b>1,928</b>	1,898
Included in the above profit:				
Depreciation	<b>310</b>	1,280	<b>791</b>	1,448
Interest income	<b>33</b>	955	<b>425</b>	1,142
Interest expense	–	–	<b>27,707</b>	33,849
Income tax	<b>1,199</b>	186	<b>9,073</b>	10,476
<b>Reconciled to the Group's interests in the joint ventures</b>				
Gross amounts of the joint ventures' net assets	–	147,305	<b>551,036</b>	512,649
Group's effective interest	–	49%	<b>49%</b>	49%
Carrying amounts in the consolidated financial statements	–	72,179	<b>270,008</b>	251,198

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 15 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Aggregate information of joint ventures and associates that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	<b>28,977</b>	62,053
Aggregate amounts of the Group's share of those joint ventures and associates' profit	<b>7,926</b>	8,007

### 16 OTHER FINANCIAL ASSETS

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Financial assets measured at FVTPL			
– Beijing Cornerstone Huiying Venture Capital Investment Centre (Limited Liability Partnership)* (“Cornerstone Huiying”)			
北京基石慧盈創業投資中心(有限合夥)	(i)	<b>34,346</b>	34,250
– Youdao Technology Co., Ltd.* (“Youdao Technology”)			
友道科技有限公司	(ii)	<b>25,794</b>	33,553
		<b>60,140</b>	67,803
Equity securities designated at FVTOCI (non-recycling)			
– Beijing Ruubypay Science and Technology Co., Ltd.* (“Ruubypay”)			
北京如易行科技有限公司	(iii)	<b>124,000</b>	129,584
– Lianying Centre	(iv)	<b>41,918</b>	–
		<b>165,918</b>	129,584
		<b>226,058</b>	197,387

\* The official name of the entity is Chinese. The English name is for identification purpose only.

Notes:

- (i) The Group holds 5% (2024: 5%) ownership interest in Cornerstone Huiying, which was established on 19 August 2020 and engaged in providing equity investment services. No dividend was received on this investment during the year (2024: dividend of approximately HK\$1,317,000 was received).
- (ii) The Group holds 7.14% (2024: 7.14%) ownership interest in Youdao Technology, which was established on 10 March 2016 and engaged in providing education services regarding rail transit. The investment in Youdao Technology is redeemable at the option of the Group in case of occurrence of certain triggering events. No dividend was received on this investment during the year (2024:Nil).
- (iii) The Group hold 9.59% (2024: 9.59%) ownership interest in Ruubypay, which was established on 3 March 2017 and engaged in providing mobile payment technology and information service solutions in the field of public transport travel. Given the investment strategy of the Group, the directors of the Company designated the investment in Ruubypay as FVTOCI (non-recycling). No dividend was received on this investment during the year (2024:Nil).
- (iv) As explained in Note 15(v) above, and given the investment strategy of the Group, the directors of the Company designated its 8.39% interest in Lianying Centre as a financial asset measured at FVTOCI (non-recycling) during the year ended 31 December 2025. No dividend was received on this investment during the year.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 17 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	2025 HK\$'000	2024 HK\$'000
Application solution related software, hardware and spare parts	455,261	419,140
Materials to be assigned to services contracts	38,293	31,996
	<b>493,554</b>	451,136

(b) The analysis of the amount of inventories recognised as expenses and included in profit or loss during the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Carrying amount of inventories sold	858,782	686,479
Write down of inventories	4,056	2,195
Reversal of write-down of inventories	(2,960)	(1,437)
Cost of inventories	<b>859,878</b>	687,237

The reversal of the write-down of inventories recognised in prior years arose from an increase in the estimated net realisable value of certain goods as a result of the sale of such inventories.

All of the inventories are expected to be recovered within one year.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 18 CONTRACT ASSETS AND CONTRACT LIABILITIES

#### (a) Contract assets

	2025 HK\$'000	2024 HK\$'000
<b>Contract assets</b>		
Arising from performance under contracts with customers	<b>1,070,150</b>	783,893
Less: loss allowance	<b>(52,652)</b>	(48,837)
	<b>1,017,498</b>	735,056
<b>Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables" (Note 19)</b>	<b>649,973</b>	983,954

As at 1 January 2024, contract assets amounted to approximately HK\$714,262,000, and receivables from contracts with customers within the scope of IFRS 15 (which are included in "Trade and other receivables") amounted to approximately HK\$806,874,000.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's service contracts include payment schedules which require stage payments over the service period once milestones are reached. These payment schedules prevent the buildup of significant contract assets. The Group typically agrees to a one to three years retention period after the performance of sales contracts, during which credit term may be granted to customers for retentions receivable, depending on the market practice of the industry and credit assessment carried out by management on an individual customer basis.

Contract assets are mainly generated from intelligent passenger information services segment and digital-intelligence urban rail services segment. In 2025, revenue generated by the abovementioned segments increased. As a result, the balance of contract assets at any given time thereafter also increased compared to the previous year.

The amount of contract assets that is expected to be recovered after more than one year is approximately HK\$95,293,000 (2024: HK\$78,432,000), all of which relates to retentions. All of the other contract assets are expected to be recovered within one year.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

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

#### (b) Contract liabilities

	2025 HK\$'000	2024 HK\$'000
<b>Contract liabilities</b>		
Service contracts		
– Billings in advance of performance	<b>25,643</b>	38,604

When the Group receives a deposit before the production activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the project exceeds the amount of the deposit.

#### MOVEMENTS IN CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	<b>38,604</b>	45,800
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	<b>(39,057)</b>	(45,499)
Increase in contract liabilities as a result of billing in advance of service	<b>25,304</b>	39,190
Exchange adjustments	<b>792</b>	(887)
Balance at 31 December	<b>25,643</b>	38,604

The amount of contract liabilities expected to be recognised as income within one year is approximately HK\$25,643,000 (2024: HK\$38,604,000).

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 19 TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	705,925	1,031,338
Bills receivable	481,918	230,281
	<b>1,187,843</b>	1,261,619
Less: loss allowance	<b>(57,472)</b>	(47,981)
Trade and bills receivables, net of loss allowance	<b>1,130,371</b>	1,213,638
Prepayments, deposits and other receivables	59,921	65,681
Less: loss allowance	<b>(11,208)</b>	(9,980)
	<b>48,713</b>	55,701
Value-added tax recoverable	<b>23,135</b>	16,425
	<b>1,202,219</b>	1,285,764

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

As at 31 December 2025, trade and bills receivables amounting to approximately HK\$28,832,000 (2024: HK\$28,262,000) have been pledged as security for the Group's other borrowings (see Note 23).

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

	2025 HK\$'000	2024 HK\$'000
Within 1 year	903,905	974,117
Over 1 year	226,466	239,521
	<b>1,130,371</b>	1,213,638

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

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$705,925,000 (2024: HK\$1,031,338,000) which are past due as at the reporting date, of which HK\$461,172,000 (2024: HK\$824,810,000) has been past due 90 days or more. The management of the Group are of the view that it is not considered as default based on the financial background of the customers. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 29(a).

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 20 BANK DEPOSITS AND CASH AND OTHER CASH FLOW INFORMATION

#### (a) Bank deposits and cash comprise:

	2025 HK\$'000	2024 HK\$'000
Bank deposits and cash and cash and cash equivalents in the consolidated statement of cash flows	<b>526,787</b>	725,439
Bank deposits with original maturity over three months	<b>268,077</b>	–
Restricted bank deposits	<b>25,774</b>	35,765
Bank deposits and cash in the consolidated statement of financial position	<b>820,638</b>	761,204

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

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 20 BANK DEPOSITS AND CASH AND OTHER CASH FLOW INFORMATION (CONTINUED)

#### (b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings	Other borrowings	Lease liabilities	Interest payable	Total
	HK\$'000 (Note 22)	HK\$'000 (Note 23)	HK\$'000 (Note 24)	HK\$'000	HK\$'000
<b>At 1 January 2024</b>	76,421	255,000	38,909	122	370,452
<b>Changes from financing cash flows for 2024:</b>					
Proceeds of bank borrowings	103,747	–	–	–	103,747
Repayment of bank borrowings	(75,918)	–	–	–	(75,918)
Proceeds of other borrowings	–	28,690	–	–	28,690
Capital element of lease rentals paid	–	–	(16,595)	–	(16,595)
Interest element of lease rentals paid	–	–	(1,859)	–	(1,859)
Interest paid	–	–	–	(7,399)	(7,399)
Total changes from financing cash flows	27,829	28,690	(18,454)	(7,399)	30,666
<b>Other changes:</b>					
Increase in lease liabilities	–	–	18,485	–	18,485
Lease modification	–	–	(717)	–	(717)
Early termination of leases	–	–	(1,461)	–	(1,461)
Interest expense (Note 6(a))	–	–	1,859	8,025	9,884
Exchange adjustments	(2,743)	(428)	(91)	–	(3,262)
Total other changes	(2,743)	(428)	18,075	8,025	22,929
<b>At 31 December 2024 and 1 January 2025</b>	<b>101,507</b>	<b>283,262</b>	<b>38,530</b>	<b>748</b>	<b>424,047</b>
<b>Changes from financing cash flows for 2025:</b>					
Proceeds of bank borrowings	114,716	–	–	–	114,716
Repayment of bank borrowings	(102,699)	–	–	–	(102,699)
Proceeds of other borrowings	–	28,451	–	–	28,451
Prepayment of other borrowings	–	(90,000)	–	–	(90,000)
Capital element of lease rentals paid	–	–	(19,112)	–	(19,112)
Interest element of lease rentals paid	–	–	(1,390)	–	(1,390)
Interest paid	–	–	–	(11,312)	(11,312)
Total changes from financing cash flows	12,017	(61,549)	(20,502)	(11,312)	(81,346)
<b>Other changes:</b>					
Increase in lease liabilities	–	–	15,967	–	15,967
Lease modification	–	–	167	–	167
Interest expense (Note 6(a))	–	–	1,390	10,943	12,333
Other non-cash movements (Note)	–	(28,593)	–	–	(28,593)
Exchange adjustments	2,727	712	852	–	4,291
Total other changes	2,727	(27,881)	18,376	10,943	4,165
<b>At 31 December 2025</b>	<b>116,251</b>	<b>193,832</b>	<b>36,404</b>	<b>379</b>	<b>346,866</b>

Note: It resulted from the maturity of discounted trade and bills receivables under the factoring arrangement during the year.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 20 BANK DEPOSITS AND CASH AND OTHER CASH FLOW INFORMATION (CONTINUED)

#### (c) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2025 HK\$'000	2024 HK\$'000
Within operating cash flows	–	909
Within financing cash flows	<b>20,502</b>	18,454
	<b>20,502</b>	19,363

These amounts relate to the following:

	2025 HK\$'000	2024 HK\$'000
Lease rentals paid	<b>20,502</b>	19,363

### 21 TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	<b>1,170,279</b>	1,016,485
Bills payable	<b>137,038</b>	77,081
Trade and bills payables	<b>1,307,317</b>	1,093,566
Accrued expenses and other payables	<b>133,979</b>	123,804
Consideration payable for acquisition of a subsidiary	–	80,730
Other taxes payables	<b>82,222</b>	58,820
	<b>1,523,518</b>	1,356,920

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

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

	2025 HK\$'000	2024 HK\$'000
Due within 1 month or on demand	<b>1,184,840</b>	1,026,820
Due after 1 month but within 6 months	<b>122,477</b>	66,746
	<b>1,307,317</b>	1,093,566

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 22 BANK BORROWINGS

All of the bank borrowings are unguaranteed, unsecured and repayable within one year. As at 31 December 2025, bank borrowings bear fixed interest rates ranging from 2.60% to 2.80%, except for an amount of approximately HK\$16,607,000 which bore a variable interest rate at Loan Prime Rate minus 65 to 70 basis points. As at 31 December 2024, bank borrowings bore a fixed interest rate of 2.8%, except for an amount of approximately HK\$10,799,000 which bore a variable interest rate at Loan Prime Rate plus 65 basis points.

Some of the Group's bank borrowings are subject to fulfilment of covenants commonly found in lending agreements with financial institutions. If the Group were to breach the covenants, the drawn down borrowings would become payable on demand. The Group's management regularly monitors its compliance with these covenants. Further details of the covenants and the Group's management of liquidity risk are set out in Note 29(b). As at 31 December 2025 and 2024, none of the covenants relating to the drawn down facilities has been breached.

### 23 OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
<b>Current liabilities</b>		
Factoring loans (Note (i))	<b>28,832</b>	28,262
<b>Non-current liabilities</b>		
Other borrowing (Note (ii))	<b>165,000</b>	255,000
<b>Total</b>	<b>193,832</b>	283,262

Notes:

- (i) The factoring loans are unguaranteed, secured by the trade and bills receivable amounting to approximately HK\$28,832,000 (2024: HK\$28,262,000) (Note 19), bear fixed interest rates ranging from 1.03% to 1.95% (2024: 1.74% to 5.50%) per annum and are repayable within one year.
- (ii) Other borrowing is secured by the Company's 20% (2024: 30%) of equity interests in a subsidiary, interest-bearing at a variable interest rate at 1 month Hong Kong Interbank Offered Rate ("HIBOR") plus 70 basis points (2024: 1 month HIBOR plus 70 basis points) per annum and is payable in 2027.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 24 LEASE LIABILITIES

As 31 December 2025, the lease liabilities were repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	17,731	18,287
After 1 year but within 2 years	7,480	14,099
After 2 years but within 5 years	11,193	6,144
	<b>18,673</b>	20,243
	<b>36,404</b>	38,530

### 25 PROVISION FOR WARRANTIES

	2025 HK\$'000	2024 HK\$'000
At 1 January	9,366	9,281
Additional provision made	8,678	7,224
Provision utilised	(8,542)	(6,937)
Exchange adjustments	238	(202)
At 31 December	9,740	9,366
Less: amount included under "current liabilities"	(5,427)	(5,165)
	<b>4,313</b>	4,201

The above represents the warranty costs for repairs, which are estimated based on assumptions about the anticipated rates. The Group uses judgement in making these assumptions and selecting the data to the calculation, based on the Group's prevailing aftersales service policies, the sales volume and the past experience of the level of repairs and replacement. The estimation basis is reviewed on an ongoing basis and revised where appropriate. Any increase or decrease in the provision would affect profit or loss in future years.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

#### (a) Deferred tax assets and liabilities recognised:

##### (i) MOVEMENT OF EACH COMPONENT OF DEFERRED TAX ASSETS AND LIABILITIES

The component of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Amortisation and depreciation expenses in excess of the tax allowances HK\$'000	Accruals HK\$'000	Credit losses allowance HK\$'000	Write-down of inventories HK\$'000	Impairment of property plant and equipment HK\$'000	Tax difference in other equity security HK\$'000	Deferred income HK\$'000	Provision for warranties HK\$'000	Right-of-use assets HK\$'000	Lease liabilities HK\$'000	Tax losses HK\$'000	Fair value adjustments on intangible assets and related amortisation HK\$'000	Total HK\$'000
Balance at 1 January 2024	989	1,582	13,128	2,242	2,965	1,214	-	1,392	(5,371)	5,345	10,248	(42,792)	(9,058)
Exchange adjustments (Charged)/credited to the consolidated statement of profit or loss (Note 7(a))	(12)	(6)	(304)	(50)	(63)	(11)	(5)	(33)	113	(116)	(302)	859	70
Charged to other comprehensive income	(609)	(1,140)	1,537	114	-	(9)	329	45	127	61	5,542	3,824	9,821
	-	-	-	-	-	(987)	-	-	-	-	-	-	(987)
Balance at 31 December 2024 and 1 January 2025	368	436	14,361	2,306	2,902	207	324	1,404	(5,131)	5,290	15,488	(38,109)	(154)
Exchange adjustments (Charged)/credited to the consolidated statement of profit or loss (Note 7(a))	(1)	33	383	61	73	26	(4)	36	(128)	132	363	(929)	45
Credited to other comprehensive income	(779)	1,656	1,486	164	-	114	(320)	19	91	(149)	(2,098)	2,480	2,664
	-	-	-	-	-	1,311	-	-	-	-	-	-	1,311
Balance at 31 December 2025	(412)	2,125	16,230	2,531	2,975	1,658	-	1,459	(5,168)	5,273	13,753	(36,558)	3,866

##### (ii) RECONCILIATION TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets in the consolidated statement of financial position	35,801	33,536
Deferred tax liabilities in the consolidated statement of financial position	(31,935)	(33,690)
	<b>3,866</b>	(154)

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

#### (b) Deferred tax assets not recognised

As at 31 December 2025, the Group has not recognised deferred tax assets in respect of unused tax losses, impairment provision and accruals arising from certain subsidiaries of approximately HK\$155,345,000 (2024: HK\$107,319,000) as it is not probable that future taxable profits against which the losses or deductible temporary difference can be utilised will be available in the relevant tax jurisdiction and entity. Except for an amount of approximately HK\$43,346,000 (2024: HK\$42,526,000) which will not expire under the relevant tax legislation, the remaining unused tax losses of approximately HK\$38,348,000 (2024: HK\$44,515,000) at 31 December 2025 will expire in one to ten years (2024: one to ten years).

#### (c) Deferred tax liabilities not recognised

As at 31 December 2025, the Group has not recognised deferred tax liabilities in respect of temporary differences attributable to the undistributable profits of the subsidiaries established in Chinese Mainland of approximately HK\$784,222,000 (2024: HK\$759,196,000) as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that such profits will not be distributed in the foreseeable future.

### 27 DEFERRED INCOME

Government grants of HK\$1,213,000 (2024: HK\$1,316,000) have been received in the current year towards research and development cost on key technologies for integrated operation of suburban railways and urban rail transit. As the recognition criteria have not been met, no amount has been recognised in profit or loss for both years.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 28 CAPITAL, RESERVES AND DIVIDENDS

#### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital HK\$'000 (Note 28(c))	Share premium HK\$'000 (Note 28(d)(i))	Capital reserve HK\$'000 (Note 28(d)(ii))	Accumulated losses HK\$'000	Total HK\$'000
<b>Balance at 1 January 2024</b>	20,971	1,607,664	52,991	(39,084)	1,642,542
<b>Changes in equity for 2024:</b>					
Total comprehensive expense	–	–	–	(12,808)	(12,808)
Dividends declared in respect of the previous year (Note 28(b)(ii))	–	(52,429)	–	–	(52,429)
<b>Balance at 31 December 2024 and 1 January 2025</b>	<b>20,971</b>	<b>1,555,235</b>	<b>52,991</b>	<b>(51,892)</b>	<b>1,577,305</b>
<b>Changes in equity for 2025:</b>					
Total comprehensive income	–	–	–	31,748	31,748
Dividends declared in respect of the previous year (Note 28(b)(ii))	–	(50,332)	–	–	(50,332)
<b>At 31 December 2025</b>	<b>20,971</b>	<b>1,504,903</b>	<b>52,991</b>	<b>(20,144)</b>	<b>1,558,721</b>

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 28 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (b) Dividends

##### (I) DIVIDENDS PAYABLE TO EQUITY SHAREHOLDERS OF THE COMPANY ATTRIBUTABLE TO THE YEAR

	2025 HK\$'000	2024 HK\$'000
Final dividend proposed after the end of the reporting period of HK\$2.0 cents (2024: HK\$2.4 cents) per ordinary share	<b>41,943</b>	50,332

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

##### (II) DIVIDENDS TO EQUITY SHAREHOLDERS OF THE COMPANY ATTRIBUTABLE TO THE PREVIOUS FINANCIAL YEAR, APPROVED DURING THE CURRENT YEAR

	2025 HK\$'000	2024 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$2.4 cents (2024: HK\$2.5 cents) per ordinary share	<b>50,332</b>	52,429

#### (c) Share capital

##### AUTHORISED AND ISSUED SHARE CAPITAL

	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	<b>5,000,000,000</b>	<b>50,000</b>	5,000,000,000	50,000
Issued and fully paid:				
At 1 January and 31 December	<b>2,097,146,727</b>	<b>20,971</b>	2,097,146,727	20,971

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 28 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

#### (d) Nature and purpose of reserves

##### (I) SHARE PREMIUM

The application of the share premium account is governed by Section 34 of the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

##### (II) CAPITAL RESERVE

The capital reserve mainly comprises: (i) the excess/deficiency of the carrying values of the controlling equity interests in subsidiaries acquired and the considerations paid under the reorganisation took place in 2011; (ii) the excess/deficiency of the considerations paid for/received from over the changes in the carrying amounts of non-controlling interests in the acquisitions of further interests in subsidiaries or disposal of partial interests in subsidiaries without change in control; (iii) the portion of the grant date fair value of unexercised share options granted to directors and equity shareholder of the Company and employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments; and (iv) the share of the investee's net assets changes, other than profit or loss or other comprehensive income and distributions received.

##### (III) STATUTORY RESERVES

In accordance with the articles of association of the subsidiaries established in the PRC (excluding Hong Kong), these subsidiaries were required to set up certain statutory reserves, which were non-distributable. The transfers to these reserves are governed by the articles of association of the respective subsidiaries. The statutory reserves can only be utilised for predetermined means upon approval by the relevant authority.

##### (IV) EXCHANGE RESERVE

The exchange reserve comprises foreign exchange differences arising from the translation of the financial statements of companies outside Hong Kong into the presentation currency. The reserve is dealt with in accordance with the accounting policy set out in Note 2(v).

#### (e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for equity shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The capital structure of the Group consists of net debt including borrowings, net of cash and cash equivalents and equity attributable to equity shareholders of the Company comprising issued equity, retained profits and other reserves.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends as well as the issue of new debt or the redemption of existing debt.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

#### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

The Group's credit risk is primarily attributable to trade, bills and other receivables, and contract assets. Management has a credit policy in place and the exposure to this credit risk is monitored on an ongoing basis.

The credit risk on cash at bank and pledged bank deposits is limited as the counterparties are banks with sound credit standing.

The Group does not provide any other guarantees that would expose the Group to credit risk.

#### TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 7% (2024: 7%) and 22% (2024: 27%) of the total trade and bills receivables and contract assets were due from the Group's largest customer and the five largest customers respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) Credit risk (continued)

##### TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

###### *Bills receivable*

For bills receivable, the Group grouped bills receivable in accordance with credit risk characteristics and calculated the expected credit loss on a portfolio basis.

Portfolio	Credit risk characteristics
Bank acceptance bills	Credit risk is characterised by the credit rating of the accepting bank in the bank acceptance bills
Commercial acceptance bills	Credit risk is characterised by the credit rating of the accepting company in the commercial acceptance bills

For bank acceptance bills, the credit risk is limited because the bills are guaranteed by banks for payments and the banks are creditworthy financial institutions in the PRC. The movement in the impairment losses amount in respect of commercial acceptance bills during the year is as follow:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	597	896
Impairment loss/(reversal of impairment loss) recognised during the year, net	896	(284)
Exchange adjustments	27	(15)
Balance at 31 December	<b>1,520</b>	597

###### *Trade receivables and contract assets*

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix or based on the probability of default with reference to available market information, taking into account any credit enhancement. For trade receivables or contract assets that are individually significant and where there is objective evidence that the credit risk is obviously different from others, ECL is measured on an individual basis. As at 31 December 2025, the balance of HK\$49,852,000 (2024: HK\$54,916,000) were assessed on an individual basis.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) Credit risk (continued)

##### TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

Trade receivables and contract assets (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets:

	As at 31 December 2025		
	Average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Trade receivables			
Within 1 year	1.39%	429,495	(5,988)
More than 1 year but within 2 years	4.90%	126,762	(6,208)
More than 2 years	29.24%	149,668	(43,756)
		705,925	(55,952)
Contract assets	4.92%	1,070,150	(52,652)
		1,776,075	(108,604)

	As at 31 December 2024		
	Average expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Trade receivables			
Within 1 year	1.14%	752,991	(8,557)
More than 1 year but within 2 years	3.41%	189,901	(6,471)
More than 2 years	36.58%	88,446	(32,356)
		1,031,338	(47,384)
Contract assets	6.23%	783,893	(48,837)
		1,815,231	(96,221)

The expected loss rate is calculated based on actual loss experience over the past five years. These ratios are adjusted to reflect differences in the economic environment during the periods in which the historical data is collected, the current environment and the Group's view of the economic environment over the expected lives of the receivables.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (a) Credit risk (continued)

##### TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

*Trade receivables and contract assets (continued)*

Movements in the loss allowance amount in respect of trade receivables and contract assets during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	96,221	85,897
Impairment loss recognised during the year, net	9,804	12,363
Exchange adjustments	2,579	(2,039)
Balance at 31 December	108,604	96,221

##### OTHER RECEIVABLES

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

Movements in the loss allowance account in respect of other receivables during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	7,889	6,685
Impairment loss recognised during the year, net	668	1,368
Exchange adjustments	208	(164)
Balance at 31 December	8,765	7,889



**Notes to the Consolidated Financial Statements** (continued)  
(Expressed in Hong Kong dollars)

**29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS**  
(CONTINUED)

**(b) Liquidity risk** (continued)

Loan	Carrying amount		Covenant(s)	Timing to comply with the covenant(s)
	2025 HK\$'000	2024 HK\$'000		
Loan B	<b>15,500</b>	–	(i) The debt-to-asset ratio should not exceed 60%. (ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year  At the end of each quarter of financial year
Loan C	<b>14,393</b>	–	(i) The debt-to-asset ratio should not exceed 60%. (ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year  At the end of each quarter of financial year
Loan D	<b>13,286</b>	–	(i) The debt-to-asset ratio should not exceed 60%. (ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year  At the end of each quarter of financial year
Loan E	<b>1,107</b>	–	(i) The debt-to-asset ratio should not exceed 60%. (ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year  At the end of each quarter of financial year
Loan F	<b>13,286</b>	–	(i) The debt-to-asset ratio should not exceed 60%. (ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year  At the end of each quarter of financial year

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Liquidity risk (continued)

Loan	Carrying amount		Covenant(s)	Timing to comply with the covenant(s)
	2025 HK\$'000	2024 HK\$'000		
Loan G	–	15,118	(i) The debt-to-asset ratio should not exceed 60%. (ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year  At the end of each quarter of financial year
Loan H	–	15,118	(i) The debt-to-asset ratio should not exceed 60%. (ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year  At the end of each quarter of financial year
Loan I	–	15,118	(i) The debt-to-asset ratio should not exceed 60%. (ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year  At the end of each quarter of financial year

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities which are based on contractual undiscounted cash flows and the earliest dates the Group can be required to pay:

	2025				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank borrowings	117,661	–	–	117,661	116,251
Other borrowings	35,052	170,863	–	205,915	193,832
Lease Liabilities	18,729	7,983	11,694	38,406	36,404
Trade and other payables	1,441,296	–	–	1,441,296	1,441,296
	<b>1,612,738</b>	<b>178,846</b>	<b>11,694</b>	<b>1,803,278</b>	<b>1,787,783</b>

	2024				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank borrowings	103,134	–	–	103,134	101,507
Other borrowings	41,805	13,464	267,689	322,958	283,262
Lease Liabilities	19,596	14,646	6,346	40,588	38,530
Trade and other payables	1,298,100	–	–	1,298,100	1,298,100
	<b>1,462,635</b>	<b>28,110</b>	<b>274,035</b>	<b>1,764,780</b>	<b>1,721,399</b>

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk in relation to loans from a related party with a fixed-rate and other interest-bearing borrowings. Cash flow interest rate risk in relation to bank balances and restricted bank deposits is considered insignificant. Interest rate risk is managed by the management of the Group on an ongoing basis with the primary objective of limiting the extent to which interest expense could be affected by adverse movement in interest rates. The Group's interest rate profile as monitored by management is set out in (i) below.

#### (i) INTEREST RATE RISK PROFILE

The following table details the interest rate risk profile of the Group's borrowings at the end of the reporting period:

	2025		2024	
	Effective interest rate %	HK\$'000	Effective interest rate %	HK\$'000
<b>Fixed rate borrowings:</b>				
Lease liabilities	3.10%-5.14%	36,404	3.95%-5.14%	38,530
Bank borrowings	2.60%-2.80%	99,644	2.80%	90,708
Other borrowing	1.03%-1.95%	28,832	1.74%-5.50%	28,262
		<b>164,880</b>		<b>157,500</b>
<b>Variable rate borrowings:</b>				
Bank borrowings	2.30%-2.35%	16,607	4.10%	10,799
Other borrowing	3.77%	165,000	5.28%	255,000
		<b>181,607</b>		<b>265,799</b>
<b>Total borrowings</b>		<b>346,487</b>		<b>423,299</b>
<b>Fixed rate borrowings as a percentage of total borrowings</b>		<b>48%</b>		<b>37%</b>

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (c) Interest rate risk (continued)

##### (ii) SENSITIVITY ANALYSIS

At 31 December 2025, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately HK\$751,000 (2024: HK\$1,105,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group which expose the Group to cash flow interest rate risk at the end of the reporting period.

#### (d) Currency risk

The Group is exposed to currency risk primarily through bank deposit and cash and other receivables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily RMB, United States dollars ("USD"), Euro ("EUR") and Japanese Yen ("JPY").

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (d) Currency risk (continued)

##### (i) EXPOSURE TO CURRENCY RISK

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in HK\$, translated using the spot rates at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in HK\$)				
	2025				
	RMB '000	HK\$ '000	USD '000	EUR '000	JPY '000
Bank deposits and cash	28,638	1,817	32,935	1,470	-
Contract assets	-	257	2,617	92	-
Trade and other receivables	-	2,428	-	11,086	792
Gross exposure arising from recognised assets and liabilities	28,638	4,502	35,552	12,648	792

	Exposure to foreign currencies (expressed in HK\$)				
	2024				
	RMB '000	HK\$ '000	USD '000	EUR '000	JPY '000
Bank deposits and cash	111,720	843	13,151	1,366	-
Contract assets	-	46	2,611	90	-
Trade and other receivables	-	1,538	-	1,937	-
Gross exposure arising from recognised assets and liabilities	111,720	2,427	15,762	3,393	-

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (d) Currency risk (continued)

##### (ii) SENSITIVITY ANALYSIS

The following table indicates the instantaneous change in the Group's profit after taxation and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2025		2024	
	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after taxation and retained profits HK\$'000	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after taxation and retained profits HK\$'000
RMB	10% (10%)	2,864 (2,864)	10% (10%)	11,172 (11,172)
HK\$	10% (10%)	391 (391)	10% (10%)	197 (197)
USD	10% (10%)	3,448 (3,448)	10% (10%)	1,510 (1,510)
EUR	10% (10%)	1,075 (1,075)	10% (10%)	254 (254)
JPY	10% (10%)	67 (67)	10% (10%)	– –

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after taxation and retained profits measured in the respective functional currencies, translated into HK\$ at the exchange rates ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including intercompany receivables within the Group which are denominated in a currency other than the functional currencies of the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2024.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

##### (i) FAIR VALUE HIERARCHY

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

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

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

**Notes to the Consolidated Financial Statements** (continued)  
(Expressed in Hong Kong dollars)

**29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS**  
(CONTINUED)

(e) **Financial instruments measured at fair value** (continued)

(i) **FAIR VALUE HIERARCHY** (CONTINUED)

	Fair value at 31 December 2025 HK\$'000	Fair value measurement as at 31 December 2025 categorised into Level 3 HK\$'000
<b>Recurring fair value measurement</b>		
Financial assets:		
Other financial assets measured at FVTPL	60,140	60,140
Other financial assets designated at FVTOCI	165,918	165,918
Financial liabilities:		
Contingent considerations	–	–

	Fair value at 31 December 2024 HK\$'000	Fair value measurement as at 31 December 2024 categorised into Level 3 HK\$'000
<b>Recurring fair value measurement</b>		
Financial assets:		
Other financial assets measured at FVTPL	67,803	67,803
Other financial assets designated at FVTOCI	129,584	129,584
Financial liabilities:		
Contingent considerations	1,955	1,955

During the year ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

The movements during the year in the balance of Level 3 fair value measurements are as follows:

	2025 HK\$'000	2024 HK\$'000
<i>Other financial assets measured at FVTPL:</i>		
Balance at 1 January	67,803	76,935
Changes in fair value recognised in profit or loss during the period	(9,253)	(7,597)
Exchange adjustments	1,590	(1,535)
Balance at 31 December	60,140	67,803
<i>Other financial assets designated at FVTOCI:</i>		
Balance at 1 January	129,584	125,800
Transferred from deemed disposal of an associate	41,363	–
Net unrealised gains or losses recognised in other comprehensive income	(8,740)	6,578
Exchange adjustments	3,711	(2,794)
Balance at 31 December	165,918	129,584
<i>Contingent considerations payable:</i>		
Balance at 1 January	1,955	1,998
Payment of contingent considerations	(1,985)	–
Exchange adjustments	30	(43)
Balance at 31 December	–	1,955

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

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

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

###### *Other financial assets measured at FVTPL*

The valuation model of the fair value of unlisted equity investment in Cornerstone Huiying is based on adjusted recent transaction price of the underlying investments or the market multiples (i.e. price to earnings multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 34.2% (2024: 31.7%) of the underlying investments.

The Group determines the fair value of unlisted equity investment in Youdao Technology based on market multiples (i.e. price to earnings multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 31.5% (2024: 31.5%).

As at 31 December 2025, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have increased/decreased the Group's profit by HK\$351,000 (2024: HK\$386,000).

###### *Other financial assets designated at FVTOCI*

The valuation model of the fair value of unlisted equity investment in Ruubypay is based on market multiples (i.e. enterprise value to earnings before interest, tax, depreciation and amortisation multiple/price to sales multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 33.9% (2024: 31.5%) of the underlying investments.

The Group determines the fair value of unlisted equity investment in Lianying Centre based on market multiples (i.e. price to earnings multiples) from comparable listed companies, which is adjusted for the lack of marketability discounted at weighted average rate of 21.0% (2024: N/A).

As at 31 December 2025, it is estimated that with all other variables held constant, a decrease/increase in discount for lack of marketability by 1% would have increased/decreased the Group's other comprehensive income by HK\$1,093,000 (2024: HK\$2,160,000).

###### *Contingent considerations*

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

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2025 and 2024.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 30 MATERIAL RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in these consolidated financial statements, the material related party transactions entered into by the Group during the year are set out below.

#### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company as disclosed in Note 8 and certain of the highest paid employees of the Group as disclosed in Note 9, is as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	8,118	9,108
Retirement scheme contributions	696	709
	<b>8,814</b>	9,817

Total remuneration is included in "staff costs" (see Note 6(b)).

#### (b) Related party transactions

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

	2025 HK\$'000	2024 HK\$'000
Interest expense	6,913	4,975
Revenue from intelligent passenger information services	1,732	77,019
Revenue from digital-intelligence urban rail services	501,275	299,427
Revenue from innovative development	41,933	31,004
Purchases of goods and service	94,584	40,068
Payments relating to lease	–	4,204

##### TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Purchases of goods and services	72,593	142,746
Revenue from intelligent passenger information services	13,344	7,181
Revenue from digital-intelligence urban rail services	–	1,735
Dividends	4,244	2,818

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 30 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

#### (c) Related party balances

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

	2025 HK\$'000	2024 HK\$'000
Trade receivables	106,593	153,469
Prepayments, deposits and other receivables	4,559	4,308
Contract assets	335,523	233,358
Contract liabilities	14,283	21,842
Trade payable	102,232	40,497
Accrued expenses and other payables	18,548	1,934
Other borrowings	165,000	260,669

##### BALANCES WITH JOINT VENTURES AND ASSOCIATES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	16,092	5,075
Prepayments, deposits and other receivables	1,998	–
Contract assets	957	2,839
Trade payables	27,858	14,509

Except for other borrowings which is secured, interest bearing and repayable according to the relevant contract terms (see Note 23), all the above balances are unsecured, interest-free and repayable on demand or according to the relevant contract terms.

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 30 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

The ultimate holding company of the Company, Beijing Infrastructure Investment Co., Ltd. (“BII”), is an enterprise controlled by the PRC government. Apart from transactions with BII and its affiliates which were disclosed in Notes 30(b) and 30(c) above, the Group also has transactions with other state-controlled entities, included but not limited to the following:

- provision of hardware and software products and services of passenger information system of high-speed railways, intercity railways, suburban railways and metro system;
- provision of professional integration service and intelligent hardware and software products and services of metro transportation, including cloud and big data service;
- provision of one-stop infrastructure services for domestic and international clients;
- bank deposits;
- bank borrowings; and
- purchase of other financial assets.

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

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

**Notes to the Consolidated Financial Statements** (continued)  
(Expressed in Hong Kong dollars)

**31 THE COMPANY'S STATEMENT OF FINANCIAL POSITION**

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Investments in subsidiaries	14	570,757	570,757
Interest in a joint venture		294,735	294,735
		<b>865,492</b>	865,492
<b>Current assets</b>			
Other receivables		985,346	887,554
Bank deposit and cash		55,190	122,754
		<b>1,040,536</b>	1,010,308
<b>Current liabilities</b>			
Accrued expenses and other payables		182,307	43,495
		<b>182,307</b>	43,495
<b>Net current assets</b>			
		<b>858,229</b>	966,813
<b>Total assets less current liabilities</b>			
		<b>1,723,721</b>	1,832,305
<b>Non-current liability</b>			
Other borrowing		165,000	255,000
<b>NET ASSETS</b>			
		<b>1,558,721</b>	1,577,305
<b>CAPITAL AND RESERVES</b>			
Share capital	28	20,971	20,971
Reserves		1,537,750	1,556,334
<b>TOTAL EQUITY</b>			
		<b>1,558,721</b>	1,577,305

## Notes to the Consolidated Financial Statements (continued)

(Expressed in Hong Kong dollars)

### 32 IMMEDIATE AND ULTIMATE HOLDING COMPANY

As at 31 December 2025, the directors of the Company consider the immediate and ultimate controlling party of the Company to be Beijing Infrastructure Investment (Hong Kong) Limited, a company incorporated in Hong Kong, and BII, a company established in the PRC, respectively. Neither of these companies produces financial statements available for public use.

### 33 POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures – Contracts referencing nature-dependent electricity	1 January 2026
Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, Presentation and disclosure in financial statements	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that except for the new or amended standards mentioned below, the adoption of all other new or amended standards is unlikely to have a significant impact on the consolidated financial statements except for the following:

#### IFRS 18 “Presentation and Disclosure in Financial Statements” (“IFRS 18”)

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 “Presentation of Financial Statements” (“IAS 1”) and this new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and IFRS 7. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

# 京投轨道交通科技控股有限公司

BII Railway Transportation Technology Holdings Company Limited



This annual report is printed on environmental friendly paper