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

NAVIGATING 2025

Sustainable Development

2024 ANNUAL REPORT

CONTENTS

Corporate Information	2
Company Overview	3
Financial Highlights	6
Chairman's Statement	7
Management Discussion and Analysis	10
Risk Factor Analysis	22
Investor Relations	23
Biographical Details of Directors and Senior Management	25
Directors' Report	32
Corporate Governance Report	45
Definitions	62
Independent Auditor's Report	65
Consolidated Statement of Profit or Loss	72
Consolidated Statement of Profit or Loss and Other Comprehensive Income	73
Consolidated Statement of Financial Position	74
Consolidated Statement of Changes in Equity	76
Consolidated Statement of Cash Flows	78
Notes to the Consolidated Financial Statements	80

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
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

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
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

STOCK CODE

1522

COMPANY OVERVIEW

COMPANY INTRODUCTION

The Group is a high-tech enterprise specialising in the field of railway transportation, investment and financing, technology research and development ("**R&D**"), and intelligent railway transportation development, operation and maintenance. 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 adheres to the mission of empowering railway transportation with intelligent technology, and is positioned to "focus on integrated innovation and 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, becoming a world-class intelligent rail transit leader.

Intelligent Passenger Information Services Business	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, smart card automated fare collection system and other hardware and software products and solutions.
Data & Integration Services Business	The data and integration 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), low-voltage 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.
Intelligent Infrastructure Business	The intelligent infrastructure business primarily covers the investment and operation of civil communication transmission systems for Beijing's railway transportation. At the same time, leveraging big data, artificial intelligence and other technologies, it provides customers with "intelligent+" services such as intelligent construction sites, intelligent parks, intelligent hubs, intelligent utility tunnels and intelligent micro-centres.

Strategic Objectives

Mission:
empower the railway transportation by intelligent technology

Position:
focus on integrated innovation and become China's leading rail transit intelligent system service provider

Strategic Themes

One Platform:
collaborative development, create a strategic investment and control platform for collaborative innovation and win-win development

**One Subject:
strengthen and optimise the main business with Intelligent Passenger Information Services, Data and Integration Services, and Intelligent Infrastructure as the core**

One Centre:
innovate and upgrade, build an intelligent product standard system, and create a technological innovation ecology

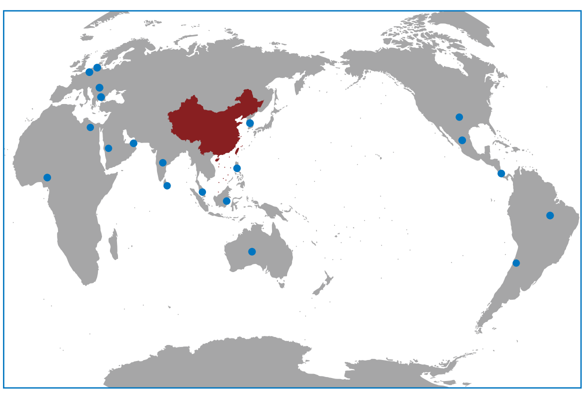
MARKET STRATEGY

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 2024, the Group's businesses covered 55 cities in 28 provinces, municipalities, autonomous regions and special administrative regions in China, where it provided products and services, including Intelligent Passenger Information Services, Data and Integration Services, and Intelligent Infrastructure. As for overseas market, it has expanded into 32 cities in 20 overseas countries and regions.

Areas covered by our businesses in China

審圖號：京審字(2025)G第0502號



Areas covered by our businesses overseas

Areas covered 3 years before	India, Sri Lanka, Indonesia, Costa Rica, the USA, Mexico, Brazil, Bulgaria, Romania, Australia, Saudi Arabia, United Arab Emirates, Nigeria
New areas added in 3 years	Australia, Saudi Arabia, United Arab Emirates, Malaysia, Nigeria, Israel, South Korea, Egypt, Chile, Netherlands, Philippines

SUMMARY WITH FIGURES

The Group concentrated on railway transportation for
20 YEARS

Its businesses covered
55 CITIES
in Mainland China and
32 CITIES
overseas in 20 countries and regions

It owned **149** PATENTS and **645** SOFTWARE COPYRIGHTS

As at 31 December 2024, the orders on hand of the Group was approximately
HK$3.23 BILLION

AWARDS AND QUALIFICATIONS IN 2024

"Specialized, Refined, Unique, and Innovative Little Giant"

National-level "Commercial Cryptography Testing Agency" qualification

CMMI Level 5 Certification

Second Prize of Science and Technology Progress Award of Beijing Rail Transit Society

4 awards for the 2024 Zhongguancun Rail Transit International Innovation and Entrepreneurship Competition

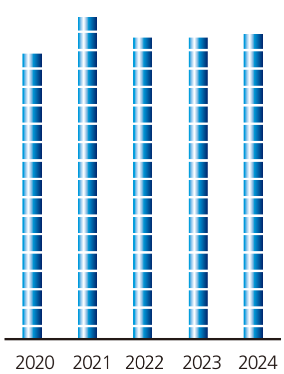
FINANCIAL HIGHLIGHTS(Note)

	For the year ended 31 December				
	2024	2023	2022	2021	2020
Key profit or loss items (HK$ Thousand)					
Revenue	**1,656,773**	1,637,181	1,638,948	1,749,210	1,549,976
Gross profit	**619,687**	591,007	586,299	647,526	615,259
Earnings before interest, taxes, depreciation and amortization	**277,413**	300,859	307,322	318,475	297,813
Profit attributable to equity shareholders of the Company	**167,604**	174,313	179,252	187,535	168,407

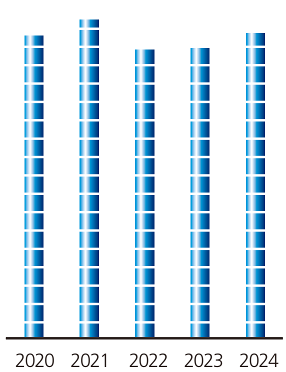
	As at 31 December				
	2024	2023	2022	2021	2020
Key statement of financial position items (HK$ Thousand)					
Non-current assets	**1,599,956**	1,586,428	1,561,167	1,582,939	1,468,125
Current assets	**3,233,160**	2,922,255	2,842,593	2,833,723	2,828,905
Total assets	**4,833,116**	4,508,683	4,403,760	4,416,662	4,297,030
Total liabilities	**1,892,173**	1,629,834	1,753,967	1,644,768	1,744,026
Equity attributable to equity shareholders of the Company	**2,775,601**	2,707,818	2,573,415	2,660,160	2,452,617

Financial year	**2024**	2023	2022	2021	2020
Return to shareholders					
Earnings per share					
– Basic (HK$ cent)	**8.0**	8.3	8.5	8.9	8.0
– Diluted (HK$ cent)	**8.0**	8.3	8.5	8.9	8.0
Dividend per share (HK$ cent)	**2.4**	2.5	2.6	2.7	2.5
Net assets per share (HK$)	**1.4**	1.4	1.3	1.3	1.2

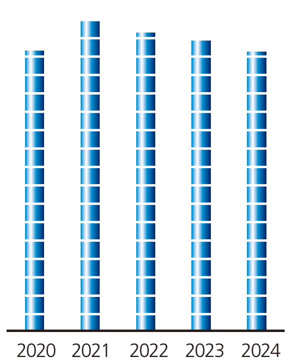
Revenue (HK$ Thousand)



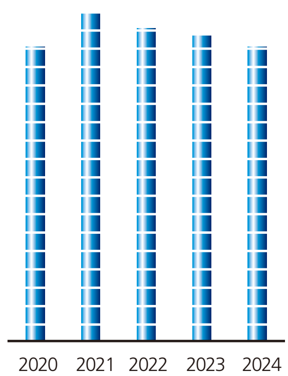
Gross profit (HK$ Thousand)



Profit attributable to equity shareholders of the Company (HK$ Thousand)



Basic earnings per share (HK$ cent)



Note: HK$/RMB average exchange rate for 2024 was approximately 0.9122 and for 2023 was approximately 0.9011 respectively, representing an increase of approximately 1.2%.

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 FY 2024.

Over the past year, facing a complex and ever-changing external environment, China's rail transit industry forged ahead. It has brought new development opportunities for all participants in the industry, while also setting higher development requirements. Focusing on the strategy of intelligent, green and international development, the Group adhered to its market strategy of maintaining a strong foothold in Beijing and Hong Kong, stepping up its presence nationwide, and exploring international markets, seized opportunities arising from the digital and intelligent transformation and upgrading of the industry, and vigorously explored new market domains at home and abroad with a view to further consolidating and enhancing the leading position of its principal business in the market. At the same time, the Group upheld innovation- and reform-driven development, maximised the role of technological innovation, actively explored and facilitated the organic fusion of AI, cloud computing and other new technologies with rail transit, and strove to develop itself into a leading rail transit intelligent system service provider in China.

STRATEGIC RESULTS

Faced with a complex and challenging macro-environment, the Group maintained strategic adherence by sticking to the development philosophy of "business-oriented growth, innovation-driven development and efficient management", continued to reinforce its "3+2" business pattern, and established three major businesses, namely the intelligent passenger information services, data and integration services, and intelligent infrastructure, as well as vertical development of two platforms, i.e. the R&D centre and capital centre; it explored horizontally the expansion and application of new technologies, such as edge cloud, AI big data, and steadily carried out its operation and management.

Under the strategic guidance of the Board, the Group showed robust and resilient business growth with good momentum. In terms intelligent passenger information services business, the on-board PIS business held the biggest market share in China for nine consecutive years, and business presence was expanded in four new countries, which further enhanced the Group's influence in overseas markets. As for data and integration services, the business was brought to four new cities, namely Shenyang, Chongqing, Jinan and Shanghai, for the first time, allowing the data and integration brand driven by big data and cloud computing to further reach the entire country. Besides, the Group was awarded the intelligent infrastructure construction of the FAS project for the Beijing Municipal Administrative Centre Hub, and further expanded its businesses through digital innovation and empowerment. With great efforts made on R&D innovation, the Group procured the launch of the intelligently made system by its Huaqi Intelligent on the world's fastest high-speed train – CR450 units, which promoted the integration of passenger-friendly and intelligent transformation of high-speed railway services, and contributed to major breakthroughs in the intelligent upgrading and informatisation of high-speed railways in China. With respect to capital operation, the Group worked on both investment and operation control, and helped two companies it invested earn the title of "Little Giant" as national specialized and sophisticated enterprises. In summary, the Group fully implemented the strategic plan set by the Board and achieved good results in operation and management in 2024.

SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

Following the philosophy of "Technology-driven and Responsibility", the Group combined social responsibility with its corporate development strategy and daily operations, and continued to create long-term value for its shareholders, clients, employees and other stakeholders as well as the society.

During the Period, in order to fulfil the requirements of the Exchange Listing Rules and relevant codes and guidelines, the Group maintained good governance by completing the changes in the Board of Directors, making timely disclosure of information, reinforcing the management of connected transactions and inside information, and continuing to optimise the governance structure and improve the effectiveness of the Directors in performing their duties, thus giving full play to the core role of the Board in "determining strategies, making decisions and preventing risks".

The Group made great efforts to achieve the six medium- and long-term ESG goals and fully leveraged the advantages of the three-tiered control structure "Board of Directors – ESG Committee – ESG Working Group" to support efficient ESG development. The Group upheld high standards for business ethics, and incorporated ESG concepts such as low carbon and environmental protection, innovation-driven development and safe production into its principal businesses, while at the same time paying great attention to the quality of its products, safeguarding the rights and interests of its employees, and fulfilling its social responsibilities. In 2024, the ESG report under the guidance of the Board of Directors received a four-and-a-half star rating by the "Beijing State-controlled Listed Companies ESG Pioneer 30 Index", and remained top-ranked for two years in a row in recognition of the Group's fulfilling responsibility for sustainable development.

RESULTS AND DIVIDENDS

In 2024, the Group recorded revenue of approximately HK$1,656.8 million, and the profit attributable to equity shareholders amounted to approximately HK$167.6 million. The Board recommended the payment of a dividend of HK$0.024 per share for FY2024. The total amount of dividend will reach approximately HK$50.3 million with a dividend payout ratio of 30.03%, subject to the approval at the 2025 AGM. The Group has declared cash dividends for the eighth consecutive year, keeping its commitment to sharing the development fruits of the Company with its Shareholders.

BUSINESS PROSPECTS

The year 2025 marks the conclusion of the "14th Five-Year Plan", and start of the "15th Five-Year Plan". In the critical period when railway transportation industry shifts from high-speed to high-quality development, the Board of Directors will lead the BII Railway Transportation to stick to the mission of "empowering rail transportation with intelligent technology" and strategic position of "focusing on integrated innovation and becoming China's leading rail transit intelligent system service provider", keep abreast of the new trends of intelligent, low-carbon and autonomous transformation in the industry, steadily promote its high-quality development, provide the society and users with more quality products and services, and continue to create returns and value for Shareholders.

APPRECIATION

On behalf of the Board, I would like to express my appreciation to all the employees and management team for their persistent professionalism and pursuit of excellence at work, and to our clients, partners and peers as well as our Shareholders and investors for their long-term strong support and trust!

We will continue to work hard and strive to create a better future together!

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND BUSINESS ENVIRONMENT

The Company primarily focuses on application scenarios such as railway transportation and intelligent infrastructure. After more than ten years of development, the Group has formed a business structure with three major segments, including intelligent passenger information services business, data and integration services business, and intelligent infrastructure business, among which the railway transportation business is the Company's most important source of revenue. Therefore, the development trend of the railway transportation industry is closely related to the Company's micro business environment.

In 2024, the railway transportation industry in Mainland China continued its steady development trend, with stable growth in investment, passenger flow and other indicators. In terms of railway lines in Mainland China, according to the data of China State Railway Group, fixed-asset in national railway construction investment amounted to approximately RMB850.6 billion, representing a year-on-year increase of approximately 11.3%; and the aggregate passenger volume by railway was approximately 4.08 billion, representing an increase of approximately 10.8% as compared to the same period last year. In terms of urban railway lines in Mainland China, according to data of China Association of Metros, a total of 25 cities in Mainland China launched new lines, sections or extensions in urban railway transportation throughout 2024, resulting in a year-on-year increase of 953.04 kilometres, or approximately 7.7%, in operational railway lines. The total passenger volume based on the all types of passenger ticketing system was approximately 32.26 billion in 2024, representing a year-on-year increase of approximately 9.5%, reaching new heights. Globally, research data show that the total operating mileage of urban railways reached 44,730.1 kilometres in 2024, representing a year-on-year increase of 3.1%. In particular, the total operating mileage of urban railways in Mainland China accounted for approximately 28.7% of the global total, ranking first in the world, with a growth rate that continues to exceed the global average.

Overall, the railway transportation industry experienced steady development in 2024, providing a relatively favourable external environment for the Company. However, in terms of the Company's micro operations, it continues to face a series of complex challenges. The rail transit industry competition has become more intense, presenting trends such as diversified customer needs, localised procurement models, and "investment for markets". This has certainly posed challenges to market expansion and market share consolidation. Meanwhile, the railway transportation industry is undergoing a business transition from "traditional infrastructure" to "digital new infrastructure", with cutting-edge technologies such as artificial intelligence, cloud computing and big data reshaping the industry ecosystem and fostering new quality productive force. The integration and application of new technologies and traditional business have become a new concern in the industry, raising requirements for companies' capabilities of technological implementation and transformation. In the face of these challenges, the Company will continue to maintain a prudent attitude, and adopt a steady approach to move along with the trend curve.

BUSINESS OVERVIEW

In 2024, the Group actively explored domestic and overseas markets and ensured the timely delivery of projects. The Group's overall operating results remained stable as compared to the corresponding period of the previous year. In 2024, the Group recorded revenue of HK$1,656.8 million, representing a year-on-year increase of approximately 1.2% (equivalent to approximately RMB1,511.3 million of revenue recorded in 2024, representing a year-on-year increase of approximately 2.4%). Gross profit margin was approximately 37.4%, representing a year-on-year increase of approximately 1.3 percentage points. Profit attributable to equity shareholders amounted to approximately HK$167.6 million, representing a year-on-year decrease of approximately 3.8% (equivalent to approximately RMB152.9 million of the profit attributable to equity shareholders recorded in 2024, representing a year-on-year decrease of approximately 2.7%).

In 2024, the Group adhered to its market strategy of "relying on Beijing and Hong Kong, stepping up its presence nationwide, and exploring international markets". The Group has expanded into overseas markets in Egypt, Chile, the Netherlands and the Philippines for the first time. The Group continued to broaden its business footprint, reaching a total of 55 cities in Mainland China and 32 cities in 20 overseas countries and regions. As at the end of 2024, the Group's orders on hand amounted to approximately HK$3.23 billion, representing a significant year-on-year increase of approximately 27.4%, securing stable revenue for the future.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of approximately HK$1,656.8 million in FY2024, representing an increase of approximately 1.2% as compared with FY2023 (FY2023: approximately HK$1,637.2 million). Revenue was mainly derived from the three core businesses: intelligent passenger information services business, data and integration services business and intelligent infrastructure business, which amounted to approximately HK$755.9 million, HK$515.6 million and HK$385.3 million respectively, accounting for approximately 45.6%, 31.1% and 23.3%, respectively, of the total revenue.

Revenue derived from the intelligent passenger information services business for the Period was approximately HK$755.9 million, representing a decrease of approximately HK$15.0 million or approximately 1.9% as compared with the same period last year, mainly due to a slight change in revenue for the Period resulting from varying progress cycles of key projects.

Revenue derived from the data and integration services business for the Period was approximately HK$515.6 million, representing a decrease of approximately HK$61.8 million or approximately 10.7% as compared with the same period last year, mainly due to the overall small scale of key projects that reached the revenue recognition point during the Period.

Revenue derived from the intelligent infrastructure business for the Period was approximately HK$385.3 million, representing an increase of approximately HK$96.5 million or approximately 33.4% as compared with the same period last year. The surge was mainly due to the consolidated revenue recognition of key projects during the Period, namely the new airport expressway project.

By geographical region, the Group mainly operates its businesses in Mainland China. In FY2024, the Group recorded revenue of approximately HK$1,596.2 million in Mainland China, representing an increase of approximately HK$34.5 million or approximately 2.2% as compared with the same period last year. The Group recorded revenue of approximately HK$25.4 million from the Hong Kong market during the Period, representing an increase of approximately HK$0.7 million or approximately 2.8% as compared with the same period last year. Meanwhile, the Group recorded revenue of approximately HK$35.2 million from overseas markets, representing a decrease of approximately HK$15.6 million or approximately 30.7% as compared with the same period last year. The change was mainly due to the completion of Mumbai Metro Lines 2 & 7, which contributed a significant amount of revenue in the same period last year, while new overseas projects have not yet reached the centralised delivery stage.

Cost of sales and gross profit

The Group's cost of sales amounted to approximately HK$1,037.1 million in FY2024, representing a decrease of approximately HK$9.1 million or approximately 0.9% as compared with the same period last year. The Group's gross profit was approximately HK$619.7 million, representing an increase of approximately HK$28.7 million or approximately 4.9% as compared with the same period last year.

Selling, general and administrative expenses

The Group's selling, general and administrative expenses for FY2024 amounted to approximately HK$266.6 million, representing a decrease of approximately HK$0.4 million or approximately 0.2% as compared with the same period last year.

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. Further details in credit risk is set out in Notes 30(a).

For the Year of 2024, the Group's impairment loss under the ECL model was approximately HK$13.5 million (2023: HK$7.4 million).

As of the date of this annual report, trade receivables and contract assets of approximately HK$353.2 million as at 31 December 2024 have been subsequently settled. Based on the historical loss experience and the sound financial background of the Group's customers, management assessed that the expected credit loss allowances recognised as at 31 December 2024 were adequate.

Research and development ("R&D") expenses

In FY2024, the Group's R&D expenses amounted to approximately HK$159.6 million, representing a decrease of approximately 6.6% as compared with the last period. This was mainly due to the improvement in the Group's R&D efficiency during the Period.

Share of results of joint ventures and associates

The Group's investment income was approximately HK$21.9 million in FY2024, an increase of approximately HK$0.3 million or approximately 1.4%, remaining stable as compared to the last period.

Fair value changes in other financial assets

The Group recorded losses on changes in fair value of approximately HK$7.6 million for FY2024. 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$167.6 million in FY2024, representing a year-on-year decrease of approximately 3.8%. Earnings per share were HK$0.080, representing a year-on-year decrease of approximately 3.8%.

Liquidity, financial and capital resources

Capital structure

As at 31 December 2024, the Group's issued share capital consisted of 2,097,146,727 ordinary shares of HK$0.01 each (as at 31 December 2023: 2,097,146,727 ordinary shares of HK$0.01 each).

Cash position

As at 31 December 2024, the Group's cash and bank balances were approximately HK$761.2 million (as at 31 December 2023: approximately HK$697.1 million). The increase was mainly due to the increase in net cash flows from operating activities of the Group during the Period.

Borrowings and pledged assets of the Group

As at 31 December 2024, the Group's borrowings were approximately HK$384.8 million (as at 31 December 2023: approximately HK$331.4 million), of which HK$255 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$129.8 million. In respect of the Group's borrowings of HK$255 million, as at 31 December 2024, the rights and interests in 81% of the issued share capital of Great Legend, a wholly-owned subsidiary of the Group, held by the Company were charged in favour of a subsidiary of BII, the ultimate holding company of the Company.

As at the date of this report, the rights and interests in 51% of the issued share capital of Great Legend corresponding to the loan of HK$255 million due on 12 December 2024 have been released, and the rights and interests in 30% of the issued share capital of Great Legend corresponding to the existing loan of HK$255 million were charged in favour of a subsidiary of BII, the ultimate holding company of the Company. Please refer to the announcement of the Company dated 14 October 2024 and the circular of the Company dated 21 November 2024 for details.

Working capital and gearing ratio

As at 31 December 2024, the Group had current assets of approximately HK$3,233.2 million (as at 31 December 2023: approximately HK$2,922.30 million), while its current liabilities were approximately HK$1,575.8 million (as at 31 December 2023: approximately HK$1,560.6 million), resulting in net current assets of approximately HK$1,657.4 million (as at 31 December 2023: approximately HK$1,361.7 million). As at 31 December 2024, the current ratio, calculated based on current assets divided by current liabilities, was approximately 2.1 (as at 31 December 2023: approximately 1.9).

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 2024, the Group's gearing ratio was 39.2% (as at 31 December 2023: approximately 36.2%).

Foreign exchange exposure
The Group has six main operating subsidiaries, with one established in Hong Kong and the remaining five registered in Mainland China. 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 2024, the Group did not have any material contingent liabilities (31 December 2023: nil).

BUSINESS ANALYSIS BY SEGMENT
In 2024, the Group continued to implement its "14th Five-Year" plan while enhancing its "3+2" business model that focuses on its three core businesses: intelligent passenger information services business, data and integration services business, and intelligent infrastructure business, and focuses on resource integration and market expansion. Leveraging product technology and service empowerment, the Group advanced key business development to enhance market competitiveness and service levels. These efforts enabled the Group to improve both its operating efficiency and development quality.

Intelligent passenger information services business
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, smart card automated fare collection system and other hardware and software products and solutions.

Revenue derived from the intelligent passenger information services business for the Period was approximately HK$755.9 million, representing a decrease of approximately HK$15.0 million or approximately 1.9% as compared with the same period last year. Gross profit was approximately HK$325.1 million, representing a year-on-year increase of approximately 10.4%; gross profit margin was approximately 43.0%, representing a year-on-year increase of approximately 4.8 percentage points.

In 2024, the Group focused on its domestic businesses and strengthened its advantages. As a result, the Group's on-board PIS business has maintained the largest market share in China for nine consecutive years. During the Period, the Group secured new orders in Shenyang, Jinan, and Shenzhen, enabling it to further solidify its competitive advantages in the industry. Notably, the Group secured a contract for the Beijing Metro Line 22 PIS Project, valued at approximately RMB58.162 million. This project will innovatively integrate an AI-based intelligent train analysis system into the conventional PIS. Using specialised cameras and AI-based image analysis and recognition technology, the system conducts multi-dimensional analysis of subway compartment congestion, lost items, and passenger behaviour, to enhance the level of operation and management. The Group won the bid for the Jinan Metro Line 6 On-board PIS Project, valued at approximately RMB50.846 million, significantly enhancing the Company's brand influence in the local market.

In terms of overseas expansion, the Group has made breakthroughs by entering the markets in Egypt, the Philippines, Chile, and the Netherlands for the first time. The Group has also continuously secured new orders in cities such as Surat in India and Rio de Janeiro in Brazil. Among them, the successful bid for the Melipilla PIS Project in Chile, valued at approximately RMB16.706 million, marks a significant expansion of the Group's international business in the South American market. During the Period, the Group successfully signed contracts for the Surat and Ahmedabad PIS Projects in India, valued at approximately RMB23.5 million. With these projects, the Group further consolidated its leading position in the industry.

In terms of project delivery, leveraging its professional technical expertise and efficient execution capabilities, the Group successfully delivered the passenger service system and intelligent analysis system for the CR450 prototype, the fastest high-speed train in the world. Supported by edge cloud computing and artificial intelligence technologies, this project comprehensively enhances train monitoring and passenger service levels. The delivery of this innovative achievement demonstrates the Group's profound strengths in this segment and provides a powerful Chinese solution for intelligent development of global railway transportation, effectively enhancing the Group's brand image and market recognition worldwide.

Data and integration services business

The data and integration 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), low-voltage 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.

Revenue derived from the data and integration services business for the Period was approximately HK$515.6 million, representing a decrease of approximately HK$61.8 million or approximately 10.7% as compared with the same period last year. Gross profit was approximately HK$101.9 million, representing a year-on-year decrease of approximately 25.2%; gross profit margin was approximately 19.8%, representing a year-on-year decrease of approximately 3.8 percentage points.

In 2024, the Group continued to consolidate its dominant position in existing markets. During the Period, the Group successfully signed a contract for the Engineering Communication System Integration Procurement Project of the Beijing Metro Line 22. This project, valued at RMB480 million, represents the Group's largest single-project contract in terms of communication integration. The Group also signed a contract for the Beijing Next-generation AFC 2.0 System Project, valued at approximately RMB33.507 million. This project aims to achieve technological innovation and unified interfaces of the AFC system by streamlining the system's architecture and uploading data to a cloud platform. The Group signed a contract for the Phase I AFC System Integration Project for Shenyang Metro Line 3, valued at approximately RMB77.90 million, supporting the implementation of the "One Ticket Pass" (一票通) and "One Card Pass" (一卡通) functions for Shenyang Metro. This project marks a breakthrough for this business sector in another new city outside of Beijing. In 2024, the Group was also awarded the Intelligent Operation and Maintenance Project for the Beijing Municipal Administrative Centre Hub and the Intelligent Operation and Maintenance Platform Expansion Project for Beijing High-level Automatic Driving Demonstration Zone 3.0, demonstrating the Group's innovative applications in the new business fields of digital and intelligent construction and development. Additionally, the Group proactively promoted the implementation of key signed projects. The Communication Integration Project for Beijing Metro Line 13 achieved significant progress, which has realised dynamic adjustment, adaptation, and seamless switching of train signals in accordance with changes in the metro line's operational mode, providing strong support for the subsequent split-line operation. Meanwhile, adhering to the bottom line of quality and safety, the Group accelerated the implementation and operation of Taiyuan Metro Line 1 and Tianjin Metro Line 7 projects through coordination and construction process optimisation, facilitating the operation of these two metro lines.

Intelligent infrastructure business

The intelligent infrastructure business primarily covers the investment and operation of civil communication transmission systems for Beijing's railway transportation. At the same time, leveraging big data, artificial intelligence and other technologies, it provides customers with "intelligent+" services such as intelligent construction sites, intelligent parks, intelligent hubs, intelligent utility tunnels and intelligent micro-centres.

Revenue derived from the intelligent infrastructure business for the Period was approximately HK$385.3 million, representing an increase of approximately HK$96.5 million or approximately 33.4% as compared with the same period last year. Gross profit was approximately HK$192.7 million, representing a year-on-year increase of approximately 20.3%, while the gross profit margin was approximately 50.0%, representing a year-on-year decrease of approximately 5.4 percentage points.

In 2024, the Group continued to strengthen its civil communication business foundation. While completing the construction of civil communication supporting facilities and transmission systems for Beijing Metro Line 3 and Line 12, the Group renewed service agreements for certain existing station transmission services. The Group also upgraded and renovated equipment and facilities related to nine lines, thereby comprehensively improving the safe operation of equipment and ensuring the long-term sustainable operation of the civil communications business. In addition, building upon the traditional business model, the Group actively explored new growth opportunities for its business, continuously focusing on four value-added development directions: wired networks, computing power bandwidth, mobile connectivity, and data services. By fully leveraging high-quality equipment room space resources and capitalising on the advantages of telecom carriers' basic communication resources, the Group further expanded the scale of its metro edge cloud business. The Group actively explored new markets such as computing power services, Internet of Things (IoT), and dedicated line services for industrial parks, contributing to urban renewal and digital transformation.

In terms of "intelligent+" services, focusing on application scenarios such as utility tunnels, construction sites, communities, industrial parks, highways, and micro-centres, the Group explored market demands and successfully signed the Daxing Airport Expressway Intelligent Management and Control Platform Upgrade Project. By employing technologies such as digital twins, vehicle positioning, and IoT data fusion, this project aims to build a "1+6+N" intelligent management system to help customers achieve goals such as cost reduction, efficiency enhancement, and precise scheduling. The Group successfully signed the Beijing Sub-centre Hub Utility Tunnel Project, employing next-generation technology products based on 5G+ edge computing to further enhance the operation and maintenance efficiency of the utility tunnel. For the first time, the Group ventured into the fire services field by securing the Beijing Sub-centre Station Integrated Hub FAS Project. This project promotes the localization of fire services for hubs and railways, signifying the Group's "intelligent +" services' expansion into diverse fields.

Investment Management

The Group strives to create a post-investment management system with classified policies and precise empowerment, aiming to improve its industrial presence and strengthen its industrial ecosystem. By constructing a multi-dimensional dynamic monitoring mechanism, the Group closely tracks the financial status and operational performance of the companies it invested in timely. This allows for continuous strengthening of value management and resource integration within these companies, helping them enhance core competitiveness and collaborative efficiency. This, in turn, fosters a virtuous cycle ecosystem that integrates "investment, management, and empowerment". The primary operating performance of companies the Group invested in during the year is as follows:

- Capital Metro, while continuously ensuring the stable operation of the Beijing Subway Capital Airport Express and Shaoxing Metro Line 1 (including Hangzhou-Shaoxing section), has advanced the overhaul of the Beijing Subway Capital Airport Express's train No. 1 at a repair facility, further guaranteeing operational service quality. During the Period, Capital Metro experienced year-on-year growth in both passenger flow and ticket revenue, leading to a corresponding increase in operating income and net profit, which has generated favourable financial returns for the Group.

- Metro Technology successfully delivered two benchmark projects: the Passenger Information System for Beijing Metro Line 3 and the AFC equipment procurement for Beijing Metro Line 12, providing strong support for the smooth opening of the new lines, Beijing Metro Line 3 Phase I and Line 12. Building on its solid foundation in traditional businesses, Metro Technology actively explored business cooperation in multiple professional fields such as communication, signalling, electromechanical systems, and power supply.

  In order to optimise its business structure and enhance strategic focus, the Group recently disposed of 49% of its equity interest in Metro Technology by way of public tender process conducted through the China Beijing Equity Exchange (北京產權交易所). Upon completion of the disposal, the Company and its subsidiaries will no longer hold any equity interest in Metro Technology. For details, please refer to the announcements of the Company dated 13 February 2025 and 27 March 2025 in relation to the disposal of the joint venture by way of public tender.

- Ruubypay actively explored a new model of joint operation of transit QR codes. It has successfully signed agreements with Douyin and Didi APP and launched transit QR code services, enabling the launch of Super SIM card and digital RMB hardware wallet payment for metro access. Meanwhile, Ruubypay also completed the signing of joint operation agreements for transit QR codes with the City Pass Mini Program. During the year, the Yitongxing APP under Ruubypay had approximately 41.28 million registered users, representing an increase of approximately 8.36% as compared with the same period last year, with its internet platform business accounting for approximately 63% of the gate traffic of the entire network in Beijing.

- Youdao Technology continued to enhance the integration of industry and education. By independently developing a series of simulation training systems, it has built an integrated simulation teaching environment, deeply integrating intelligent scheduling and automatic control technologies, and assisting vocational colleges in improving their practical teaching standards. During the year, Youdao Technology was honoured as a national-level "Little Giant" (小巨人) enterprise specialising in niche sectors with innovative technologies, demonstrating that its technological innovation capabilities and the value of its collaboration between industry and education have been acknowledged.

- Beijing SmartTOD Technology Development Co., Ltd* (北京京智網智慧科技發展有限公司) actively participated in a number of key demonstration projects in Beijing, focusing on intelligent hubs and dual-intelligence private networks. During the year, the deployment of software and hardware for the Intelligent Platform of the Sub-centre Integrated Transportation Hub Project was completed, creating an integrated operation command and scheduling system. The construction of the dual-intelligence private network for the expansion of the Beijing High-level Automatic Driving Demonstration Zone 3.0 has made phased breakthroughs, with the hardware deployment of the resource integration platform and the installation and commissioning of the large screen display system completed. This lays the foundation for the construction of a city-level intelligent transportation management platform by providing standardised technical modules and a data base.

- Cornerstone Lianying has entered the exit phase, with some projects achieving smooth exits and generating investment income. Leveraging the investment planning of Cornerstone Huiying, the Group focuses on the railway transportation industry ecosystem, continuously selecting and incubating high-quality enterprises to enhance operational capabilities.

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. The Group delves into relevant national, local, and industry policies and development guidelines, focusing on the intelligent, integrated, and independent development trends within the railway transportation industry. This proactive approach involves undertaking major scientific research projects, fostering the aggregation of innovation elements within the Group, and promoting the Group's role as a key driver of innovation decisions, R&D investment, and achievement transformation.

In terms of management innovation, the first step is to segment product application scenarios. Building upon the foundation of the three major business segments, the products have been categorised into six applicable scenarios: smart ticketing, smart customer service, smart operations, smart security, smart infrastructure, and smart maintenance. This ensures comprehensive coverage of products under development and enhances the granularity of product management. The second aspect focuses on implementing a scenario-based layering strategy, consolidating product advantages in the areas of smart ticketing and smart operations, enhancing product accumulation in the fields of smart security and smart infrastructure, and exploring product landscape within the realms of smart customer service and smart maintenance scenarios. Thirdly, the Group aims to improve the product system by formulating guidelines for standardised project deliverables and implementation guidelines for work-hour statistics for independently developed projects. This ensures that every stage of product R&D, from project initiation and research to promotion and implementation, adheres to high-quality standards.

In terms of R&D projects, the Group has continuously improved its scientific research management system to promote the orderly progress of these projects. Firstly, significant achievements have been made in the management of scientific research projects, with over ten external research projects completing mid-term inspections and external reviews, and two internal research projects passing acceptance inspections. Secondly, substantial results have been achieved in research project applications, including the organisation and approval of major projects such as "Key Technology Research and Demonstration of Integrated Urban (Suburban) Railway and Urban Rail Transit Operation" by the Municipal Science and Technology Commission. Thirdly, two research achievements, namely "Research and Application of Key Technologies for Rail Transit Onboard Edge Intelligence based on Cloud-Native Technology" and "Research and Application of Key Technologies for a Mobile Road Network Operation Monitoring Platform based on a Rail Transit Data Base", have received "dual certification" from the Beijing Railway Transportation Society, recognising them as both internationally advanced and domestically leading. This accomplishment lays a solid foundation for future applications for scientific and technological achievement awards.

In terms of technology application, the multi-cloud integrated management platform has completed its upgrade to version 1.14 and passed internal pre-acceptance. This platform establishes a comprehensive monitoring system covering the entire link from virtual machines to the core network, realising unified and visualised monitoring of the entire business process, and has been implemented and validated at the Beijing Railway Transportation Command Centre. Secondly, the On-board Edge Cloud 2.0 product has achieved large-scale application, being implemented in high-speed railways, intercity railways and subway projects in various cities and regions, including Sanya, Meishan, Beijing and the Greater Bay Area. In particular, it has made a significant breakthrough in the field of high-speed railways by becoming the first platform to be equipped on the next-generation CR450 intelligent EMUs. Thirdly, the Data4U 1.0 product has been successfully put into operation at the Beijing Railway Transportation Big Data Centre, overcoming multiple technical challenges such as MPP data warehouse data acquisition and heterogeneous system data fusion. This product has realised unified aggregation and efficient governance of massive railway transportation data, providing data support for network-level intelligent decision-makings.

In 2024, the Group spent approximately HK$159.6 million on R&D, representing a year-on-year decrease of approximately 6.6%, which was mainly attributable to the increase in the Group's R&D efficiency. During the year, 29 new patents (149 patents in aggregate) and 77 new software copyrights (645 in aggregate) were obtained. A total of six scientific and technological achievements awards were received, including the Second Prize for Scientific and Technological Progress from the Beijing Railway Transportation Society and the Top 10 Most Innovative Technology Awards at the 2024 Zhongguancun International Innovation and Entrepreneurship Competition for Railway Transportation. In addition, wholly-owned and holding subsidiaries were granted eight scientific and technological innovation qualifications, including the national-level "Little Giant" enterprise specialising in innovation, the national qualification for "Commercial Cryptography Testing Institution", and the recognition of "Innovative Small and Medium-Sized Enterprise" and "Specialised and Innovative Small and Medium-Sized Enterprise" in Beijing. 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

Transformation and upgrading of digital and intelligent scenarios in the railway transportation segment

In recent years, innovative achievements based on cutting-edge technologies such as artificial intelligence, big data, and cloud computing have accelerated their penetration into various industries. Various smart rail transit products that are mainly aimed at improving efficiency, enhancing safety, and reducing costs have been demonstrated in core business scenarios such as urban rail transit construction, operation, and maintenance, and have achieved good results in sub-segment such as intelligent dispatching, smart operation and maintenance, and intelligent customer service. The 2025 Government Work Report clearly proposes to "develop digital and intelligent infrastructure" and emphasises that "we should continuously promote the 'AI+' initiative, vigorously developing next-generation intelligent terminals and intelligent manufacturing equipment". Driven by policies, such as the "Opinions on Promoting the Construction of New Urban Infrastructure and Building Resilient Cities" and the "Guiding Opinions on Citywide Digital Transformation" in 2024, smart rail transit products will gradually move from the technical verification stage to the large scale production stage in the future. As the application demand for smart rail transit continues to escalate, it is expected that the market space for smart rail transit products will continue to expand, facilitating the high-quality development of the industry.

Renovation and upgrading generating incremental market

Since the 21st century, the construction of the rail transit system in Mainland China has been advancing rapidly, when equipment and facilities such as vehicles and ground equipment have been put into use in a large scale. According to relevant statistics, as of the end of 2024, there were over 30 urban rail transit lines in China that have been in operation for more than 15 years, and nearly 60 lines operating for 10 to 15 years, concentrated in major cities such as Beijing, Shanghai, Guangzhou, and Shenzhen. According to national standards and general design life estimates of the industry, the vehicles and related equipment on the above lines have entered the overhaul or renewal cycle. With the increase in the mileage and investment of new lines, the scale of the renewal and renovation market will continue to expand in the future. Particularly since 2024, the State Council has issued the "Action Plan for Promoting Large-scale Equipment Renewal and Consumer Goods Trade-in", and the Urban Rail Transit Association has also issued the "Guiding Opinions on the Renovation of Existing Urban Railway Transportation Lines". Driven by policy catalysis, the demand for the replacement of rail transit equipment is expected to accelerate, and the incremental space in the relevant market will be broader.

Potential of overseas business gradually released

In recent years, the railway transportation industry in Mainland China has actively enhanced international cooperation and regional integration, and is deeply involved in the construction of infrastructure interconnection under the framework of "the Belt and Road" initiative. Through the cooperation on constructing major infrastructure projects such as high-speed railways and metro systems, the economic integration and development among the countries along the route will be promoted. Against this backdrop, "going abroad" has become a strategic priority for most of domestic enterprises. Many enterprises in the industry, led by CRRC, are actively expanding their overseas market to embrace the new trend of globalization. According to relevant research, it is anticipated that total operating mileage of urban railways around the world will exceed 45,000 kilometres by 2025, maintaining a steady growth trend. At present, the Company has made strategic deployment in many countries, with our on-board PIS business segment steadily rank first in the market share in India. Looking forward, the Company will make continuous efforts on "going abroad", consolidate its foundation of international business development and replicate the proven industry model in more "the Belt and Road" countries to realize its sustainable development.

MATERIAL ACQUISITIONS OR DISPOSALS DURING FY2024

There were no other material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2024.

SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS

Beijing Metro was established on 15 February 2016, and its equity interest was held by the Company and Beijing Subway Operation 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 Operation which is an independent third party. Beijing 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.

Beijing Metro is a non-public company whose quoted market price is not available. As of 31 December 2024, the carrying amounts of Beijing Metro in the Group's consolidated financial statements by using equity method is approximately HK$251.2 million, accounting for approximately 5.2% of the Group's total assets as at 31 December 2024. In September 2024, the Company received approximately HK$1.9 million dividends from Beijing Metro.

Save as disclosed, there were no other significant investments held or other future plans for material investments or capital assets during FY2024.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed a total of 623 employees (including the executive Directors) (31 December 2023: 647). The total staff costs, including Directors' remuneration, were approximately HK$290.6 million (FY2023: approximately HK$297 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 contribution to social insurance scheme, provident fund, supplementary and medical insurance in Mainland China, and contribution to the MPF Scheme and insurances in Hong Kong. The Group also organized 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 of the Company, the Board recommended the declaration of a final dividend of HK$0.024 per share for FY2024 (FY2023: HK$0.025 per share). The proposed final dividend will be payable to Shareholders whose names appear on the register of members of the Company on Friday, 27 June 2025, subject to the approval of the Shareholders at the 2025 AGM to be held on 19 June 2025. It is expected that the final dividend will be paid on or before Friday, 19 September 2025.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 27 March 2025, the Group disposed 49% of the equity interests in Metro Technology, a joint venture of the Company, at the final transaction price of RMB68,332,215. Upon completion of the disposal, the Company and its subsidiaries will no longer hold any equity interest in Metro Technology. Please refer to the announcements of the Company dated 13 February 2025 and 27 March 2025 for details.

Save as disclosed, there were no other significant events arising subsequent to FY2024 as at the date of this report.

RISK FACTOR ANALYSIS

RISK FROM ECONOMIC VOLATILITY

During 2024, China's economy continued to show a positive trend of steady recovery. However, the uncertainties in the environment of international politics and trade still exist, which may pose a challenge to the macroeconomic or stable development of the industry. The core business of the Group is closely related to macroeconomic and industrial policies. To a certain extent, economic fluctuations will increase uncertainties to the Group's production and operation. The Group will further strengthen its awareness of risk prevention and control, deepen its forward-looking research and detailed analysis of market dynamics, flexibly adjust its business strategies, and strive to reduce the risks of macroeconomic uncertainty to the Group's production and operation.

RISK FROM MARKET COMPETITION

As the growth rate of newly-built markets in the rail transit industry has slowed down, industry competition has become more intense, presenting trends such as diversified customer needs, localised procurement models, and "investment for markets", which pose new challenges to the Group's business layout and service model. The Group will continue to deepen the development of domestic and foreign markets, strengthen strategic synergy with local governments and partners, optimise resource allocation strategies, strengthen competitive advantages in superior technologies and integrated products, and at the same time, control quality and cost and improve business response speed and service quality to further enhance core competitiveness.

RISK FROM TECHNOLOGICAL TRANSFORMATION

New technologies such as AI are in a period of rapid development of integrated rail transit applications. The cost of trial and error is high, product iteration is fast, the standards for cutting-edge products are not yet unified, the matching relationship between R&D input and output is not stable, and if the choice of technology route is wrong or lag occurs, it may also shake the Company's competitive advantage. The Group will continue to maintain a high level of R&D investment in order to accelerate the transformation of technological achievements and application innovation, continue to keep up with the pace of technological development, integrate cutting-edge technologies in the industry into products and services, further enhance the effectiveness of traditional businesses, and promote innovation in business models and upgrades to ensure that it maintains an advantage in a highly competitive market environment.

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 2024, 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 2025

2024 annual results announcement	27 March 2025
2025 AGM	19 June 2025
Closing of register of members (in relation to the 2025 AGM)	16 June 2025 to 19 June 2025 (both days inclusive)
Closing of register of members (in relation to dividend distribution)	25 June 2025 to 27 June 2025 (both days inclusive)
Distribution of final dividend for 2024	HK$50,331,521.45
2025 interim results announcement	August 2025
End of financial year	31 December

Dividend performance

Dividend per Share

Final dividend per ordinary Share for FY2022	HK$0.026 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

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.

Shareholding as of 31 December 2024

Ordinary Shares

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

Market value

As of 31 December 2024, HK$566.23 million (closing price as at 31 December 2024: HK$0.270)

Key ratios

P/E ratio***** (Market Price per Common Share/Earnings per Common Share)	3.38
P/B ratio* (Market Price per Common Share/Net Assets per Common Share)	0.19
Net profit margin (Profit Attributable to Equity shareholders of the Company/Revenue × 100%)	10.1%
Return on equity (Profit Attributable to Equity shareholders of the Company/Average total equity × 100%)	5.8%
Dividend yield* (Dividend per Common Share/Market price per Common Share × 100%)	8.9%

* According to the closing price on 31 December 2024

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 51, 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 executive 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 44, 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).

NON-EXECUTIVE DIRECTORS

REN Yuhang (任宇航), Mr. Ren, aged 49, 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). Since June 2017, Mr. Ren has been the chairman of the board of directors of Cornerstone International Financial Leasing Co., Ltd.* (基石國際融資租賃股份公司). 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.* (北京智慧城市網路有限公司). Since March 2022, Mr. Ren has been 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.

SUN Fang (孫方), Ms. Sun, aged 51, 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.

CAO Mingda (曹明達), Mr. Cao, aged 33, 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 has been the business manager of Ruubypay since March 2017, 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), as director of Shenyang Metro Technology Co., Ltd. (瀋陽地鐵科技有限公司) since April 2021, as the director of Hohhot Metro Technology Development Co., Ltd.* (呼和浩特地鐵科技發展有限公司) was September 2022, as the chairman of BII-TDBJ from November 2022 to October 2024, as the director of Metro Technology since August 2023 and as the director of Capital Metro since August 2023.

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 39, 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. Since April 2020, Mr. Fang was the deputy general manager of Metro Network, and since September 2024, he has been 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

LUO Zhenbang *(CPA)* (羅振邦), Mr. Luo, aged 58, 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 53, 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.

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.

LI Wei (李偉), Mr. Li, aged 67, 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 11 April 2022.

From February 1982 to August 1987, Mr. Li worked as an engineer in the design division of Beijing Instrument Factory* (北京儀器廠設計科). From April 1990 to April 1996, Mr. Li served as the director of the Beijing Municipal Planning Commission Foreign Economics Office* (北京市計劃委員會外經處). Mr. Li also served as the general manager of the investment division of Hong Kong Asia Co., Ltd.* (香港亞聯有限公司) and a part-time lawyer at Beijing Huatong Law Firm* (北京市華通律師事務所) from May 1996 to January 2002. Mr. Li was also a consultant of MTR Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0066), from February 2002 to December 2021, and he was also a part-time consultant of Beijing MTR Corporation Limited (北京京港地鐵有限公司) from February 2006 to December 2021.

Mr. Li obtained a bachelor's degree in precision mechanical engineering from Hefei University of Technology (合肥工業大學) in January 1982 and a master's degree in economics from the Beijing Institute of Economics* (北京經濟學院) (currently known as Capital University of Economics and Business (首都經濟貿易大學)) in March 1990. In May 1989, Mr. Li obtained his engineer qualification certificate and was approved by the Beijing Senior Professional and Technical Job Evaluation Committee* (北京市高級專業技術職務評審委員會) in December 1994 to qualify as Senior Economist.

Mr. Li Wei resigned as an independent non-executive Director, chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee with effect on 22 April 2025. For details, please refer to the announcement of the Company dated 22 April 2025.

NG Wing Yan Claudia (伍穎恩), Ms. Ng, aged 44, 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.

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 39, 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.

SUN Qi (孫琦), Mr. Sun, aged 37, 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 44, 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 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..

DIRECTORS' REPORT

The Directors are pleased to present their report for FY2024:

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 FY2024, 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 FY2024 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 72 to 160. 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$0.024 per share for FY2024 (FY2023: HK$0.025 per share). The proposed final dividend will be payable to Shareholders whose names appear on the register of members of the Company on Friday, 27 June 2025, subject to the approval of the shareholders of the Company at the 2025 AGM. It is expected that the final dividend will be paid on or before Friday, 19 September 2025.

ANNUAL GENERAL MEETING

The 2025 AGM will be held on Thursday, 19 June 2025. Shareholders should refer to details regarding the 2025 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 2025 AGM to be held on Thursday, 19 June 2025, the register of members of the Company will be closed from Monday, 16 June 2025 to Thursday, 19 June 2025 (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 2025 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, 13 June 2025 (Hong Kong time).

For determining the entitlement to the proposed final dividend (subject to the approval by the Shareholders at the 2025 AGM), the register of members of the Company will be closed from Wednesday, 25 June 2025 to Friday, 27 June 2025 (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 Tuesday, 24 June 2025 (Hong Kong time).

BUSINESS REVIEW

The business review of the Company for FY2024 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 "2024 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 27 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group for FY2024 are set out in Note 27 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 2024, the Company's reserves available for distribution amounted to approximately HK$1,557.4 million (31 December 2023: HK$1,607.7 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 FY2024 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 6 in this annual report. This summary does not form part of the audited financial statements in this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For FY2024, 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	4.44%
	– the five largest suppliers combined	16.12%

		Percentage of total sales
(2)	Sales	
	– the largest customer	10.66%
	– the five largest customers combined	36.70%

Save as disclosed under the sections headed "Connected transactions" and "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 FY2024.

DIRECTORS

The Directors in office at the date of 31 December 2024 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
Mr. Li Wei

According to Article 16.18 of the Articles, Mr. Liu Yu and Ms. Sun Fang will retire as Directors by rotation at the 2025 AGM. Pursuant to Article 16.2 of the Company's Articles of Association, Ms. Zhao Jingyuan (appointed as an executive Director on 8 August 2024), Mr. Ren Yuhang (appointed as a non-executive Director on 21 November 2024), Mr. Fang Zhiwei (appointed as a non-executive Director on 8 August 2024), and Ms. Ng Wing Yan Claudia (appointed as an Independent non-executive Director on 22 April 2025 in replacement of Mr. Li Wei) shall hold office until 2025 AGM. All of the retiring Directors, being eligible, will offer themselves for re-election as Directors at the 2025 AGM.

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 FY2024 and all independent non-executive Directors are considered to be independent.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 25 to 31 of this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who was proposed for re-election at the 2025 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 FY2024 are set out in Notes 8 and 9 to the consolidated financial statements.

MANAGEMENT CONTRACTS

As at 31 December 2024, 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 FY2024 falls within the following bands:

Remuneration (HK$)	Number of individuals
1,000,001-2,000,000	6

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 2024 or at any time during FY2024; (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 2024, 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[Note]	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 2024, 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.

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

As at 31 December 2024, 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 (Note 1)	1,157,634,900	55.20%
BII	Interest of controlled corporation (Note 1)	1,157,634,900	55.20%
More Legend	Beneficial owner (Note 2)	244,657,815	11.66%
Toplight Management Limited	Interest of controlled corporation (Note 2)	244,657,815	11.66%
Trident Trust Company (Cayman) Limited	Trustee (Note 2)	244,657,815	11.66%
Ms. Pang Ziqian ("**Ms. Pang**")	Interest of spouse (Note 3)	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 2024, 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 FY2024. 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 FY2024, 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 FY2024 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.

CONNECTED TRANSACTIONS

Particulars of the non-exempt connected transaction is set out below:

Leasing of Property

Reference is made to the announcement of the Company dated 28 March 2024. On 28 March 2024 (after trading hours), BII-TTBJ (as tenant), an indirect wholly-owned subsidiary of the Company, and Traffic Control Silicon Valley (as landlord) entered into a tenancy agreement (the "**Tenancy Agreement**") in relation to the leasing of a property by BII-TTBJ from Traffic Control Silicon Valley. for a term of 39 months, from 1 June 2024 to 31 August 2027. The total (i) rent payable pursuant to such leasing tenancy agreement is approximately RMB10.3 million (equivalent to approximately HK$11.2 million); and (ii) property service fees (inclusive of tax) payable for the entire term is approximately RMB3.7 million (equivalent to approximately HK$4.1 million). The Directors are of the view that the 2024 Tenancy Agreement represents an opportunity for the Group to expand its operations in Beijing at a prime business location without substantial costs. For further details relating to the consideration payable under such tenancy agreement, please refer to the announcement of the Company dated 28 March 2024.

As at the date of the Tenancy Agreement, BII HK held 1,157,634,900 Shares, representing approximately 55.20% of the existing issued share capital of the Company. BII HK is a substantial shareholder of the Company and hence a connected person of the Company. BII is the sole beneficial shareholder of BII HK and hence it is also a connected person of the Company. BII directly holds the entire equity interests in Traffic Control Silicon Valley. Therefore, Traffic Control Silicon Valley is an associate of BII, and Traffic Control Silicon Valley is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Tenancy Agreement constituted a connected transaction for the Company under the Listing Rules. For details, please refer to the announcement of the Company dated 28 March 2024.

Factoring Agreement

Reference is made to the announcement of the Company dated 2 April 2024. On 1 April 2024, BII Xin An (as seller), an indirect non-wholly-owned subsidiary of the Company, and Cornerstone (Tianjin) International Commercial Factoring Co., Ltd.* (基石（天津）國際商業保理有限公司) ("**Cornerstone Factoring**") (as factoring provider) entered into a factoring agreement (the "**Factoring Agreement**") pursuant to which Cornerstone Factoring has agreed to provide factoring services to BII Xin An with a factoring principal amount of RMB7,500,000 (equivalent to approximately HK$8,175,000) in return for the transfer of accounts receivables of RMB9,160,764.78 (equivalent to approximately HK$9,985,233.61) due from the debtors of BII Xin An created in the ordinary and usual course of business of BII Xin An with its business partners from BII Xin An to Cornerstone Factoring. The Directors are of the view that by entering into the Factoring Agreement, the Group expects to benefit from diversification of financing channels. For further details, please refer to the announcement of the Company dated 2 April 2024.

As at the date of Factoring Agreement, BII HK held 1,157,634,900 Shares, representing approximately 55.20% of the existing issued share capital of the Company. BII HK is a substantial shareholder of the Company and hence a connected person of the Company. BII is the sole beneficial shareholder of BII HK and hence it is also a connected person of the Company. BII indirectly owns the entire issued equity capital in Cornerstone Factoring, and Cornerstone Factoring is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Factoring Agreement constitutes a connected transaction for the Company under the Listing Rules.

Loan Agreement

Reference is made to the announcement of the Company dated 14 October 2024 and the circular of the Company dated 21 November 2024. On 14 October 2024, the Company (as borrower) entered into a loan agreement (the "**Loan Agreement**") with BII HK (as lender) pursuant to which BII HK agreed to provide the Loan of HK$255 million to the Company for a term commencing from the drawdown date of the loan (the "**Drawdown Date**") and expiring three years after the Drawdown Date. Pursuant to the Loan Agreement, the Company and BII HK will enter into a share charge agreement (the "**Share Charge Agreement**") within 30 business days from the Drawdown Date. Pursuant to the Share Charge Agreement, the loan shall be secured by the charge of the Company's rights and interests in 30% of the issued share capital of Great Legend provided by the Company in favour of BII HK. The interest rate shall be calculated every month, and shall not exceed 6.5%. The interest rate shall be calculated with reference to: 1 month HIBOR (Hong Kong Interbank Offered Rate) + 70 basis points (bps). For further details, please refer to the announcement of the Company dated 14 October 2024 and the circular of the Company dated 21 November 2024.

As at the date of Loan Agreement, BII HK held 1,157,634,900 Shares, representing approximately 55.20% of the existing issued share capital of the Company. BII HK is a substantial shareholder of the Company and hence a connected person of the Company. Accordingly, the transaction contemplated under the Loan Agreement and the Share Charge Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

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

New framework service agreement entered into between the Company and BII

Reference is made to the announcement of the Company dated 17 December 2021 and the circular of the Company dated 11 February 2022. The Company and BII entered into the New BII Framework Service Agreement ("**New BII Framework Service Agreement**") on 17 December 2021 for a period from 1 January 2022 to 31 December 2024 (both days inclusive). As the term of the New BII Framework Services Agreement were to expire, the Company and BII entered into the 2024 BII Services Framework Agreement ("**2024 BII Services Framework Agreement**") on 23 October 2024. 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 17 December 2021, 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 New BII Framework Service Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to the New BII Framework Service 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 New BII Framework Service 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 New BII Framework Service Agreement, the Group would enter into individual agreements for the provision of services with BII, its subsidiaries and/or its associates. Pursuant to the New BII Framework Service 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 New BII Framework Service Agreement would be determined by government-prescribed price or government-guided price or tender process, or market price or agreed price (as the case may be), depending on the method set out in the circular of the Company dated 11 February 2022. Details of the New BII Framework Service Agreement and the relevant continuing connected transactions were set out in the announcement and the circular of the Company dated 17 December 2021 and 11 February 2022, 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 FY2024, the total transaction amount carried out under the New BII Framework Service Agreement amounted to approximately RMB371.7 million (equivalent to approximately HK$407.5 million).

Framework service agreement entered into between the Company and Information Development

Reference is made to the announcement of the Company dated 17 December 2021 and the circular of the Company dated 11 February 2022. The Company and Information Development entered into the Information Development Framework Service Agreement ("**Information Development Framework Service Agreement**") on 17 December 2021 for a period from 1 January 2022 to 31 December 2024 (both days inclusive).

Reference is made to the announcement of the Company dated 17 December 2021, as at 19 June 2019, approximately 51.61% of the existing share capital of Information Development was owned by Beikong Telecom, which was ultimately and beneficially owned by Mr. Cao Wei (曹瑋) ("**Mr. Cao**"), an executive Director and vice chairman of the Company at the relevant time. Accordingly, Information Development was an associate of Mr. Cao and therefore was a connected person of the Company under Chapter 14A of the Listing Rules at the relevant time. Accordingly, the transactions contemplated under the Information Development Framework Service Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules at the relevant time. As at the date of this annual report, Mr. Cao is no longer a director of the Company.

Pursuant to the Information Development Framework Service Agreement, during the term of which, provided that (i) a member of Information Development 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, Information Development, its subsidiaries and/or its associates agree to provide the Group during the term of the Information Development Framework Service Agreement with: Maintenance, fault repair, expansion and upgrade services of the systems, equipment and facilities in relation to civil communications, and other types of auxiliary services agreed by the parties in writing from time to time.

Pursuant to the Information Development Framework Service Agreement, the Group would enter into individual agreements for the provision of services with Information Development, its subsidiaries and/or its associates. Pursuant to the Information Development Framework Service Agreement, the terms of the individual agreements to be entered into (including service fees) would be negotiated on an arm's length basis among 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 Information Development Framework Service Agreement would be determined by government-prescribed price, or government-guided price, or tender process, or the market price, or the agreed price (as the case may be), depending on the method set out in the circular of the Company dated 11 February 2022. Details of the Information Development Framework Service Agreement and the relevant continuing connected transactions were set out in the announcement and the circular of the Company dated 17 December 2021 and 11 February 2022, respectively.

As Information Development, its subsidiaries and/or its associates have a long-standing business relationship with the Group, the Directors are of the view that Information Development, its subsidiaries and/or its associates are reliable business partners and that further business cooperation is beneficial to the steady development of the Group.

For FY2024, the total transaction amount carried out under the Information Development Framework Service Agreement amounted to approximately RMB43.7 million (equivalent to approximately HK$47.9 million).

Cooperation agreement regarding civil communication business

Reference is made to the announcement (the "**Cooperation Agreement Announcement**") of the Company dated 19 December 2024. BII Zhuoyue and BII entered into the Cooperation Agreement ("**Cooperation Agreement**") on 19 December 2024 for a term of three years starting from 1 January 2024 to 31 December 2026 (subject to the fulfilment of the conditions precedent of the Cooperation Agreement). As at the date of this annual report, the conditions precedent of the Cooperation Agreement has not been fulfilled.

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 engine 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. For further details, please refer to the Cooperation Agreement Announcement.

For FY2024, subject to the Cooperation Agreement becoming effective, the total transaction amount carried out under the Cooperation Agreement amounted to approximately RMB35.8 million (equivalent to approximately HK$39.2 million).

Tenancy agreements in relation to leasing of properties entered into with BII Technical for the year ended 31 December 2024

On 17 March 2023, BII Technical (as landlord) entered into a tenancy agreement ("**BII Technical Tenancy Agreement**") with Huaqi Intelligent (as tenant), whereby Huaqi Intelligent leased certain properties from BII Technical for a term of one year from 30 April 2023 to 29 April 2024.

The annual cap in respect of the transaction contemplated under the BII Technical Tenancy Agreement for the year ended 31 December 2024 is RMB51,744 (equivalent to approximately HK$56,400.96), which was calculated with reference to the aggregate rent payable by Huaqi Intelligent to BII Technical pursuant to the BII Technical Tenancy Agreement. The terms of the BII Technical Tenancy Agreement (together with the consideration) were determined after arm's length negotiations between the parties and after making reference to the prevailing market rates. The Directors are of the view that the transactions contemplated under the BII Technical Tenancy Agreement would create a convenient environment to facilitate better cooperation and technology exchange between the Group and BII Technical; and increase the business opportunities of the Group. Details of the transactions contemplated under each of the BII Technical Tenancy Agreement is set out in the announcement of the Company dated 9 October 2023.

As at the date of the BII Technical Tenancy Agreement, BII HK held 1,157,634,900 Shares, representing approximately 55.20% of the existing issued share capital of the Company. BII HK is a substantial shareholder of the Company and hence a connected person of the Company. BII is the sole beneficial shareholder of BII HK and hence it is also a connected person of the Company. BII directly holds the entire equity interests in BII Technical. Therefore, BII Technical is an associate of BII, and BII Technical is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the BII Technical Tenancy Agreements constituted continuing connected transactions for the Company under the Listing Rules.

The total amount of the transactions under the BII Technical Tenancy Agreement in FY2024 was approximately RMB48,000 (equivalent to approximately HK$53,000).

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.

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 31 to the consolidated financial statements. Except for those described under the paragraphs headed "Connected transactions" and "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

On 27 March 2025, the Group disposed 49% of the equity interests in Metro Technology, a joint venture of the Company, at the final transaction price of RMB68,332,215. Upon completion of the disposal, the Company and its subsidiaries will no longer hold any equity interest in Metro Technology. Please refer to the announcements of the Company dated 13 February 2025 and 27 March 2025 for details. Save as disclosed, there is no other 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 FY2024 and until the date of this annual 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 FY2024, the donation of the Group was approximately HK$42,100 (FY2023: HK$425,800).

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company, or existed during FY2024.

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 "2024 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. Zhao Jingyuan, executive Director, was appointed as an executive Director with effect from 8 August 2024;

2. Ms. Hou Weiwei, former non-executive Director, resigned as a non-executive Director with effect from 8 August 2024, in order to devote more time on her other commitments;

3. Mr. Fang Zhiwei, non-executive Director, was appointed as a non-executive Director with effect from 8 August 2024;

4. Mr. Guan Jifa, former non-executive Director, resigned as a non-executive Director and ceased to be the chairman of the Board, the chairman of the Nomination Committee, the chairman of the ESG Committee and a member of the Remuneration Committee with effect from 21 November 2024, in order to devote more time on his other commitments;

5. Mr. Ren Yuhang, non-executive Director, has been appointed as a non-executive Director, 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 with effect from 21 November 2024;

6. Mr. Cao Mingda, non-executive Director, resigned as chairman of the board of BII-TDBJ with effect from 8 October 2024;

7. Mr. Li Wei, former independent non-executive Director, resigned as an independent non-executive Director and ceased to be the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee with effect from 22 April 2025, in order to devote more time on his other commitments; and

8. Ms. Ng Wing Yan Claudia, independent non-executive Director, has been appointed as an independent non-executive Director, the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee with effect from 22 April 2025.

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 FY2024 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 2025 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 2025 AGM.

By Order of the Board
BII Railway Transportation Technology Holdings Company Limited
Liu Yu
Executive Director
Chief Executive Officer

Hong Kong, 27 March 2025

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report for FY2024.

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 FY2024, 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 2024, 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	
Mr. Cao Mingda	
Mr. Fang Zhiwei	

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)
Mr. Li Wei[Note]	(Chairman of the Remuneration Committee and member of the Audit Committee and member of the Nomination Committee)

Note: Subsequent to the Period, Ms. Ng Wing Yan Claudia was appointed as an independent non-executive Director with effect from 22 April 2025 in replacement of Mr. Li Wei. Ms. Ng Wing Yan Claudia was also appointed as the chairman of the Remuneration Committee and member of the Audit Committee and member of the Nomination Committee.

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

Ms. Zhao Jingyuan was appointed as an executive director with effect from 8 August 2024. Mr. Ren Yuhang was appointed as a non-executive director with effect from 21 November 2024. Mr. Fang Zhiwei was appointed as a non-executive director with effect from 8 August 2024. In compliance with Rule 3.09D of the Listing Rules, Ms. Zhao Jingyuan and Mr. Fang Zhiwei have each obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 6 August 2024, and Mr. Ren Yuhang has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 12 November 2024. They have each confirmed that they understood their respective obligations as a Director of a listed issuer.

Subsequent to the Period, 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.

The biographical information of the Directors are set out in the section headed "Biographical details of Directors and senior management" on pages 25 to 31 of this annual report. None of the members of the Board is related to one another.

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 FY2024.

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.

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 FY2024, the Board reviewed the effectiveness of Board independence mechanisms and the results were satisfactory.

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 six extraordinary Board meetings were held during FY2024. The attendance record of each Director at the Board meetings held during FY2024 is set out below:

	Meetings attended/Number of meetings	
Name of Directors	Regular Board meeting	Extraordinary Board Meeting
Executive Directors		
Mr. Liu Yu *(Chief Executive Officer)*	4/4	6/6
Ms. Zhao Jingyuan *(note 1)*	2/2	2/2
Non-executive Directors		
Mr. Guan Jifa *(Chairman)* *(note 2)*	3/3	5/5
Mr. Ren Yuhang *(Chairman)* *(note 3)*	1/1	1/1
Ms. Sun Fang	4/4	6/6
Mr. Cao Mingda	4/4	6/6
Ms. Hou Weiwei *(note 4)*	2/2	4/4
Mr. Fang Zhiwei *(note 5)*	2/2	2/2
Independent Non-executive Directors		
Mr. Luo Zhenbang *(CPA)*	4/4	6/6
Mr. Huang Lixin	4/4	6/6
Mr. Li Wei *(note 6)*	4/4	6/6

Notes:

1. Ms. Zhao Jingyuan was appointed as an executive Director with effect from 8 August 2024.
2. Mr. Guan Jifa resigned as non-Executive Director and Chairman of the Board and ceased to be a member of the Remuneration Committee, the chairman of the Nomination Committee and the chairman of the ESG Committee with effect from 21 November 2024.
3. Mr. Ren Yuhang was appointed as non-Executive Director and Chairman of the Board with effect from 21 November 2024. On that day, he was also appointed as a member of the Remuneration Committee, chairman of the Nomination Committee, and chairman of the ESG Committee.
4. Ms. Hou Weiwei resigned as non-Executive Director with effect from 8 August 2024.
5. Mr. Fang Zhiwei was appointed as non-Executive Director with effect from 8 August 2024.
6. Subsequent to the Period, Ms. Ng Wing Yan Claudia was appointed as an independent non-executive Director in replacement of Mr. Li Wei.

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 FY2024.

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[Note].

Note: Subsequent to the Period, Ms. Ng Wing Yan Claudia was appointed as a member of the Audit Committee with effect from 22 April 2025. As at 31 December 2024, Mr. Li Wei was a member of the Audit Committee.

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 five meetings during FY2024 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 FY2024 is set out below:

	Meetings attended/ Number of meetings
Mr. Luo Zhenbang *(CPA)* *(chairman of the Audit Committee)*	5/5
Mr. Huang Lixin	5/5
Mr. Li Wei	5/5

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[Note] (chairman of the Remuneration Committee) and Mr. Huang Lixin, and one non-executive Director, namely Mr. Ren Yuhang.

Note: Subsequent to the Period, Ms. Ng Wing Yan Claudia was appointed as the chairman of the Remuneration Committee with effect from 22 April 2025. As at 31 December 2024, Mr. Li Wei was the chairman of the Remuneration Committee.

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 four meetings during FY2024 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 FY2024 is set out below:

	Meetings attended/ Number of meetings
Mr. Li Wei *(chairman of the Remuneration Committee)*	4/4
Mr. Guan Jifa	4/4
Mr. Ren Yuhang	0/0
Mr. Huang Lixin	4/4

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.

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[Note].

Note: Subsequent to the Period, Ms. Ng Wing Yan Claudia was appointed as a member of the Nomination Committee with effect from 22 April 2025. As at 31 December 2024, Mr. Li Wei was a member of the Nomination Committee.

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 FY2024 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 FY2024 is set out below:

	Meetings attended/ Number of meetings
Mr. Guan Jifa *(chairman of the Nomination Committee)*	3/3
Mr. Ren Yuhang *(chairman of the Nomination committee)*	0/0
Mr. Huang Lixin	3/3
Mr. Li Wei	3/3

ESG Committee

The Company established the ESG Committee on 29 November 2021 with written terms of reference. The ESG Committee consists of three members, including an executive director, a non-executive director, and an independent non-executive director. The committee has a chairman.

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 FY2024 to discuss the Company's ESG report, ESG objectives, etc. and report to the Board.

The attendance record of each member at the ESG Committee meeting held during FY2024 is set out below:

	Meeting attended/ Number of meeting
Mr. Guan Jifa *(chairman of the ESG Committee)*	1/1
Mr. Ren Yuhang *(chairman of the ESG committee)*	1/1
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 2024, 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 2024, the gender ratio in the workforce (including senior management) was approximately 73.2% males and 26.8% 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.

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 FY2024, the Nomination Committee recommended to the Board the appointment of an executive Director, namely Ms. Zhao Jingyuan, a non-Executive Director and Chairman of the Board, namely Mr. Ren Yuhang and a non-Executive Director, namely Mr. Fang Zhiwei. The appointments were 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 FY2024, 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 FY2024. 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 FY2024.

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.

In FY2024, 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
Executive Directors	
Mr. Liu Yu *(Chief Executive Officer)*	Attended
Ms. Zhao Jingyuan	Attended
Non-executive Directors	
Mr. Ren Yuhang *(Chairman)*	Attended
Ms. Sun Fang	Attended
Mr. Cao Mingda	Attended
Mr. Fang Zhiwei	Attended
Independent Non-executive Directors	
Mr. Luo Zhenbang	Attended
Mr. Huang Lixin	Attended
Mr. Li Wei	Attended

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board shall acknowledge its responsibility for the Group's risk management and internal control systems, to assess and determine the nature and extent of risks that the Group is willing to accept in achieving its strategic objectives, and acknowledge that the Group will establish and continue to maintain appropriate and effective risk management and internal control systems and be responsible for reviewing the effectiveness of such systems, which are designed to manage rather than eliminate risks of failure to achieve its business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board, with the assistance of the Audit Committee, will continuously oversee the design, implementation and monitoring of the risk management and internal control systems conducted by management. The management has reported to the Board and the Audit Committee on the review of all material controls including financial, operational and compliance controls, and the Board confirmed that the Group's risk management and internal control systems were effective and adequate during the reporting period, and that no material control failures or control weaknesses were identified.

The Group has set up Finance Department, Legal and Audit Department and Capital Operation Department, which are responsible for accounting and financial reporting, internal audit and ESG work respectively. The employees of these departments have relevant work experience or practicing certificates, and various trainings have been conducted on corporate tax management and risk prevention in the digital management environment and ESG practices and disclosure. The Board confirmed that during the Period, the Group has provided sufficient resources for its accounting, internal audit and financial reporting functions as well as ESG performance and reporting, recruited employees with sufficient qualifications, and provided various training courses to its employees.

The Group's management is responsible for designing, maintaining, implementing and continuously monitoring the risk management, internal audit and investment project post-evaluation systems, and has established a comprehensive risk list based on the five major types of risks, namely strategic, operational, legal, financial and market risks. During this period, it continuously improved the identified risks, issues and deficiencies, and corrected and improved the deficiencies in a timely manner through the internal audit and investment project post-evaluation systems, so as to effectively protect the Group's assets and the rights and interests of equity holders.

Management will continuously monitor the Group's risk and internal control systems through various means such as annual internal control compliance evaluation, special compliance evaluation and special internal audit. In the 2024 internal control compliance evaluation work, it focused on company-level processes such as organisational structure, social responsibility, risk management, compliance management, as well as business-level processes such as capital activities, legal and contract management, procurement, and business outsourcing, and communicated one result to the Board and the Audit Committee.

The Group has established a comprehensive risk prevention and control system, identifying, evaluating and analysing relevant procedures and substance through multiple dimensions such as management structure, group system and job responsibilities. In the 2024 risk management evaluation work, the Group sorted out, evaluated, analysed and corrected potential risks through centralised investigation and dynamic monitoring, and report all kinds of perceived risks to the management, thereby strengthening the Group's ability to identify and manage risks.

The Group makes internal control and compliance evaluation and special internal audit plans every year. Based on the Internal Control, Compliance and Risk Management Manual and various policies and other documents, the Group carries out specific reviews on the effectiveness of the risk management and internal control systems through procedures such as inquiry, observation, walk-through test and control test, and identifies the deficiencies in risk management and internal controls in a timely manner, reports them to the Board and the Audit Committee, follows up and supervises the rectifications. If serious internal control deficiencies are identified in the course of the review, the Group will punish the relevant responsible persons in accordance with the Management Regulations on Investment Accountability for Illegal Operations and other policies, and take timely measures to minimise and recover losses as well as eliminate any adverse effects.

As the procedures and internal controls for the Group to process and release internal information, the Management Regulations on Information Disclosure defines the Group's management requirements for the disclosure of information on all material events and transactions that may have a significant impact on the price of the Group's shares to investors and the public on the website of the Hong Kong Stock Exchange and/or the Group's website. The Group has developed a disclosure policy which provides a general guide to the Directors, officers, senior management and relevant employees of the Group in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

As the internal audit policy of the Group, the Management Regulations on Internal Audit defines the duties and rights of the internal audit department, the internal audit procedures and the application of audit results, which can effectively carry out risk investigation, monitoring and correction of identified potential risks and significant events, so as to eliminate the potential impact and occurrence of potential risks and make practicable follow-up plans to mitigate the identified risks.

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 raise their concerns about any possible improprieties relating to the Group to the Audit Committee confidentially and anonymously. The Reporting Handling Office has reported to the Board and the Audit Committee that it has not received any concerns about possible improprieties relating to the Group.

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 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.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company for FY2024 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 65 to 71 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 FY2024 were as follows:

	Amount HK$'000
Type of services	
Statutory audit services	1,372
Non-statutory audit services (interim review service)	588
	1,960

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.

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) 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 FY2024, 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
Executive Directors		
Mr. Liu Yu *(Chief Executive Officer)*	1/1	2/2
Ms. Zhao Jingyuan	0/0	2/2
Non-executive Directors		
Mr. Guan Jifa *(Chairman)*	1/1	0/0
Mr. Ren Yuhang *(Chairman)*	0/0	2/2
Ms. Sun Fang	1/1	2/2
Mr. Cao Mingda	1/1	2/2
Ms. Hou Weiwei	1/1	0/0
Mr. Fang Zhiwei	0/0	2/2
Independent Non-executive Directors		
Mr. Luo Zhenbang *(CPA)*	1/1	2/2
Mr. Huang Lixin	1/1	2/2
Mr. Li Wei	1/1	2/2

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

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 2024, 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 FY2024.

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

2025 annual general meeting of the Company	"2025 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"

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）	"CCRTT Investment"
For the year ended 31 December 2022	"FY2022"
For the year ended 31 December 2023	"FY2023"
For the year ended 31 December 2024	"FY2024", "Period"

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

bakertilly
天職國際

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 72 to 160, which comprise the consolidated statement of financial position as at 31 December 2024, 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 to the consolidated financial statements, including material accounting policy 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 2024 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 ("HKSAs") 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"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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) and 19 to the consolidated financial statements and the accounting policies in Note 2(k)(i).

The Key audit matter

As at 31 December 2024, the Group's trade receivables and contract assets amounted to HK$983,954,000 and HK$735,056,000, respectively, which represented 20.36% and 15.21% 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;

KEY AUDIT MATTERS (CONTINUED)

Loss allowances for trade receivables and contract assets (continued)

Refer to Notes 3(b), 18(a) and 19 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 2024 from customers relating to trade receivables and contract assets balances as at 31 December 2024.

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	How the matter was addressed in our audit
As at 31 December 2024, goodwill and trademarks with indefinite useful life amounted to HK$543,944,000 and HK$91,789,000, 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.	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;

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.

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 HKSAs 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 HKSAs, 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.

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 group 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, 27 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024 (Expressed in Hong Kong dollars)

	Note	2024 HK$'000	2023 HK$'000
Revenue	4	**1,656,773**	1,637,181
Cost of sales		**(1,037,086)**	(1,046,174)
Gross profit		**619,687**	591,007
Other income and other gains/losses	5	**21,790**	38,538
Selling, general and administrative expenses		**(266,556)**	(266,163)
Impairment loss on trade, bills and other receivables and contract assets, net	30(a)	**(13,447)**	(7,403)
Research and development expenses		**(159,599)**	(170,762)
Profit from operations		**201,875**	185,217
Finance costs	6(a)	**(9,884)**	(10,456)
Share of results of joint ventures and associates		**21,888**	21,627
Fair value changes in other financial assets		**(7,597)**	7,505
Profit before taxation	6	**206,282**	203,893
Income tax	7	**(26,775)**	(18,165)
Profit for the year		**179,507**	185,728
Attributable to:			
Equity shareholders of the Company		**167,604**	174,313
Non-controlling interests		**11,903**	11,415
Profit for the year		**179,507**	185,728
Earnings per share			
Basic and diluted (HK$)	10	**0.080**	0.083

The notes on pages 80 to 160 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 27(b).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024 (Expressed in Hong Kong dollars)

	2024 HK$'000	2023 HK$'000
Profit for the year	**179,507**	185,728
Other comprehensive income/(expense) for the year, net of tax:		
Item that will not be reclassified to profit or loss:		
Other financial assets designated at fair value through other comprehensive income		
Change in fair value	**6,578**	60,248
Tax effect	**(987)**	(9,037)
	5,591	51,211
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(65,853)**	(65,428)
Other comprehensive expense for the year	**(60,262)**	(14,217)
Total comprehensive income for the year	**119,245**	171,511
Attributable to:		
Equity shareholders of the Company	**119,606**	161,811
Non-controlling interests	**(361)**	9,700
Total comprehensive income for the year	**119,245**	171,511

The notes on pages 80 to 160 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024 (Expressed in Hong Kong dollars)

	Note	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment	11	**258,100**	223,083
Intangible assets	12	**181,559**	195,606
Goodwill	13	**543,944**	555,853
Interests in joint ventures and associates	15	**385,430**	380,125
Other financial assets	16	**197,387**	202,735
Deferred tax assets	26(a)	**33,536**	29,026
		1,599,956	1,586,428
Current assets			
Inventories	17	**451,136**	363,756
Contract assets	18(a)	**735,056**	714,262
Trade and other receivables	19	**1,285,764**	1,146,043
Tax recoverable		**–**	1,064
Cash and cash equivalents	20	**761,204**	697,130
		3,233,160	2,922,255
Current liabilities			
Trade and other payables	21	**1,356,920**	1,139,474
Contract liabilities	18(b)	**38,604**	45,800
Bank borrowings	22	**101,507**	76,421
Other borrowings	23	**28,262**	255,000
Lease liabilities	24	**18,287**	14,074
Current taxation		**27,043**	24,867
Provision for warranties	25	**5,165**	4,952
		1,575,788	1,560,588
Net current assets		**1,657,372**	1,361,667
Total assets less current liabilities		**3,257,328**	2,948,095

	Note	2024 HK$'000	2023 HK$'000
Non-current liabilities			
Other borrowings	23	**255,000**	–
Lease liabilities	24	**20,243**	24,835
Contingent considerations		**1,955**	1,998
Deferred tax liabilities	26(a)	**33,690**	38,084
Deferred income		**1,296**	–
Provision for warranties	25	**4,201**	4,329
		316,385	69,246
NET ASSETS		**2,940,943**	2,878,849
CAPITAL AND RESERVES	27		
Share capital		**20,971**	20,971
Reserves		**2,754,630**	2,686,847
Total equity attributable to equity shareholders of the Company		**2,775,601**	2,707,818
Non-controlling interests		**165,342**	171,031
TOTAL EQUITY		**2,940,943**	2,878,849

Approved and authorised for issue by the board of directors on 27 March 2025.

Liu Yu
Director

Ren Yuhang
Director

The notes on pages 80 to 160 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024 (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 reserve (non-recycling) HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 January 2023	20,971	1,662,190	26,362	86,828	–	(115,302)	892,366	2,573,415	76,378	2,649,793
Changes in equity for 2023:										
Profit for the year	–	–	–	–	–	–	174,313	174,313	11,415	185,728
Other comprehensive income/(expense)	–	–	–	–	51,211	(63,713)	–	(12,502)	(1,715)	(14,217)
Total comprehensive income/(expense)	–	–	–	–	51,211	(63,713)	174,313	161,811	9,700	171,511
Acquisition of non-controlling interests of a subsidiary (Note 28)	–	–	1,279	–	–	–	–	1,279	(1,889)	(610)
Deemed partial disposal of interest in a subsidiary without losing control (Note 29)	–	–	24,134	–	–	–	–	24,134	86,842	110,976
Capital contribution from ultimate holding company	–	–	1,042	–	–	–	–	1,042	–	1,042
Dividends approved in respect of the previous year (Note 27(b)(ii))	–	(54,526)	–	–	–	–	–	(54,526)	–	(54,526)
Appropriation to reserves	–	–	–	11,645	–	–	(11,645)	–	–	–
Others	–	–	663	–	–	–	–	663	–	663
	–	(54,526)	27,118	11,645	–	–	(11,645)	(27,408)	84,953	57,545
Balance at 31 December 2023	20,971	1,607,664	53,480	98,473	51,211	(179,015)	1,055,034	2,707,818	171,031	2,878,849

	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 reserve (non-recycling) HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 January 2024	20,971	1,607,664	53,480	98,473	51,211	(179,015)	1,055,034	2,707,818	171,031	2,878,849
Changes in equity for 2024:										
Profit for the year	–	–	–	–	–	–	167,604	167,604	11,903	179,507
Other comprehensive income	–	–	–	–	5,591	(53,589)	–	(47,998)	(12,264)	(60,262)
Total comprehensive income	–	–	–	–	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 27(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)
Balance at 31 December 2024	20,971	1,555,235	54,086	117,320	56,802	(232,604)	1,203,791	2,775,601	165,342	2,940,943

The notes on pages 80 to 160 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024 (Expressed in Hong Kong dollars)

	Note	2024 HK$'000	2023 HK$'000
Operating activities			
Profit before taxation		**206,282**	203,893
Adjustments for:			
Depreciation and amortisation	6(c)	**61,247**	86,510
Impairment loss on trade, bills and other receivables and contract assets, net	30(a)	**13,447**	7,403
Impairment of prepayment	6(c)	**–**	2,148
Write down of inventories, net	17(b)	**758**	2,343
Interest income	5	**(4,444)**	(7,857)
Dividends income from other financial assets measured at FVPL	5	**(1,317)**	–
Loss on deemed disposal of interest in an associate	5	**23**	–
Loss/(gain) on disposal of an associate	5	**110**	(2,514)
Finance costs	6(a)	**9,884**	10,456
Share of results of joint ventures and associates		**(21,888)**	(21,627)
Net loss on disposal of property, plant and equipment	6(c)	**202**	27
Net loss on early termination of leases	5	**549**	30
Release of deferred income		**–**	(1,757)
Fair value changes in other financial assets		**7,597**	(7,505)
Changes in working capital:			
(Increase)/decrease in inventories		**(97,329)**	74,178
Increase in trade and other receivables		**(190,076)**	(199,249)
Increase in contract assets		**(38,495)**	(125,681)
Increase in deferred income		**1,316**	–
Increase/(decrease) in provision for warranties		**288**	(4,550)
Increase in trade and other payables		**224,262**	5,995
(Decrease)/increase in contract liabilities		**(6,310)**	6,701
Decrease in restricted bank deposits		**92,542**	12,013
Cash generated from operations		**258,648**	40,957
Interest received		**4,444**	5,397
Income tax paid		**(35,228)**	(37,669)
Net cash generated from operating activities		**227,864**	8,685
Investing activities			
Payment for the purchase of property, plant and equipment and intangible assets		**(47,235)**	(44,695)
Proceeds from disposal of property, plant and equipment		**2**	5
Dividends received from joint ventures and associates		**2,818**	9,739
Cash received from return on investment in an associate		**3,083**	–
Dividends received from other financial assets measured at FVPL		**1,317**	–
Capital injection in an associate		**–**	(7,102)
Proceeds from disposal of an associate		**7,586**	–
Net cash used in investing activities		**(32,429)**	(42,053)

	Note	2024 HK$'000	2023 HK$'000
Financing activities			
Payment for acquisition of non-controlling interest of a subsidiary		**(603)**	(45,167)
Payment for early termination of lease		**–**	(168)
Capital element of lease rentals paid	20(b)	**(16,595)**	(20,403)
Interest element of lease rentals paid	20(b)	**(1,859)**	(2,040)
Proceeds of bank borrowings	20(b)	**103,747**	92,390
Repayment of bank borrowings	20(b)	**(75,918)**	(98,740)
Proceeds of other borrowings	20(b)	**28,690**	–
Repayment of other borrowings	20(b)	**–**	(45,000)
Interest paid	20(b)	**(7,399)**	(8,437)
Deemed partial disposal of interest in a subsidiary without losing control	29	**–**	110,976
Dividends paid to equity shareholders of the Company		**(52,429)**	(54,523)
Dividends paid to non-controlling interests		**(5,328)**	(2,106)
Net cash used in financing activities		**(27,694)**	(73,218)
Net increase/(decrease) in cash and cash equivalents		**167,741**	(106,586)
Cash and cash equivalents at 1 January	20(a)	**568,331**	667,370
Effect of foreign exchange rate changes		**(10,633)**	7,547
Cash and cash equivalents at 31 December	20(a)	**725,439**	568,331

The notes on pages 80 to 160 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.

The IASB has issued certain amendments to 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 2024 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.

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 following amendments to IFRS Accounting Standards issued by the IASB to these consolidated financial statements for the current accounting period:

- Amendments to IAS 1, Presentation of financial statements: Classification of liabilities as current or non-current

- Amendments to IAS 1, Presentation of financial statements: Non-current liabilities with covenants

- Amendments to IFRS 16, Leases: Lease liability in a sale and leaseback

- Amendments to IAS 7, Statement of cash flows and IFRS 7, Financial instruments: Disclosures: Supplier finance arrangements

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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).

(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.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures (continued)

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 losses ("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 fair value through profit or loss ("FVPL") 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 30(e). These investments are subsequently accounted for as follows, depending on their classification.

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.

– Fair value through other comprehensive income ("FVOCI") – 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.

– FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (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 FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (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 FVPL or FVOCI, are recognised in profit or loss as other income (see Note 2(u)(ii)(a)).

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.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (other than goodwill)

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

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)).

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.

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 cash and cash equivalents 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.

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 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 FVOCI (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.

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.

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.

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.

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.

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.

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.

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.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Revenue and other income (continued)

(I) REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

(a) Provision of services

Data and integration services

Revenue from provision of data and integration 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 intelligent infrastructure 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.

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.

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 FVOCI (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.

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.

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 30 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 30(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.

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 to 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 high-speed railways, intercity railways, suburban railways and metro system; (ii) provision of hardware and software products and services of intelligent railways transportation and intelligent operation and maintenance; (iii) provision of information system services of civil communication transmission systems, utility tunnel areas and integrated transportation hubs; and (iv) investment in the railway transportation and infrastructure areas through investing in equity.

(I) DISAGGREGATION OF REVENUE

	2024 **HK$'000**	2023 HK$'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major service lines		
– Revenue from intelligent passenger information services	**755,912**	770,937
– Revenue from data and integration services	**515,589**	577,432
– Revenue from intelligent infrastructure	**385,272**	288,812
	1,656,773	1,637,181

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 2024, revenue from transactions with one customer (2023: nil customer) arose from intelligent passenger information services segment has exceeded 10% of the Group's revenue:

	2024 **HK$'000**	2023 HK$'000
Customer A	**176,619**	N/A(Note)

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

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 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is HK$3,226,263,000 (2023: HK$2,533,401,000). This amount represents revenue expected to be recognised in the future from intelligent passenger information services contracts, data and integration services contracts and intelligent infrastructure 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 48 months (2023: 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. The Group has presented the following four reportable segments:

– Intelligent passenger information services: this segment provides hardware and software products and services of high-speed railways, intercity railways, suburban railways and metro system.

– Data and integration services: this segment provides hardware and software products and services of intelligent railways transportation and intelligent operation and maintenance.

– Intelligent infrastructure: this segment provides information system services of civil communication transmission systems, utility tunnel areas and integrated transportation hubs.

– 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.

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, inter-segment sales 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, and fair value changes on contingent considerations, 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 2024 and 2023 is set out below.

	2024				
	Intelligent passenger information services HK$'000	Data and integration services HK$'000	Intelligent infrastructure HK$'000	Business development investment HK$'000	Total HK$'000
Disaggregated by timing of revenue recognition					
Point in time	735,385	417,540	72,953	–	1,225,878
Over time	20,527	98,049	312,319	–	430,895
Revenue from external customers	755,912	515,589	385,272	–	1,656,773
Inter-segment revenue	6,065	5,379	2,513	–	13,957
Reportable segment revenue	761,977	520,968	387,785	–	1,670,730
Reportable segment profit	325,111	101,908	192,668	–	619,687
Share of results of joint ventures and associates	–	–	–	21,888	21,888

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(I) SEGMENT RESULTS (CONTINUED)

	2023				
	Intelligent passenger information services HK$'000	Data and integration services HK$'000	Intelligent infrastructure HK$'000	Business development investment HK$'000	Total HK$'000
Disaggregated by timing of revenue recognition					
Point in time	724,706	458,327	64,556	–	1,247,589
Over time	46,231	119,105	224,256	–	389,592
Revenue from external customers	770,937	577,432	288,812	–	1,637,181
Inter-segment revenue	13,667	13,014	20,269	–	46,950
Reportable segment revenue	784,604	590,446	309,081	–	1,684,131
Reportable segment profit	294,595	136,268	160,144	–	591,007
Share of results of joint ventures and associates	–	–	–	21,627	21,627

(II) RECONCILIATION OF REPORTABLE SEGMENT PROFIT OR LOSS

	2024 HK$'000	2023 HK$'000
Reportable segment profit	**619,687**	591,007
Share of results of joint ventures and associates	**21,888**	21,627
Other income and other gains/losses	**21,790**	38,538
Selling, general and administrative expenses	**(266,556)**	(266,163)
Impairment loss on trade, bills and other receivables and contract assets, net	**(13,447)**	(7,403)
Research and development expenses	**(159,599)**	(170,762)
Finance costs	**(9,884)**	(10,456)
Fair value changes in other financial assets	**(7,597)**	7,505
Profit before taxation	**206,282**	203,893

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:

	2024 HK$'000	2023 HK$'000
– Mainland China	**1,596,171**	1,561,723
– Hong Kong	**25,389**	24,688
– Overseas	**35,213**	50,770
	1,656,773	1,637,181

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 Mainland China.

5 OTHER INCOME AND OTHER GAINS/LOSSES

	2024 HK$'000	2023 HK$'000
Interest income	**4,444**	7,857
Dividend income from other financial assets measured at FVPL	**1,317**	–
Government grants (Note)	**19,656**	29,300
(Loss)/gain on disposal of an associate	**(110)**	2,514
Loss on deemed partial disposal of an associate	**(23)**	–
Net foreign exchange loss	**(3,202)**	(2,418)
Net loss on early termination of leases	**(549)**	(30)
Others	**257**	1,315
	21,790	38,538

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.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Note	2024 HK$'000	2023 HK$'000
Interest on bank borrowings	20(b)	**2,706**	3,447
Interest on other borrowings	20(b)	**5,319**	4,969
Interest on lease liabilities	20(b)	**1,859**	2,040
		9,884	10,456

(b) Staff costs

	2024 HK$'000	2023 HK$'000
Salaries, wages and other benefits	**262,509**	275,497
Contributions to defined contribution retirement plans	**28,094**	21,247
	290,603	296,744

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 Mainland China, 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.

6 PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

	Note	2024 HK$'000	2023 HK$'000
Auditors' remuneration:			
– audit services		**1,372**	1,389
– other services		**588**	595
Amortisation of intangible assets	12	**20,587**	23,454
Depreciation charge	11(a)		
– owned property, plant and equipment		**29,013**	37,669
– right-of-use assets		**11,647**	25,387
Cost of inventories (Note)	17(b)	**687,237**	753,714
Increase in provision for warranties	25	**7,224**	2,992
Impairment loss on trade, bills and other receivables and contract assets, net		**13,447**	7,403
Impairment of prepayment		**–**	2,148
Expense relating to short-term leases, which not included in the measurement of lease liabilities		**909**	5,357
Net loss on disposal of property, plant and equipment		**202**	27

Note:

Cost of inventories includes HK$90,584,000 (2023: HK$83,636,000) 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.

7 INCOME TAX

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

	2024 HK$'000	2023 HK$'000
Current taxation – PRC Enterprise Income Tax ("EIT"):		
– Provision for the year	**29,089**	18,289
– Withholding tax on dividend income (Note 7(b)(ix))	**3,467**	8,463
	32,556	26,752
Current taxation – Hong Kong Profits Tax:		
– Provision for the year	**1,060**	1,111
– Over-provision for in prior years	**(177)**	(227)
	883	884
Current taxation – India Profits Tax:		
– Provision for the year	**3,157**	347
Deferred taxation:		
– Origination and reversal of temporary differences	**(9,821)**	(9,818)
	26,775	18,165

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

	2024 HK$'000	2023 HK$'000
Profit before taxation	**206,282**	203,893
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii), (iii) and (iv))	**54,965**	64,890
Tax effect of non-deductible expenses	**5,456**	5,949
Tax effect of share of results of joint ventures and associates	**(4,954)**	(1,227)
Tax effect of non-taxable interest income	**(206)**	(298)
Tax effect of foreign exchange gain/loss	**588**	134
Tax effect of utilisation/recognition of prior years' tax losses and temporary differences previously not recognised	**(1,360)**	(4,742)
Tax effect of tax losses and deductible temporary differences not recognised	**16,198**	1,450
Tax effect of withholding tax in connection with the distributions made by subsidiaries and joint ventures (Note (ix))	**3,467**	8,463
Tax concessions (Notes (v), (vi), (vii) and (viii))	**(47,202)**	(56,227)
Over-provision in prior years	**(177)**	(227)
Income tax	**26,775**	18,165

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% for the year ended 31 December 2024 (2023: 16.5%), 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% (2023: 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 2023.

(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% for the year ended 31 December 2024 (2023: 25%).

(iv) The subsidiaries established in the PRC are subject to PRC EIT rate of 25% for the year ended 31 December 2024 (2023: 25%).

(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% for the year ended 31 December 2024 (2023: 15%). In addition to the preferential PRC EIT rate, these subsidiaries are also entitled to an additional deductible tax allowance calculated at 80%/100% of the qualified research and development costs incurred by these subsidiaries (2023: 80%/100%).

(vi) Certain subsidiaries engaged in the encouraged industries in western region of the PRC and enjoyed a preferential PRC EIT rate of 15% for the year ended 31 December 2024 (2023: 15%).

(vii) Certain subsidiaries were designated as software enterprises. As such, these subsidiaries were entitled to a two years' exemption from the PRC EIT followed by three years of 50% the PRC EIT reduction. As a result, these subsidiaries enjoyed an exemption from the PRC EIT or 50% the PRC EIT reduction for the year ended 31 December 2023. There are no qualified subsidiaries enjoyed such tax exemption for the year ended 31 December 2024.

(viii) During the year ended 31 December 2024, certain subsidiaries 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% (2023: 2.5%); the second and third RMB1 million of taxable profits are taxed at an effective tax rate of 5% (2023: 5%).

(ix) Under the Law of the PRC EIT, 10% (2023: 10%) withholding tax is levied on dividend from enterprises established in Mainland China to enterprises established outside Mainland China.

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:

	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
Executive directors					
Mr. Liu Yu	–	598	1,157	118	1,873
Ms. Zhao Jingyuan (appointed on 8 August 2024)	–	479	840	118	1,437
Non-executive directors					
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)	–	–	–	–	–
Independent non-executive directors					
Mr. Luo Zhenbang	240	–	–	–	240
Mr. Huang Lixin	240	–	–	–	240
Mr. Li Wei	240	–	–	–	240
	720	1,077	1,997	236	4,030

8 DIRECTORS' EMOLUMENTS (CONTINUED)

	2023				
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Executive directors					
Ms. Xuan Jing (resigned on 21 March 2023)	–	135	155	28	318
Mr. Liu Yu	–	580	1,055	114	1,749
Non-executive directors					
Mr. Cao Mingda (Note (ii))	–	–	–	–	–
Mr. Guan Jifa (Note (ii))	–	–	–	–	–
Ms. Sun Fang (Note (ii))	–	–	–	–	–
Ms. Hou Weiwei (Note (ii))	–	–	–	–	–
Independent non-executive directors					
Mr. Luo Zhenbang	240	–	–	–	240
Mr. Huang Lixin	240	–	–	–	240
Mr. Li Wei	240	–	–	–	240
	720	715	1,210	142	2,787

Notes:

(i) There were no amounts paid during the years ended 31 December 2024 and 2023 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 2024, the six (2023: four) directors agreed to waive their entitlements to directors' fees totally amounted to HK$960,000 (2023: HK$960,000). Apart from this, there was no arrangement under which a director waived or agreed to waive any remuneration during the year.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2023: one) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other three (2023: four) individuals are as follows:

	2024 HK$'000	2023 HK$'000
Salaries, allowances and benefits in kind	**1,457**	1,899
Discretionary bonuses	**2,568**	3,679
Retirement scheme contributions	**354**	456
	4,379	6,034

The emoluments of the three (2023: four) individuals who are not directors and who are amongst the five highest paid individuals of the Group are within the following band:

	2024	2023
HK$1,000,001 – HK$1,500,000	**3**	1
HK$1,500,001 – HK$2,000,000	**–**	3

10 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2024 is based on the profit attributable to ordinary equity shareholders of the Company of HK$167,604,000 (2023: HK$174,313,000) and the weighted average of 2,097,147,000 ordinary shares (2023: 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 2024 and 2023. Therefore, there was no difference between basic and diluted earnings per share.

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
Cost:						
At 1 January 2023	17,689	71,784	374,941	47,598	20,521	532,533
Additions	–	27,591	–	9,809	31,617	69,017
Lease modification	–	(3,930)	–	–	–	(3,930)
Early termination of leases	–	(7,542)	–	–	–	(7,542)
Write-off/disposals	–	–	–	(4,193)	–	(4,193)
Transfer	–	–	40,003	4,146	(44,149)	–
Exchange adjustments	(252)	(80)	(5,020)	(235)	(221)	(5,808)
At 31 December 2023 and 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	**17,063**	**71,154**	**459,866**	**65,508**	**2,018**	**615,609**
Accumulated depreciation and impairment:						
At 1 January 2023	3,957	32,733	241,579	29,435	–	307,704
Charge for the year	879	25,387	22,858	13,932	–	63,056
Early termination of leases	–	(4,237)	–	–	–	(4,237)
Write-off/written back	–	–	–	(4,161)	–	(4,161)
Exchange adjustments	(132)	(18)	(5,142)	(76)	–	(5,368)
At 31 December 2023 and 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	**5,459**	**33,808**	**276,660**	**41,582**	**–**	**357,509**
Carrying amount:						
At 31 December 2024	**11,604**	**37,346**	**183,206**	**23,926**	**2,018**	**258,100**
At 31 December 2023	12,733	33,958	150,629	17,995	7,768	223,083

11 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Right-of-use assets

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

	2024 **HK$'000**	2023 HK$'000
Buildings leased for own use, carried at depreciated cost	**37,346**	33,958

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:

	2024 **HK$'000**	2023 HK$'000
Depreciation charge of properties leased for own use, carried at depreciated cost	**11,647**	25,387
Interest on lease liabilities (Note 6(a))	**1,859**	2,040
Expense relating to short-term leases, which not included in the measurement of lease liabilities	**909**	5,357

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

12 INTANGIBLE ASSETS

	Software HK$'000	Income rights HK$'000	Patent rights HK$'000	Trademarks HK$'000	Total HK$'000
Cost:					
At 1 January 2023	74,495	105,561	55,341	95,153	330,550
Additions	14,056	–	–	–	14,056
Exchange adjustments	(2,201)	(1,502)	(788)	(1,355)	(5,846)
At 31 December 2023 and 1 January 2024	**86,350**	**104,059**	**54,553**	**93,798**	**338,760**
Additions	**10,481**	**–**	**–**	**–**	**10,481**
Exchange adjustments	**(2,472)**	**(2,229)**	**(705)**	**(2,009)**	**(7,415)**
At 31 December 2024	**94,359**	**101,830**	**53,848**	**91,789**	**341,826**
Accumulated amortisation:					
At 1 January 2023	30,068	69,915	21,962	–	121,945
Charge for the year	10,038	7,885	5,531	–	23,454
Exchange adjustments	(864)	(1,038)	(343)	–	(2,245)
At 31 December 2023 and 1 January 2024	**39,242**	**76,762**	**27,150**	**–**	**143,154**
Charge for the year	**9,375**	**5,748**	**5,464**	**–**	**20,587**
Exchange adjustments	**(1,188)**	**(1,622)**	**(664)**	**–**	**(3,474)**
At 31 December 2024	**47,429**	**80,888**	**31,950**	**–**	**160,267**
Carrying amount:					
At 31 December 2024	**46,930**	**20,942**	**21,898**	**91,789**	**181,559**
At 31 December 2023	47,108	27,297	27,403	93,798	195,606

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) 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).

13 GOODWILL

	2024 HK$'000	2023 HK$'000
Cost:		
At 1 January	**615,105**	623,988
Exchange adjustments	**(13,178)**	(8,883)
At 31 December	**601,927**	615,105
Impairment losses:		
At 1 January	**59,252**	60,108
Exchange adjustments	**(1,269)**	(856)
At 31 December	**57,983**	59,252
Carrying amount:		
At 31 December	**543,944**	555,853

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:

	2024 HK$'000	2023 HK$'000
Operations in the provision of intelligent passenger information services (Note (i))	**483,265**	493,846
Operations in the provision of data and integration services (Note (ii))	**50,997**	52,113
Operations related to the intelligent infrastructure business (Note (iii))	**9,682**	9,894
	543,944	555,853

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 data and integration business in 2013.

(iii) Goodwill arose from the Group's acquisition of the intelligent infrastructure business in 2014.

(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 data and integration services and the CGU of operations related to the intelligent infrastructure business were determined based on value-in-use calculations. Their 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 calculation for the three CGUs include:

	2024	2023
Operations in the provision of intelligent passenger information services		
– Steady growth rate	**0%**	2.99%
– Pre-tax discount rate	**10.55%**	11.39%
Operations in the provision of data and integration services		
– Steady growth rate	**0%**	2.71%
– Pre-tax discount rate	**13.31%**	13.97%
Operations related to the intelligent infrastructure business		
– Steady growth rate	**0%**	2.60%
– Pre-tax discount rate	**13.31%**	14.29%

(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.

			Proportion of ownership interest		
Name of subsidiary	Place of establishment/ incorporation and operations	Particulars of registered/ issued and paid-up capital	The Group's effective interest	Held by subsidiaries	Principal activities
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 ("CCRTT 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

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)

			Proportion of ownership interest		
Name of subsidiary	Place of establishment/ incorporation and operations	Particulars of registered/ issued and paid-up capital	The Group's effective interest	Held by subsidiaries	Principal activities
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.

14 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following table lists out the financial information of CCRTT Investment, Huaqi Intelligent 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		Litmus	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Effective NCI percentage	**30%**	30%	**8.56%**	8.56%	**49%**	49%
Revenue	**–**	–	**692,755**	711,992	**52,494**	104,178
Profit for the year	**786**	413	**88,349**	80,403	**6,786**	11,759
Profit attributable to NCI	**236**	124	**7,563**	9,821	**3,325**	5,762
Non-current assets	**72,179**	78,386	**224,063**	228,969	**6,785**	8,776
Current assets	**3,531**	3,362	**1,234,165**	1,261,185	**108,883**	124,738
Current liabilities	**290**	60	**419,646**	428,833	**51,543**	67,571
Non-current liabilities	**–**	–	**9,348**	9,553	**4,115**	5,441
Net assets	**75,420**	81,688	**1,029,234**	1,051,768	**60,010**	60,502
Net assets attributable to NCI	**22,626**	24,506	**88,102**	90,031	**29,405**	29,646
Dividends paid to NCI	**–**	2,106	**2,105**	–	**3,223**	–
Cash flow from operating activities	**(157)**	3,930	**39,991**	(128,165)	**8,321**	15,722
Cash flow from investing activities	**334**	2,700	**428**	25,850	**(123)**	(211)
Cash flow from financing activities	**–**	(8,020)	**(1,651)**	112,761	**(6,577)**	–

15 INTERESTS IN JOINT VENTURES AND ASSOCIATES

	2024 HK$'000	2023 HK$'000
Interests in joint ventures	**322,673**	319,669
Interests in associates	**62,757**	60,456
	385,430	380,125

(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	
Joint ventures							
Beijing Metro Science and Technology Development Co., Ltd. ("Metro Science and Technology")* 北京地鐵科技發展有限公司	(i)	The PRC	RMB30,000,000	49.00% (2023: 49.00%)	–	49.00% (2023: 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% (2023: 49.00%)	49.00% (2023: 49.00%)	–	Subway operations management
Beijing Cornerstone Chuangying Investment Management Centre (Limited Liability Partnership) ("Chuangying Centre")* 北京基石創盈投資管理中心（有限合夥）	(iv)	The PRC	RMB200,000,000	– (2023: 20.00%)	–	– (2023: 20.00%)	Management of assets and investment
Associates							
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）	(iii)	The PRC	RMB298,000,000	8.39% (2023: 8.39%)	–	8.39% (2023: 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 (v)	The PRC	RMB15,000,000	13.33% (2023: 13.94%)	–	13.33% (2023: 13.94%)	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% (2023: 20.00%)	–	20.00% (2023: 20.00%)	Production of railway accessories

(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: The Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activities
Associates (continued)							
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% (2023: 25.73%)	–	25.73% (2023: 25.73%)	Production of railway accessories
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% (2023: 49.00%)	–	49.00% (2023: 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% (2023: 32.00%)	–	32.00% (2023: 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) Metro Science and Technology was established on 18 February 2016 in Beijing by the Group through a subsidiary and a major metro operating company, which is another joint venture, to provide maintenance and application solutions for the networking and control systems of public transport in Mainland China. Metro Science and Technology is a private company, and its market price is not available.

In addition, Metro Science and Technology has been subsequently disposed on 27 March 2025. Further details in events after the reporting period is set out in Note 33.

(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) The Group is a limited partner of Chuangying Centre, which is a partnership entity and has two other limited partners. During the year ended 31 December 2024, the Chuangying Centre completed its liquidation process, resulting in a loss of approximately HK$110,000.

(v) 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.

(vi) During the year ended 31 December 2023, an associate, Guangdong Zhongcheng Transportation Technology Co., Ltd., was disposed of for a consideration of RMB6,920,000 (equivalent to approximately HK$7,680,000), resulting in a gain on disposal of approximately HK$2,514,000.

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

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 Science and Technology		Beijing Metro	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Gross amounts of the joint ventures				
Current assets	**351,566**	426,250	**365,943**	359,144
Non-current assets	**9,435**	13,468	**1,146,303**	1,224,452
Current liabilities	**213,551**	289,487	**99,708**	117,737
Non-current liabilities	**145**	–	**899,889**	965,571
Net assets	**147,305**	150,231	**512,649**	500,288
Included in the above assets and liabilities:				
Cash and cash equivalents	**131,011**	134,728	**147,796**	38,434
Current financial liabilities (excluding trade and other payables and provisions)	**9,768**	12,589	**208**	211
Revenue	**403,313**	406,886	**420,744**	409,965
Profit and total comprehensive (expense)/income for the year ended 31 December	**(2,167)**	(13,107)	**16,234**	(25,232)
Dividend from joint ventures	**372**	2,700	**1,898**	886
Included in the above profit:				
Depreciation	**1,280**	882	**1,448**	1,434
Interest income	**955**	8	**1,142**	132
Interest expense	**–**	–	**33,849**	38,412
Income tax	**186**	(1,296)	**10,476**	8,924
Reconciled to the Group's interests in the joint ventures				
Gross amounts of the joint ventures' net assets	**147,305**	150,231	**512,649**	500,288
Group's effective interest	**49%**	49%	**49%**	49%
Carrying amounts in the consolidated financial statements	**72,179**	73,613	**251,198**	245,141

15 INTERESTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

Aggregate information of joints ventures and associates that are not individually material are listed below:

	2024 HK$'000	2023 HK$'000
Aggregate carrying amount of individually immaterial joint ventures and associates in the consolidated financial statements	**62,053**	61,371
Aggregate amounts of the Group's share of those joint ventures and associates' profit	**8,007**	7,527

16 OTHER FINANCIAL ASSETS

	Note	2024 HK$'000	2023 HK$'000
Non-current assets			
Financial assets measured at FVPL			
– 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)	**34,250**	36,263
– Youdao Technology Co., Ltd. ("Youdao Technology")* 友道科技有限公司	(ii)	**33,553**	40,672
		67,803	76,935
Equity securities designated at FVOCI (non-recycling)			
– Beijing Ruubypay Science and Technology Co., Ltd. ("Ruubypay")* 北京如易行科技有限公司	(iii)	**129,584**	125,800
		197,387	202,735

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

Notes:

(i) The Group holds 5% (2023: 5%) ownership interest in Cornerstone Huiying, which was established on 19 August 2020 and engaged in providing equity investment services.

(ii) The Group holds 7.14% (2023: 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.

(iii) The Group hold 9.59% (2023: 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 FVOCI (non-recycling).

17 INVENTORIES

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

	2024 HK$'000	2023 HK$'000
Application solution related software, hardware and spare parts	**419,140**	357,291
Materials to be assigned to services contracts	**31,996**	6,465
	451,136	363,756

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

	2024 HK$'000	2023 HK$'000
Carrying amount of inventories sold	**686,479**	751,371
Write down of inventories, net	**758**	2,343
Cost of inventories	**687,237**	753,714

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

18 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	2024 HK$'000	2023 HK$'000
Contract assets		
Arising from performance under contracts with customers	**783,893**	763,482
Less: loss allowance	**(48,837)**	(49,220)
	735,056	714,262
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables" (Note 19)	**983,954**	806,874

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 build-up 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.

The amount of contract assets that is expected to be recovered after more than one year is HK$78,432,000 (2023: HK$134,204,000), all of which relates to retentions.

18 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(b) Contract liabilities

	2024 HK$'000	2023 HK$'000
Contract liabilities		
Service contracts		
– Billings in advance of performance	**38,604**	45,800

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

	2024 HK$'000	2023 HK$'000
Balance at 1 January	**45,800**	39,702
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	**(45,499)**	(39,358)
Increase in contract liabilities as a result of billing in advance of service	**39,190**	46,059
Exchange adjustments	**(887)**	(603)
Balance at 31 December	**38,604**	45,800

The amount of contract liabilities expected to be recognised as income within one year is HK$38,604,000 (2023: HK$45,800,000).

19 TRADE AND OTHER RECEIVABLES

	2024 **HK$'000**	2023 HK$'000
Trade receivables	**1,031,338**	843,551
Bills receivable	**230,281**	263,771
	1,261,619	1,107,322
Less: loss allowance	**(47,981)**	(37,573)
Trade and bills receivables, net of loss allowance	**1,213,638**	1,069,749
Prepayments, deposits and other receivables	**65,681**	72,780
Less: loss allowance	**(9,980)**	(8,821)
	55,701	63,959
Value-added tax recoverable	**16,425**	12,335
	1,285,764	1,146,043

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

As at 31 December 2024, trade and bills receivables amounted to HK$28,262,000 (2023: Nil) 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 receivables, based on the invoice date after loss allowance, is as follows:

	2024 **HK$'000**	2023 HK$'000
Within 1 year	**974,117**	869,741
Over 1 year	**239,521**	200,008
	1,213,638	1,069,749

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. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 30(a).

20 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2024	2023
	HK$'000	HK$'000
Cash on hand and at bank	**725,439**	568,331
Restricted bank deposits	**35,765**	128,799
Cash and cash equivalents in the consolidated statement of financial position	**761,204**	697,130
Less: restricted bank deposits	**(35,765)**	(128,799)
Cash and cash equivalents in the consolidated statement of cash flows	**725,439**	568,331

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

20 CASH AND CASH EQUIVALENTS 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 HK$'000 (Note 22)	Other borrowings HK$'000 (Note 23)	Lease liabilities HK$'000 (Note 24)	Interest payable HK$'000	Total HK$'000
At 1 January 2023	83,930	300,000	39,858	143	423,931
Changes from financing cash flows for 2023:					
Proceeds of bank borrowings	92,390	–	–	–	92,390
Repayment of bank borrowings	(98,740)	–	–	–	(98,740)
Repayment of other borrowings	–	(45,000)	–	–	(45,000)
Capital element of lease rentals paid	–	–	(20,403)	–	(20,403)
Interest element of lease rentals paid	–	–	(2,040)	–	(2,040)
Interest paid	–	–	–	(8,437)	(8,437)
Total changes from financing cash flows	(6,350)	(45,000)	(22,443)	(8,437)	(82,230)
Other changes:					
Increase in lease liabilities	–	–	27,591	–	27,591
Lease modification	–	–	(3,930)	–	(3,930)
Early termination of leases	–	–	(3,443)	–	(3,443)
Interest expense (Note 6(a))	–	–	2,040	8,416	10,456
Exchange adjustments	(1,159)	–	(764)	–	(1,923)
Total other changes	(1,159)	–	21,494	8,416	28,751
At 31 December 2023 and 1 January 2024	**76,421**	**255,000**	**38,909**	**122**	**370,452**
Changes from financing cash flows for 2024:					
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**
Other changes:					
Net 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**
At 31 December 2024	**101,507**	**283,262**	**38,530**	**748**	**424,047**

20 CASH AND CASH EQUIVALENTS 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:

	2024 HK$'000	2023 HK$'000
Within operating cash flows	**909**	5,357
Within financing cash flows	**18,454**	22,443
	19,363	27,800

These amounts relate to the following:

	2024 HK$'000	2023 HK$'000
Lease rentals paid	**19,363**	27,800

21 TRADE AND OTHER PAYABLES

	2024 HK$'000	2023 HK$'000
Trade payables	**1,016,485**	845,980
Bills payable	**77,081**	70,532
Trade and bills payables	**1,093,566**	916,512
Accrued expenses and other payables	**123,804**	106,954
Consideration payable for acquisition of non-controlling interests	**–**	607
Consideration payable for acquisition of a subsidiary	**80,730**	82,498
Other taxes payables	**58,820**	32,903
	1,356,920	1,139,474

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:

	2024 HK$'000	2023 HK$'000
Due within 1 month or on demand	**1,026,820**	867,007
Due after 1 month but within 6 months	**66,746**	49,505
	1,093,566	916,512

22 BANK BORROWINGS

All of the bank borrowings are unguaranteed, unsecured and are repayable within one year. Except for the balance HK$10,799,000 (2023: Nil) bears a variable interest rate at Loan Prime Rate plus 65 basis points, the remaining bank borrowings bear a fixed interest rate at 2.8% (2023: ranging from 3.20% to 3.80%) per annum.

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 30(b). As at 31 December 2024 and 2023, none of the covenants relating to the drawn down facilities has been breached.

23 OTHER BORROWINGS

	2024 **HK$'000**	2023 HK$'000
Current liabilities		
Factoring loans (Note (i))	**28,262**	–
Other borrowing (Note (ii))	**–**	255,000
	28,262	255,000
Non-current liabilities		
Other borrowing (Note (ii))	**255,000**	–
Total	**283,262**	255,000

Notes:

(i) The factoring loans are unguaranteed and secured by the trade and bills receivable amounting to HK$28,262,000 (2023: Nil) (Note 19), bear fixed interest rates ranging from 1.74% to 5.50% (2023: Nil) per annum and are repayable within one year.

(ii) Other borrowing of HK$255,000,000 as at 31 December 2023 was secured by the Company's 51% of equity interests in a subsidiary, interest-bearing at a fixed interest rate at 1.72% per annum and was repayable in 2024. The Company entered into a loan agreement on 14 October 2024 with the lender to renew the borrowing terms. Since then, the borrowing is secured by the Company's 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 per annum and is payable in 2027.

24 LEASE LIABILITIES

As 31 December 2024, the lease liabilities were repayable as follows:

	2024 HK$'000	2023 HK$'000
Within 1 year	**18,287**	14,074
After 1 year but within 2 years	**14,099**	13,266
After 2 years but within 5 years	**6,144**	11,569
	20,243	24,835
	38,530	38,909

25 PROVISION FOR WARRANTIES

	2024 HK$'000	2023 HK$'000
At 1 January	**9,281**	14,005
Additional provision made	**7,224**	2,992
Provision utilised	**(6,937)**	(7,542)
Exchange adjustments	**(202)**	(174)
At 31 December	**9,366**	9,281
Less: amount included under "current liabilities"	**(5,165)**	(4,952)
	4,201	4,329

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.

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 2023	1,571	1,474	12,244	2,092	3,008	11,159	298	2,100	(5,858)	5,858	–	(43,924)	(9,978)
Exchange adjustments	(19)	(24)	(180)	(30)	(43)	(102)	(2)	(26)	80	(80)	(58)	623	139
(Charged)/credited to the consolidated statement of profit or loss (Note 7(a))	(563)	132	1,064	180	–	(806)	(296)	(682)	407	(433)	10,306	509	9,818
Charged to other comprehensive income	–	–	–	–	–	(9,037)	–	–	–	–	–	–	(9,037)
Balance at 31 December 2023 and 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	**(12)**	**(6)**	**(304)**	**(50)**	**(63)**	**(11)**	**(5)**	**(33)**	**113**	**(116)**	**(302)**	**859**	**70**
(Charged)/credited to the consolidated statement of profit or loss (Note 7(a))	**(609)**	**(1,140)**	**1,537**	**114**	**-**	**(9)**	**329**	**45**	**127**	**61**	**5,542**	**3,824**	**9,821**
Charged to other comprehensive income	**-**	**-**	**-**	**-**	**-**	**(987)**	**-**	**-**	**-**	**-**	**-**	**-**	**(987)**
Balance at 31 December 2024	**368**	**436**	**14,361**	**2,306**	**2,902**	**207**	**324**	**1,404**	**(5,131)**	**5,290**	**15,488**	**(38,109)**	**(154)**

(II) RECONCILIATION TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2024 HK$'000	2023 HK$'000
Net deferred tax asset in the consolidated statement of financial position	**33,536**	29,026
Net deferred tax liability in the consolidated statement of financial position	**(33,690)**	(38,084)
	(154)	(9,058)

26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets not recognised

As at 31 December 2024, the Group has not recognised deferred tax assets in respect of unused tax losses, impairment provision and accruals arising from certain subsidiaries of HK$107,319,000 (2023: HK$68,542,000) 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 the amount of HK$42,526,000 (2023: HK$27,131,000) which will not expire under the relevant tax legislation, the remaining unused tax losses of HK$44,515,000 (2023: HK$38,778,000) at 31 December 2024 will expire in one to ten years (2023: one to ten years).

(c) Deferred tax liabilities not recognised

At 31 December 2024, temporary differences relating to the retained profits of the subsidiaries established in Mainland China amounted to HK$759,196,000 (2023: HK$683,915,000) of which no deferred tax liabilities in respect of the tax that would be payable on the distribution of these profits was provided 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 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$'000 (Note 27(c))	Share premium HK$'000 (Note 27(d)(i))	Capital reserve HK$'000 (Note 27(d)(ii))	Accumulated losses HK$'000	Total HK$'000
Balance at 1 January 2023	20,971	1,662,190	52,991	(37,708)	1,698,444
Changes in equity for 2023:					
Total comprehensive expense	–	–	–	(1,376)	(1,376)
Dividends declared in respect of the previous year (Note 27(b)(ii))	–	(54,526)	–	–	(54,526)
Balance at 31 December 2023 and 1 January 2024	**20,971**	**1,607,664**	**52,991**	**(39,084)**	**1,642,542**
Changes in equity for 2024:					
Total comprehensive expense	**–**	**–**	**–**	**(12,808)**	**(12,808)**
Dividends declared in respect of the previous year (Note 27(b)(ii))	**–**	**(52,429)**	**–**	**–**	**(52,429)**
At 31 December 2024	**20,971**	**1,555,235**	**52,991**	**(51,892)**	**1,577,305**

27 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

(I) DIVIDENDS PAYABLE TO EQUITY SHAREHOLDERS OF THE COMPANY ATTRIBUTABLE TO THE YEAR

	2024 HK$'000	2023 HK$'000
Final dividend proposed after the end of the reporting period of HK$2.4 cents (2023: HK$2.5 cents) per ordinary share	**50,332**	52,429

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

	2024 HK$'000	2023 HK$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK$2.5 cents (2023: HK$2.6 cents) per ordinary share	**52,429**	54,526

(c) Share capital

AUTHORISED AND ISSUED SHARE CAPITAL

	2024		2023	
	Number of shares	**HK$'000**	Number of shares	HK$'000
Authorised: Ordinary shares of HK$0.01 each	**5,000,000,000**	**50,000**	5,000,000,000	50,000
Issued and fully paid: At 1 January and 31 December	**2,097,146,727**	**20,971**	2,097,146,727	20,971

27 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.

28 ACQUISITION OF NON-CONTROLLING INTERESTS

	2023 HK$'000
Carrying amount of non-controlling interests acquired	1,889
Considerations payable	(610)
An increase in equity attributable to owners of the Company	1,279

During the year ended 31 December 2023, the Group acquired additional equity interests in Beijing Cornerstone Vision Digital Technology Co., Ltd ("Beijing Cornerstone Vision") for a consideration of RMB550,000 (equivalent to approximately HK$610,000). As a result, the Group's effective equity interests in Beijing Cornerstone Vision has increased from 51% to 100%. The carrying amount of the non-controlling interests in the subsidiary on the date of acquisition was approximately HK$1,889,000. The Group recognised a decrease in non-controlling interests of approximately HK$1,889,000 and an increase in equity attributable to owners of the Company of approximately HK$1,279,000.

29 DEEMED PARTIAL DISPOSAL OF INTERESTS IN SUBSIDIARY WITHOUT LOSING CONTROL

	2023 HK$'000
Carrying amount of equity interest obtained by non-controlling interests	(86,842)
Capital contributed by non-controlling interests	110,976
Excess of consideration received recognised within equity	24,134

On 8 August 2023, Huaqi Intelligent, a non-wholly owned subsidiary of the Company, entered into a capital injection agreement with, among others, Suzhou Rail Transit Group Co., Ltd. (蘇州市軌道交通集團有限公司), pursuant to which Suzhou Rail Transit agreed to a capital injection of RMB100,000,000 (equivalent to approximately HK$110,976,000) into Huaqi Intelligent in return for approximately 7.35% of the enlarged equity interest in Huaqi Intelligent. Accordingly, the Group's effective equity interests in Huaqi Intelligent was diluted from 98.7% to approximately 91.44%. As a result, the Group recognised a decrease in equity attributable to the equity shareholders of the Company of approximately HK$24,134,000 and an increase in non-controlling interests of approximately HK$86,842,000.

30 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.

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% (2023: 3%) and 27% (2023: 15%) 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.

The Group does not provide any other guarantees that would expose the Group to credit risk.

30 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:

	2024 HK$'000	2023 HK$'000
Balance at 1 January	**896**	–
(Reversal of impairment loss)/impairment loss recognised during the year	**(284)**	901
Exchange adjustments	**(15)**	(5)
Balance at 31 December	**597**	896

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 with objective evidence that the credit risk is obviously different from others, ECL is measured on an individual basis.

30 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 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)**

	As at 31 December 2023		
	Average expected loss rate %	Gross carrying amount HK$'000	Loss allowance HK$'000
Trade receivables			
Within 1 year	1.36%	614,732	(8,336)
More than 1 year but within 2 years	5.20%	134,256	(6,986)
More than 2 years	22.58%	94,563	(21,355)
		843,551	(36,677)
Contract assets	6.45%	763,482	(49,220)
		1,607,033	(85,897)

The expected loss rate is calculated based on actual loss experience over the past three to 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.

30 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:

	2024 **HK$'000**	2023 HK$'000
Balance at 1 January	**85,897**	87,130
Impairment loss recognised during the year	**12,363**	6
Exchange adjustments	**(2,039)**	(1,239)
Balance at 31 December	**96,221**	85,897

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:

	2024 **HK$'000**	2023 HK$'000
Balance at 1 January	**6,685**	229
Impairment loss recognised during the year	**1,368**	6,496
Exchange adjustments	**(164)**	(40)
Balance at 31 December	**7,889**	6,685

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

The Company is responsible for the Group's overall cash management and the raising of borrowings to cover expected cash demands. The Group's policy is to regularly monitor its current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

As disclosed in Note 22, all of the Group's banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. Information about the covenants for those bank loans classified as current at the end of the reporting period is set out below:

Loan	Carrying amount 2024 HK$'000	Carrying amount 2023 HK$'000	Covenant(s)	Timing to comply with the covenant(s)
Loan A	**–**	15,118	(i) The debt-to-asset ratio should not exceed 60%.	At the end of each quarter of financial year
			(ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year
Loan B	**15,118**	–	(i) The debt-to-asset ratio should not exceed 60%.	At the end of each quarter of financial year
			(ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year
Loan C	**15,118**	–	(i) The debt-to-asset ratio should not exceed 60%.	At the end of each quarter of financial year
			(ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year
Loan D	**15,118**	–	(i) The debt-to-asset ratio should not exceed 60%.	At the end of each quarter of financial year
			(ii) The current ratio should not be lower than 1.5.	At the end of each quarter of financial year

30 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:

	2024 Contractual undiscounted cash outflow				
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total HK$'000	Carrying amount 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**
	1,462,635	**28,110**	**274,035**	**1,764,780**	**1,721,399**

	2023 Contractual undiscounted cash outflow				
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
Bank borrowings	77,396	–	–	77,396	76,421
Other borrowings	259,386	–	–	259,386	255,000
Lease Liabilities	15,494	14,058	11,930	41,482	38,909
Trade and other payables	1,106,571	–	–	1,106,571	1,106,571
	1,458,847	14,058	11,930	1,484,835	1,476,901

30 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:

	2024		2023	
	Effective interest rate %	**HK$'000**	Effective interest rate %	HK$'000
Fixed rate borrowings:				
Lease liabilities	**3.95%-5.14%**	**38,530**	4.65%-5.14%	38,909
Bank borrowings	**2.80%**	**90,708**	3.20%-3.80%	76,421
Other borrowing	**1.74%-5.50%**	**28,262**	1.72%	255,000
		157,500		370,330
Variable rate borrowings:				
Bank borrowings	**4.10%**	**10,799**	N/A	–
Other borrowing	**5.28%**	**255,000**	N/A	–
		265,799	N/A	–
Total borrowings		**423,299**		370,330
Fixed rate borrowings as a percentage of total borrowings		**37%**		100%

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk (continued)

(II) SENSITIVITY ANALYSIS

At 31 December 2024, 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$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 re-measure those financial instruments held by the Group which expose the Group to cash flow interest rate risk at the end of the reporting period.

Since the Group has no variable-rate borrowings at the end of 31 December 2023, no sensitivity analysis about interest rates risk is prepared.

(d) Currency risk

The Group is exposed to currency risk primarily through cash and cash equivalents 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 Canadian dollars ("CAN").

30 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$)				
	2024				
	RMB '000	**HK$ '000**	**USD '000**	**EUR '000**	**CAN '000**
Cash and cash equivalents	**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**	**–**

	Exposure to foreign currencies (expressed in HK$)				
	2023				
	RMB '000	HK$ '000	USD '000	EUR '000	CAN '000
Cash and cash equivalents	24,924	931	110,260	5,465	3,902
Contract assets	–	–	–	–	–
Trade and other receivables	–	3,444	16,266	238	–
Gross exposure arising from recognised assets and liabilities	24,924	4,375	126,526	5,703	3,902

30 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.

	2024		2023	
	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%**	**11,172**	10%	2,492
	(10%)	**(11,172)**	(10%)	(2,492)
HK$	**10%**	**197**	10%	344
	(10%)	**(197)**	(10%)	(344)
USD	**10%**	**1,510**	10%	12,040
	(10%)	**(1,510)**	(10%)	(12,040)
EUR	**10%**	**254**	10%	428
	(10%)	**(254)**	(10%)	(428)
CAN	**N/A**	**–**	10%	293
	N/A	**–**	(10%)	(293)

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 inter-company 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 2023.

30 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. 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 is held twice a year, to coincide with the reporting dates.

30 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 2024 HK$'000	Fair value measurement as at 31 December 2024 categorised into Level 3 HK$'000
Recurring fair value measurement		
Financial assets:		
Other financial assets measured at FVPL	**67,803**	**67,803**
Other financial assets designated at FVOCI	**129,584**	**129,584**
Financial liabilities:		
Contingent considerations	**1,955**	**1,955**

	Fair value at 31 December 2023 HK$'000	Fair value measurement as at 31 December 2023 categorised into Level 3 HK$'000
Recurring fair value measurement		
Financial assets:		
Other financial assets measured at FVPL	76,935	76,935
Other financial assets designated at FVOCI	125,800	125,800
Financial liabilities:		
Contingent considerations	1,998	1,998

During the year ended 31 December 2024 and 2023, 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.

30 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:

	2024 **HK$'000**	2023 HK$'000
Other financial assets measured at FVPL:		
Balance at 1 January	**76,935**	70,475
Changes in fair value recognised in profit or loss during the period	**(7,597)**	7,505
Exchange adjustments	**(1,535)**	(1,045)
Balance at 31 December	**67,803**	76,935
Other financial assets designated at FVOCI:		
Balance at 1 January	**125,800**	52,261
Distribution from joint venture	**–**	14,455
Net unrealised gains or losses recognised in other comprehensive income	**6,578**	60,248
Exchange adjustments	**(2,794)**	(1,164)
Balance at 31 December	**129,584**	125,800
Contingent considerations payable:		
Balance at 1 January	**1,998**	2,027
Exchange adjustments	**(43)**	(29)
Balance at 31 December	**1,955**	1,998

30 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 FVPL

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 31.7% (2023: 29.7%) of the underlying investments.

The Group determines the fair value of unlisted equity investment in Youdao Technology is 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% (2023: 26.1%).

As at 31 December 2024, 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$386,000 (2023: HK$473,000).

Other financial assets designated at FVOCI

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 31.5% (2023: 26.1%) of the underlying investments.

As at 31 December 2024, 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$2,160,000 (2023: HK$2,207,000).

Contingent considerations:

The fair value of contingent considerations is 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 2024 and 2023.

31 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:

	2024 **HK$'000**	2023 HK$'000
Short-term employee benefits	**9,108**	9,301
Retirement scheme contributions	**709**	653
	9,817	9,954

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Related party transactions

TRANSACTIONS WITH ULTIMATE HOLDING COMPANY AND ITS AFFILIATES

	2024 **HK$'000**	2023 HK$'000
Interest expense	**4,975**	4,969
Revenue from intelligent passenger information services	**77,019**	62,790
Revenue from data and integration services	**299,427**	287,795
Revenue from intelligent infrastructure	**31,004**	14,097
Purchases of goods and service	**40,068**	45,198
Expense relating to short-term lease	**4,204**	2,175

TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATES

	2024 **HK$'000**	2023 HK$'000
Purchases of goods and services	**142,746**	180,091
Revenue from intelligent passenger information services	**7,181**	4,701
Revenue from data and integration services	**1,735**	–
Dividends	**2,818**	19,732

31 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances

BALANCES WITH ULTIMATE HOLDING COMPANY AND ITS AFFILIATES

	2024 **HK$'000**	2023 HK$'000
Trade receivables	**153,469**	88,854
Prepayments, deposits and other receivables	**4,308**	5,726
Contract liabilities	**21,842**	30,978
Trade payable	**40,497**	47,073
Accrued expenses and other payables	**1,934**	2,837
Other borrowings	**260,669**	255,000

BALANCES WITH JOINT VENTURES AND ASSOCIATES

	2024 **HK$'000**	2023 HK$'000
Trade receivables	**5,075**	4,746
Contract assets	**2,839**	–
Trade payables	**14,509**	49,490

Except for other borrowing 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.

31 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 31(b) and 31(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 high-speed railways, intercity railways, suburban railways and metro system;
- provision of hardware and software products and services of intelligent railways transportation and intelligent operation and maintenance;
- provision of information system services of civil communication transmission systems, utility tunnel areas and integrated transportation hubs;
- 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.

32 THE COMPANY'S STATEMENT OF FINANCIAL POSITION

	Note	2024 HK$'000	2023 HK$'000
Non-current assets			
Investments in subsidiaries	14	**570,757**	570,757
Interest in a joint venture		**294,735**	294,735
		865,492	865,492
Current assets			
Other receivables		**887,554**	906,949
Cash and cash equivalents		**122,754**	130,382
		1,010,308	1,037,331
Current liabilities			
Other borrowing		**–**	255,000
Accrued expenses and other payables		**43,495**	5,281
		43,495	260,281
Net current assets		**966,813**	777,050
Total assets less current liabilities		**1,832,305**	1,642,542
Non-current liability			
Other borrowing		**255,000**	–
NET ASSETS		**1,577,305**	1,642,542
CAPITAL AND RESERVES	27		
Share capital		**20,971**	20,971
Reserves		**1,556,334**	1,621,571
TOTAL EQUITY		**1,577,305**	1,642,542

(Expressed in Hong Kong dollars)

33 EVENTS AFTER THE REPORTING PERIOD

On 27 March 2025, the Group disposed all 49% of its interests in joint venture, Metro Science and Technology, in consideration of approximately RMB68,332,000 (equivalent to approximately HK$73,789,000).

34 IMMEDIATE AND ULTIMATE HOLDING COMPANY

As at 31 December 2024, 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.

35 POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 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 IAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability	1 January 2025
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
Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity	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.

35 POSSIBLE IMPACTS OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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.

京投軌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