

2025 *Environmental, Social and Governance Report*





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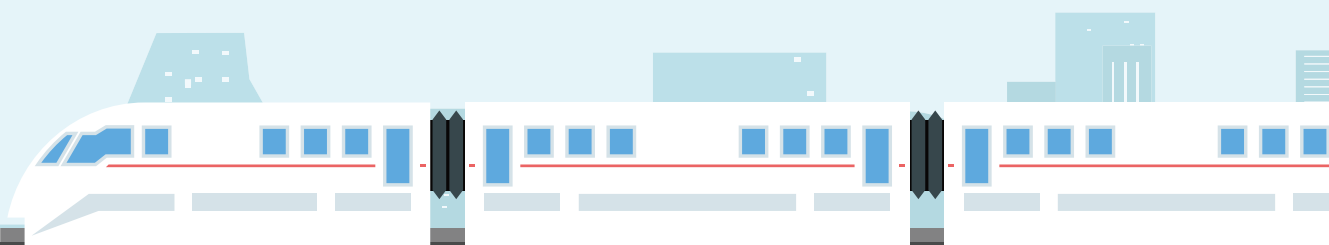
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Part I: Report Overview

ABOUT THIS REPORT

BII Railway Transportation Technology Holdings Company Limited (together with its subsidiaries hereinafter referred to as “BIITT”, the “Group” or “we”) has prepared the Group’s 2025 Environmental, Social and Governance (“ESG”) Report (“Report”) in accordance with the requirements of Appendix C2, Environmental, Social and Governance Reporting Code (“Reporting Code”), to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”) as stipulated by The Stock Exchange of Hong Kong Limited (“HKEX”).

This Report has been prepared through information collection, data analysis and compilation in accordance with the four reporting principles of “Materiality, Quantitative, Balance and Consistency” set out in the Reporting Code, as well as the requirements relating to reporting boundaries.

For details of the Group’s corporate governance practices, please refer to the Corporate Governance Report section on pages 43 to 59 of the 2025 Annual Report.

REPORTING PERIOD AND SCOPE

Unless otherwise specified, the policies, statements and key performance indicator data contained in this Report cover the Group’s operations in the PRC and overseas, and are consistent with the scope of disclosures in the financial report.

The Group will continue to refine the integration of material ESG matters with its daily operations, and will determine on an annual basis whether to expand the scope and depth of its disclosures. This Report provides a comprehensive assessment and disclosure of the Group’s ESG performance for the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”).

SOURCES AND RELIABILITY OF DATA

The information disclosed in this Report, including the Group’s policies, initiatives, practices and case studies, is derived from internal systems, statistics, reports and records. The Group is responsible for the truthfulness, accuracy and completeness of the contents of the 2025 ESG Report.

STATEMENT IN RELATION TO THIS REPORT

This Report is published in both Chinese and English. In the event of any ambiguity in the contents or interpretation of this Report, the Chinese version shall prevail. In the event of any discrepancy or inconsistency between this Report and the Group’s 2025 Annual Report, the 2025 Annual Report shall prevail. The definitions used in this Report are consistent with those set out in the 2025 Annual Report.

This Report is available for viewing and download on the website of HKEX (www.hkexnews.hk) and the website of the Company (www.biitt.cn).

CONFIRMATION AND APPROVAL

Having been reviewed by the Chief Executive Officer, this Report was submitted to the Environmental, Social and Governance Committee (the “ESG Committee”) for review and approval, and was approved by the Board on 30 March 2026.

CONTACT AND ENQUIRIES

The Group is committed to continuously enhancing the quality of its ESG disclosures and welcomes suggestions from investors and other stakeholders. Our contact details are as follows:

BII Railway Transportation Technology Holdings Company Limited

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BOARD STATEMENT

As the highest governing body responsible for formulating the Group’s ESG and climate strategies and overseeing performance, the Board has incorporated relevant matters into the Group’s material decision-making considerations. The Board, through the ESG Committee, directs the ESG Working Group to formulate and implement action plans. The ESG Working Group communicates such plans to the relevant functional departments, advances the implementation and improvement of ESG – and climate-related initiatives, integrates them into the normalized operation and management system, and achieves sustainable governance and continuous optimization.

The Board oversees the management in formulating response strategies, establishing management systems, and reviewing the results of work undertaken in relation to the established sustainable development goals. At the same time, it listens to stakeholders, understands the needs for service innovation and green transformation in rail transit scenarios, incorporates such needs into internal R&D planning, provides the market with enhanced solutions that address diverse needs, and puts into practice and promotes the philosophy of sustainable development.

The Board has discussed and endorsed the materiality matrix for the year and the priority issues identified in the assessment, and has approved corresponding disclosures in the sections below of this Report in accordance with the assessment conclusions.



Part II: About BIIT

CORPORATE OVERVIEW

The Group is a high-tech industrial group integrating smart rail transit construction and operations and maintenance, technology research and development, and investment and financing. With a focus on the smart development of rail transit and urban infrastructure, including high-speed rail, intercity railways, suburban railways and metro, the Group provides informatics solutions and operations and maintenance services for multiple core smart rail transit systems and smart urban infrastructure through in-house research, development and manufacturing, as well as integrated innovation. The Group upholds the mission of “Empowering railway transportation with intelligent technology”, adheres to the strategic positioning of “focusing on integrated innovation and becoming a leading provider of intelligent rail transit systems services in China”, and strives to become a world-class leader in intelligent rail transit.

The Group remains committed to its established strategic direction, with R&D innovation as the foundation of its development and customer success as its core mission. Upholding value-oriented thinking, an efficiency-driven approach and product-driven development, the Group has consolidated its “3+2” business pattern, focused on the three core business segments of intelligent passenger information, digital-intelligent urban rail transit services, and innovative development business, implemented supporting assurance measures, and continuously enhanced its product competitiveness and service standards.

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 and other hardware and software products and solutions.

Digital-Intelligent Urban Rail Transit Services Business

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

Innovative Development Business

The innovative development business builds upon its established civil communications and “Smart+” operations, providing one-stop smart infrastructure services. Leveraging its Hong Kong-based international platform, it continues to explore new growth opportunities through innovative business models such as engineering support and technology services.

Figure: BIIT Three Core Business Segments



	<p>Corporate Culture: Creativity of an entrepreneur, Progressiveness as a climber, Persistence from a cultivator, and Contribution by a responsible person</p>
	<p>Core Values: People-centered, Quality-based, Innovation-driven, and Results-oriented</p>

Table: BIIT Corporate Culture and Core Values

MARKET DEVELOPMENT

The Group adheres to the market strategy of “maintaining a strong foothold in Beijing and Hong Kong, stepping up its presence nationwide, and making inroads into international markets”, and has delivered notable results in market development. As of 31 December 2025, the Group’s business had cumulatively expanded to 65 cities in Chinese Mainland and 32 cities in 21 countries and regions overseas. On the basis of continuously delivering high-quality services for Beijing rail transit and infrastructure development, the Group further expanded its service footprint across a wider geographic area and advanced the diversified extension of its product chain.

HONORS AND RECOGNITION

Leveraging its technological expertise and innovation capabilities, the Group has been recognized for its leading position across a number of specialized segments. During the Reporting Period, the Group received numerous accolades, including the Beijing Municipal Science and Technology Progress Award, the Science and Technology Progress Award of the China Urban Rail Transit Association, the Science and Technology Award of the China Communications and Transportation Association, and the Science and Technology Award of the Beijing Rail Transit Society. In addition, its holding company, Huaqi Intelligent, was recognized as a 2025 Jiangsu Province Advanced-Level Intelligent Factory. These achievements not only demonstrate the Group’s research and development capabilities, but also mark a solid step forward in advancing technological innovation in rail transit.

In recognition of its outstanding performance in green development, fulfillment of social responsibilities and corporate governance, the Group has, to date, been selected for the “ESG Pioneer 30 Index of Beijing Municipal State-owned Holding Listed Companies” for three consecutive years, and received the “Outstanding Case Award for the Comprehensive ESG Category of Beijing Municipal State-owned Holding Listed Companies”, established by the research group of the Blue Book on Environment, Social and Governance (ESG) of Beijing Municipal State-owned Enterprises.



Part III: Strengthening ESG Governance to Advance Sustainable Development

ESG GOVERNANCE FRAMEWORK

Party Building Leadership

The Group thoroughly studies and implements Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the guiding principles of the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China. It consistently upholds Party building-led corporate governance, strictly implements the “Three Importance and One Greatness” decision-making system, and continuously refines the general Party branch’s checklist for reviewing major matters. It clearly defines the powers and responsibilities of the Party committee, shareholders’ meeting, board of directors, and management team, and integrates the Party’s leadership deeply into every link of corporate governance and throughout the entire operation and management process. High-quality Party building effectively leads and safeguards the high-quality development of the enterprise.

In terms of ESG governance, the Group includes ESG-related matters – such as compensation incentives and risk management – into the pre-research and review scope of Party organizations. Relevant proposals must first be deliberated and vetted by the general Party branch before being submitted to the board of directors for decision-making. This ensures that the direction of ESG governance is highly aligned with the guidelines and policies of the Party and the state.

ESG Governance Structure

To discharge its duties to a high standard and in compliance with the requirements of the Corporate Governance Code set out in Appendix C1 to the Listing Rules of HKEX, the Board has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee under the Board. Each committee performs its duties in accordance with its terms of reference and delegated authority, providing the Board with high-quality analysis and recommendations to support its decision-making.

The Group has established, and continues to enhance a three-tier ESG Governance Structure, *the Board – ESG Committee – ESG Working Group*. As the highest governing body, the Board assumes the core responsibilities of strategic decision-making, oversight and approval, and provides overall coordination and direction for ESG work. The ESG Committee is appointed by the Board and comprises one executive Director and two non-executive Directors. Mr. Ren Yuhang, Chairman of the Board, serves as chairman of the ESG Committee and continues to lead the Committee in discharging its responsibilities. Mr. Liu Yu, Chief Executive Officer, is responsible for formulating the Group’s ESG development strategy and overseeing its implementation at the operational level. Mr. Luo Zhenbang, Chairman of the Audit Committee, coordinates ESG-related matters from a compliance perspective. The ESG Committee members possess work experience and qualifications across key areas, including intelligent transportation, transport planning and management, capital operations and investment development, corporate governance, accounting, auditing and financial management, thereby ensuring the Company’s ESG governance is comprehensive and efficient. The ESG Committee provides support and recommendations to the Board, gives full consideration to the expectations of internal and external stakeholders, and promotes the accurate direction, effective implementation of initiatives, and practical methodologies for sustainable development; It breaks down and refines ESG work requirements, coordinates internal resources, establishes a regular cross-departmental communication mechanism, continuously advances the implementation and effective execution of ESG tasks, and reports to the Board on a regular basis. The ESG Working Group serves as the cross-departmental body responsible for ESG implementation, undertakes specific assignments, and promotes the Group’s sustainable development goals and ESG-related themes, emphasizing the importance of process management and data governance, integrating ESG requirements into daily workflows and business standards, and maintaining regular communication with the ESG Committee to form a closed-loop execution mechanism that operates ‘top-down and from the inside out’.



Figure: BIITT ESG Governance Structure

During the Reporting Period, the Board considered ESG-related matters on two occasions, with a focus on the annual ESG report and the proposed amendments to the *Terms of Reference of the ESG Committee*; The ESG Committee convened two committee meetings to further review and discuss the annual ESG report, the progress of ESG initiatives, and future work plans. To ensure that the Group’s ESG initiatives remain aligned with international development trends and industry regulatory requirements, the Group engaged an external ESG consultant to provide all Directors with three training sessions, totalling six hours, on key topics including the formulation of ESG and climate strategies, China’s ESG regulatory requirements and the ESG challenges faced by Chinese enterprises in expanding overseas, as well as recommendations on responding to the ESG Code of HKEX. This supported the Group in strengthening its ESG governance framework and in defining the key directions and priorities for its future ESG development.

Part III: Strengthening ESG Governance to Advance Sustainable Development

MATERIALITY ASSESSMENT

Identification of and Communication with Stakeholders

The Group regards material ESG issues as important guidance for the implementation, improvement and reporting of ESG matters. We pay close attention to the various impacts of our operational decisions on stakeholders. In the course of our daily operations, we have established efficient and effective communication channels to maintain engagement with various stakeholders, including government and regulatory authorities, shareholders and investors, customers and industry associations, suppliers, employees, communities and the public, with a view to listening to feedback and expectations from all parties and promoting corporate development aligned with the interests of all parties.







Key Stakeholders	Expectations and Concerns	Communication Channels
Government and Regulatory Authorities 	Compliance Operations Work Safety Tax Compliance Promoting the Sound Development of the Industry	Information Disclosure Regulatory Inspections Consultation Forums and Seminars
Shareholders and Investors 	Sustainable and Stable Returns Sound Governance Structure Enhanced Risk Management and Control Transparent Disclosure of Information	General Meetings Periodic Reports and Announcements Investor Communications Group Website and Press Releases
Customers and Industry Associations 	Enhanced Products and Services Protecting Customer Privacy Safeguarding Customer Rights and Interests Meeting Customers' Diverse Needs	Marketing Participation in Major Exhibitions Customer Visits Satisfaction Surveys Industry Conferences
Suppliers 	Fair Trading Integrity and Mutual Benefit Collaborative Improvement and Enhancement Advancing Management and Technology	Procurement Compliance Briefing Supplier Conference Contracts and Agreements Delivery and Collaboration Training Activities
Employees 	Benefits and Remuneration Safeguarding Employees' Lawful Rights and Interests A Healthy and Safe Working Environment Training and Capability Development	Internal Publications Caring Activities Career Development Communication Employee Engagement Survey Employee Training
Community and the Public 	Fulfilling Environmental Responsibilities Contributing to Community Development Promoting Employment	Poverty Alleviation Charitable Activities News and Announcements Group Website

Table: Communication Methods with BIIT Key Stakeholders

Part III: Strengthening ESG Governance to Advance Sustainable Development



Materiality Matrix

During the Reporting Period, the Group continued to communicate with various stakeholders through the above means and, with reference to China's carbon emission policies and emission reduction targets, the requirements of regulatory authorities, guidance from industry associations, ESG issues identified by industry peers, as well as customers' recommendations and requirements, conducted a comprehensive analysis and review of the Group's materiality matrix and determined 5 material environmental issues, 13 social issues and 5 governance issues for the year.

Environment		
1. Greenhouse Gas and Air Emissions Management	2. Energy Use and Management	3. Resource Utilization and Management
4. Non-hazardous Waste Management	5. Climate Change Response	
Social		
6. R&D and Technological Innovation	7. Product Quality and Safety	8. High-quality Customer Service
9. Intellectual Property Management	10. Information Security and Privacy Protection	11. Industry Collaboration and Ecosystem Development
12. Smart Transport and Smart City	13. Sustainable Supply Chain Management	14. Employee Compliance, Equality, Diversity and Inclusion
15. Employee Development and Training	16. Employee Health and Safety	17. Employee Benefits and Talent Attraction
18. Social Investment and Public Welfare Contributions		
Governance		
19. Compliance Operations	20. Business Ethics and Anti-corruption	21. Risk Management
22. ESG Governance Framework	23. Responsible Investment	

Table: BIIT Materiality Matrix

Materiality Assessment

The Group follows the materiality assessment principles adopted in previous years by assessing and analyzing relevant material topics with comprehensive consideration of their importance to stakeholders and to the Group, thereby deriving the materiality assessment matrix for the year. The results indicated that nine issues were identified as highly material: “R&D and Technological Innovation”, “Compliance Operations”, “Product Quality and Safety”, “High-quality Customer Service”, “Employee Benefits and Talent Attraction”, “Smart Transport and Smart City”, “Employee Health and Safety”, “Employee Development and Training”, and “Employee Compliance, Equality, Diversity and Inclusion”, primarily relating to the Group’s business operations and employment management. Compared with the previous assessment results, the materiality of two issues related to the sustainable development of the rail transit industry – R&D and Technological Innovation, and Smart Transport and Smart City – increased significantly, reflecting the Group’s and stakeholders’ higher expectations for innovation strength and digital transformation capability; the matters relating to product and service quality are a core component of the Company’s competitiveness, and hence the relevant topics continued to rank as a priority in terms of materiality during the year; the overall importance of employment management-related issues remained broadly stable, continuing to reflect the Group’s and stakeholders’ sustained concern and strong emphasis on the protection of employees’ rights and interests, human-centric care mechanisms, and other perspectives, driven by factors such as rising industry standards and changes in the macro environment.

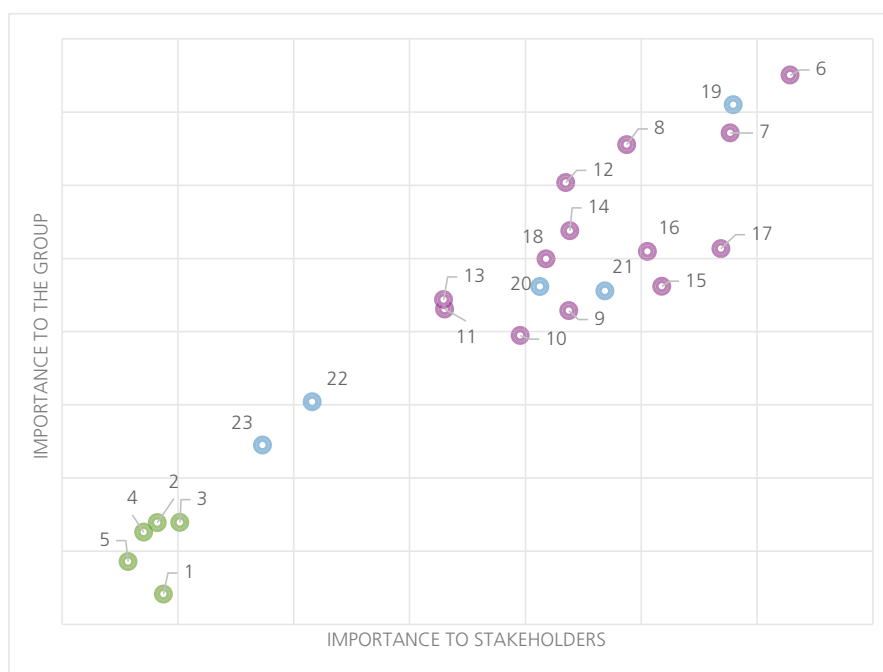


Figure: BIITT Materiality Assessment Results


The rail transit industry is inherently a core enabler of green and low-carbon mobility, and green development represents the sector’s natural foundation and widely shared consensus. The Group focuses on rail transit software and hardware equipment. Unlike traditional high-energy-consuming manufacturing industries, the environmental impact arising from its own production and operational processes is inherently low. In addition, it has consistently complied strictly with all environmental protection laws and regulatory requirements, maintained a mature and standardized environmental management system, delivered stable environmental performance, and kept overall environmental risks under control. Accordingly, in this materiality assessment, environmental issues were assessed as relatively low-risk and highly mature, and therefore ranked at a relatively lower level of priority. Going forward, the Group will continue to uphold the green development philosophy and support the industry’s low-carbon transition.



SUSTAINABLE DEVELOPMENT GOALS

Alignment with the United Nations Sustainable Development Goals (SDGs)

The Group remains committed to sustainable development and continues to analyze the alignment between the Group’s business development and the 17 United Nations Sustainable Development Goals. Based on assessments of materiality, relevance and achievability, the Group has incorporated six of these goals into its strategic direction and operational practices, striving to realize coordinated growth in economic, social and environmental value through its own initiatives and to contribute to global sustainable development.

Sustainable Development Goals	Group Policy	Related Sections
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Ensure healthy lives and promote well-being for people of all ages</p> <ul style="list-style-type: none"> 3.6 By 2030, halve the number of global deaths and injuries from road traffic accidents, and continue to reduce fatalities caused by road traffic injuries. 	<p>Sections V and VI</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <ul style="list-style-type: none"> 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and ensure equal pay for work of equal value. 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrant workers, and those in precarious employment. 	<p>Part VIII</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p> <ul style="list-style-type: none"> 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, to support economic development and human well-being, with a focus on ensuring affordable and equitable access for all. 	<p>Sections V and VI</p>

Part III: Strengthening ESG Governance to Advance Sustainable Development




Sustainable Development Goals	Group Policy	Related Sections
 <p>10 REDUCED INEQUALITIES</p>	<p>Reduce inequality within and among countries •</p> <p>10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, economic status or other status.</p> <p>10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard.</p>	<p>Adhere to the principle of equal employment and eliminate any discrimination on the basis of age, region, religion or other factors.</p> <p>Part VIII</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Promote cities and human settlements to become inclusive, safe, resilient and sustainable •</p> <p>11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improve road safety, notably by expanding public transport, with special attention to the needs of people in vulnerable situations, women, children, persons with disabilities and older persons.</p>	<p>Participate in the development of rail transit systems in China and other developing economies, expand the scale of public rail transit services, and safeguard the daily production and livelihood needs of the general public.</p> <p>Sections V and VI</p>
 <p>13 CLIMATE ACTION</p>	<p>Take urgent action to combat climate change and its impacts •</p> <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p>	<p>Through the launch of a series of innovative solutions, we help customers achieve more efficient energy consumption management and operational efficiency improvements, thereby contributing to energy conservation and emissions reduction across the industry.</p> <p>Parts V, VI and IX</p>

Table: Approaches to Fulfilling the United Nations Sustainable Development Goals and Related Sections



BIITT Sustainable Development Goals

By integrating the Group’s business operations with sustainable development, and in accordance with the relevant requirements of HKEX, we established short- to medium-term sustainable development goals in 2022 and have continued to advance them as an integral part of our daily operations.



Figure: BIITT Sustainable Development Goals

During the Reporting Period, in respect of business development, the Group continued to introduce diversified solutions that are innovative, efficient and green, so as to ensure the safe development of its rail transit business and the safe operation of its services, thereby enhancing passenger experience and promoting industry development; in respect of responsibility fulfillment, the Group is committed to continuously creating value for employees, partners and the wider community, and to jointly fostering a better society that is harmonious, equal, inclusive and mutually supportive; in respect of environmental management, the Group increased the proportion of clean energy use and implemented electricity management measures, achieving ahead of schedule its target for reducing the carbon emission intensity of electricity consumption, thereby contributing to the nation’s carbon peaking and carbon neutrality goals and advancing sustainable development.



Part IV: Upholding Integrity in Operations and Reinforcing the Foundations of Compliance

Compliance operations are the foundation for safeguarding the stable operation and sustainable development of the Group's business. The Group strictly complies with the applicable laws and regulations of the countries and regions in which it operates, ensuring that its products and services fully satisfy the market entry standards and requirements of their target markets, adhering to the principles of fair competition, and safeguarding the market ecosystem. The Group has established a comprehensive internal compliance management system. Through ongoing internal control management, compliance reviews, risk identification, and prevention and control measures, it has reinforced the defense line for compliance operations and strengthened its risk control system.

INTEGRITY AND ETHICAL CONDUCT

The Group comprehensively advanced the development of its integrity framework from three aspects, namely system framework building, coordination of supervision and inspection mechanisms, and promotion of an integrity culture, in order to prevent and combat fraud, strengthen internal controls, standardize business conduct, and foster a culture of integrity, thereby safeguarding the interests of the Group and the rights and interests of shareholders. During the Reporting Period, the Group verified the relevant circumstances to the extent practicable and confirmed that no corruption-related litigation or external investigation involving the Group or its employees had occurred.

- **Development of Institutional Frameworks**

The Group has established policies including the *Measures for the Management of Whistleblowing* and the *Anti-Fraud Management Measures*, which clearly set out the procedures for the receipt, investigation, handling and feedback of reports concerning non-compliant conduct, as well as the disciplinary measures applicable to such conduct. These policies also specify the responsibilities and measures for the protection of whistleblowers, thereby encouraging all parties to report violations and fraudulent conduct. The Group has published such documents on its official website and provided download links, and has disclosed reporting channels including its mailing address, email address and telephone number. It also communicates the handling results in a timely manner to ensure that reported information receives genuine and effective feedback.

- **Supervision and Inspection Mechanism**

The Group has established disciplinary inspection and supervision systems, continued to strengthen its disciplinary inspection team, and appointed part-time disciplinary inspection committee members and Party conduct and integrity supervisors, ensuring that the daily operations of all levels, departments and teams of the Group are subject to integrity oversight. At the same time, the Group has established a joint working group for the supervision and inspection of Party conduct and integrity, together with supporting operational management mechanisms, to regularly organize and conduct cross-departmental joint inspections and convene exchange and sharing sessions on inspection results. During the year, the joint working group on supervision and inspection of Party conduct and clean governance conducted 8 focused political oversight reviews, and carried out targeted oversight across 9 key areas, including tendering and procurement management, as well as the management of expenses, benefits, allowances and subsidies, thereby achieving full coverage of discipline inspection and supervisory oversight.

- Integrity Culture Promotion**

In the course of its operations, the Group continuously cultivated and maintained a sound culture of integrity, uprightness and compliant operations, with a focus on core topics and the deepening of study and discussion. During the year, it organized the 2025 warning and education conference themed 'Drawing Lessons from Cases and Promoting Rectification through Cases', clearly stating that 'political development shall be taken as the overarching guide to consolidate the ideological foundation; By using disciplinary education as a key means to strengthen rules awareness'. The initiative further enhanced employees' understanding of discipline and the law, covering 230 employees across the Group. During the year, the Group also organized a number of dedicated training sessions and visits to themed exhibitions, issued the integrity e-newsletter each quarter, promptly communicated applicable legal and regulatory requirements, presented representative cases, and included columns such as Special Topic on Learning and Education, and Discipline and Law Encyclopedia, continuously fostering a culture of integrity.



Photo: 2025 Warning Education Conference on "Drawing Lessons from Cases and Promoting Rectification through Cases"



Part IV: Upholding Integrity in Operations and Reinforcing the Foundations of Compliance

In support of compliance operations and the development of its integrity framework, the Group organizes anti-corruption, anti-bribery and anti-fraud training annually. During the year, the Group conducted 1 anti-corruption, anti-bribery and anti-fraud training sessions, attended by all 9 members of the Board.

COMPLIANCE FRAMEWORK DEVELOPMENT

The Group continued to uphold the principle that the Chief Executive Officer bears primary responsibility for compliance management. In accordance with the *Regulations on Compliance Management*, the Chief Compliance Officer discharged his duties and carried out day-to-day legal and compliance work, including participating in the formulation of major decisions, reviewing material contracts and internal policies, providing recommendations on risk prevention, improving compliance management mechanisms and organizational arrangements, and organizing compliance communication and training, thereby ensuring that external regulatory requirements are incorporated into internal management systems and that relevant targets are formulated and implemented.

- **Accountability Implementation**

The Group has continued to strengthen accountability for compliance management by incorporating compliance management responsibilities into the annual performance appraisal system and translating them into quantifiable work targets, thereby making compliance management an integral part of the daily work of all departments and a binding requirement, and ensuring that all departments consistently remain attentive to and comply with business-related laws and regulations as well as the Group's internal compliance requirements in the course of their daily operations.

- **System Management**

The Group organized all departments to carry out the 2025 centralized development of the Group's system management framework, and issued and advanced the implementation of the *2025 Centralized Development Plan for the Company System Management Framework*. During the year, the Group centrally revised 54 systems, including the *Provisions on System Management*, the *Administrative Measures for Legal and Compliance Review*, and the *Provisions on Internal Control and Risk Management*, and introduced 7 new detailed systems covering areas such as capital operations, human resources and project management. The Group also continued to enhance the integrated management framework for internal control, compliance and risk management, while providing institutional guidance for the execution and implementation of ESG- and climate-related work. At the same time, the Group continued to conduct various regular inspections and special supervisory reviews, thereby continuously strengthening the execution and adaptability of its institutional framework and providing compliance assurance for its operational and management activities. In addition, during the Reporting Period, the Group orderly conducted an evaluation of its 2025 internal control and compliance work and issued the *2025 Internal Control and Compliance Evaluation Report*. During the year, the Group's various systems were, on the whole, effectively implemented and operated satisfactorily, and no major or significant deficiencies in implementation were identified for the time being.



- **AI Contract Management**

The Group continued to advance the integration of its AI legal review assistant with the office automation system, incorporating AI review into the contract pre-review process to automatically capture contract information and generate review comments, while seamlessly interfacing with existing digitalised workflows. This strengthened the effectiveness of contract review as the “first line of defense”, improved the efficiency of contract pre-review, enhanced contract management efficiency, and promoted intelligent transformation.

- **Compliance Training**

The Group organizes specialized compliance training annually. Through multiple training sessions covering different themes and business functions, it ensures comprehensive compliance training coverage across the Group, promotes a disciplined and meticulous work style grounded in compliant operations, and enhances employees’ compliance awareness. During the year, the Group conducted a total of 5 specialized legal and compliance training sessions.



Specialized Training on *Project Delivery Risk Management Through Dispute Cases*

During the Reporting Period, the Group engaged external professional legal advisers to provide specialized training on project delivery risk management. Using multiple dispute cases relating to construction project contracts and arbitration cases involving sale and purchase contract disputes as examples, and taking into account various issues arising in the course of contract execution and performance, the training distilled a number of risk management alerts, standardized contract management procedures, enhanced employees' awareness of risk prevention and control, and helped avert risks before they arise.



Photo: Training Session



Special Training on Procurement Compliance Management and Risk Prevention and Control for State-owned Enterprises

During the Reporting Period, the Group engaged external professional legal advisers to provide specialized training on procurement compliance management and risk prevention and control. Centering on the compliance management of state-owned enterprises, the training covered procurement and tender supervision, major legal risks arising in the tendering process, and risk prevention and control measures, with a view to enhancing the depth of understanding and practical application capabilities of personnel involved in tendering and bidding in relation to the relevant laws and regulations. This effectively mitigated legal risks such as procedural non-compliance and safeguarded the legality, fairness and standardization of the Group’s tendering and bidding activities.

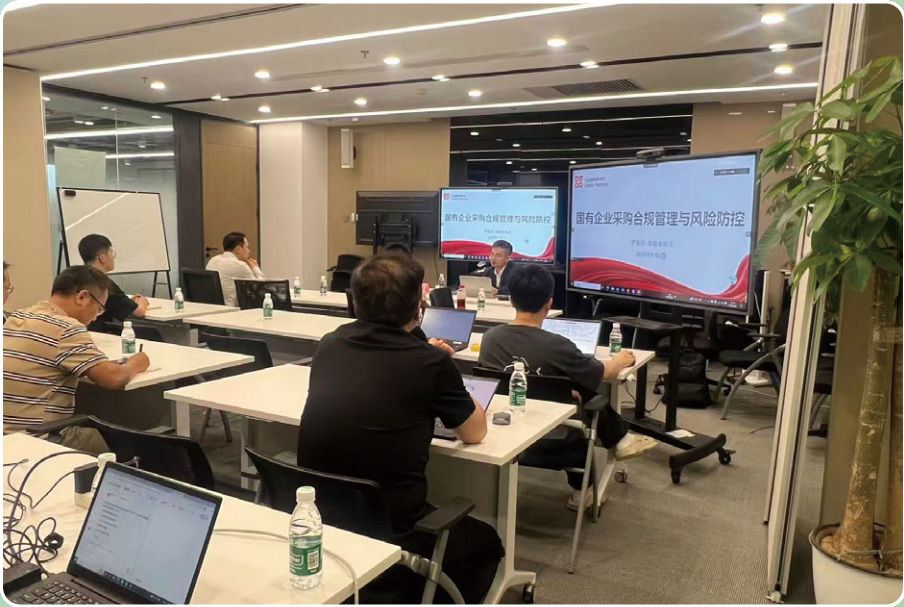


Photo: Training Session



Special Training on Key and Challenging Issues in the General Provisions of the Contract Section of the Civil Code and Its Judicial Interpretations

During the Reporting Period, in accordance with the Group's annual implementation plan for legal awareness promotion and law-based compliance initiatives, and in response to employees' need for guidance on issues relating to the *General Provisions of the Contract Section of the Civil Code*, the Group engaged external professional legal counsel to provide thematic training to all employees, further strengthening the standardization of contract management, enhancing compliance requirements, and fostering law-abiding awareness.



Photo: Training Session

RISK MANAGEMENT

The Group conducts internal control and risk management in accordance with the principles of 'comprehensiveness, materiality, checks and balances, adaptability and cost-effectiveness'. Adhering to a risk management-oriented approach with a focus on legal and compliance oversight, the Group has established and continuously improved a stringent, standardized, comprehensive and effective internal control and risk management system, thereby forming an internal control and risk management mechanism that is comprehensive in scope, engages all employees, covers all processes and spans the entire system. The Group has established and strictly implemented the *Internal Control and Risk Management Regulations*, which clearly set out the division of responsibilities, basic procedures, and supervision and evaluation methods for internal control and risk management.



<p>Board</p>	<ul style="list-style-type: none"> Responsible for the effectiveness of the Group’s internal control and risk management systems; Consider and approve the basic systems for internal control and risk management, the annual internal control evaluation report, the annual risk management work report, and other major matters.
<p>Audit Committee</p>	<ul style="list-style-type: none"> In accordance with its terms of reference, responsible for providing recommendations to the Board in support of its decision-making on matters relating to the Group’s internal control and risk management.
<p>Management</p>	<ul style="list-style-type: none"> In accordance with the Board’s decisions and requirements, organize and implement the Group’s internal control and risk management requirements, and facilitate the achievement of the Group’s risk control and strategic objectives; Responsible for organizing and overseeing the daily operation of the Group’s internal control and risk management, and accountable to the Board for the effectiveness of the internal control and risk management system.
<p>Legal and Audit Department</p>	<ul style="list-style-type: none"> Take the lead in organizing the Group’s day-to-day internal control and risk management work, and establish and enhance the Group’s internal control and risk management system; Provide guidance to, and supervise, the Group’s various departments and subsidiaries in carrying out work related to internal control and risk management; Take the lead in organizing the assessment of the effectiveness of the internal control and risk management systems of the Group’s various departments and subsidiaries; Supervise and guide the Group’s various departments and subsidiaries in completing the rectification of deficiencies identified in the assessment of the internal control and risk management systems.
<p>Various departments and subsidiaries</p>	<ul style="list-style-type: none"> Responsible for establishing, improving and implementing the internal control and risk management systems of their respective units; Responsible for identifying, summarizing and updating risks arising in their respective operations, and for handling and reporting risk events and potential risk issues of their respective units; Improve and update relevant documents relating to the entity’s internal control and risk management systems, flowcharts, control points and other related documentation; Be responsible for rectification of issues identified in the entity’s internal control and risk management, and report back to the Legal and Audit Department as required.

Figure: Internal Control and Risk Management Framework

Part IV: Upholding Integrity in Operations and Reinforcing the Foundations of Compliance

Risk Identification	<ul style="list-style-type: none"> Collect risk information, including strategic risk, financial risk, market risk, operational risk, legal risk and ESG risk, and organize and identify such risk information with reference to the internal and external environment, compliance obligations, risk distribution and other aspects, so as to formulate a risk register.
Risk Assessment	<ul style="list-style-type: none"> Regular risk assessment: establish criteria or mechanisms for determining material risks, conduct systematic analysis, including the likelihood of occurrence, extent of impact, and potential consequences of risks, and formulate risk assessment results or selection recommendations. The status of risk management work shall be incorporated into the annual risk management report and submitted to the Board for consideration and approval. Specialized assessment: taking into account business characteristics, conduct specialized risk assessments based on actual business operations, and give full play to the role of risk assessment in the early identification and preventive control of risks in daily operations. Risk assessment for material matters: Prior to making decisions on material matters, risk assessments shall be conducted to provide the necessary support for such decision-making.
Risk Management	<ul style="list-style-type: none"> Based on the results of regular risk assessments, the responsible departments shall, having regard to their own circumstances and the external environment and in alignment with the Company's development strategy, determine risk appetite and risk tolerance, select management strategies such as risk avoidance, risk transfer, risk mitigation and risk acceptance, formulate management opinions or recommendations, develop response plans for each major risk, and incorporate them into the annual risk management work report, which shall be submitted to the Board for review and approval, following which implementation shall be carried out by the responsible departments.
Risk Monitoring	<ul style="list-style-type: none"> Reasonably formulate qualitative or quantitative risk control indicators, regularly monitor changes in material risks, establish and improve reporting mechanisms for material potential risk hazards and material risk incidents, adopt effective measures to minimize losses and adverse impacts, report to the management and decision-making bodies, and carry out the reporting procedures for material risk incidents in accordance with the relevant requirements; For material and complex risks, a dedicated meeting on risk response may be convened where necessary; For risks that are typical, widespread, likely to result in serious consequences, or extensive in impact, all units concerned with compliance risks shall include such risks in the key areas of compliance management and issue timely alerts; For major risk events that occur, analyses shall be conducted on internal control deficiencies, relevant management recommendations shall be formulated, the causes of such risk events shall be examined, lessons learned shall be summarized, management gaps shall be identified, and the standard of risk prevention and control shall be enhanced.

Table: Risk Management Process

Part IV: Upholding Integrity in Operations and Reinforcing the Foundations of Compliance



During the year, the Group continued to optimize the dynamic tracking mechanism for risk events, established a regular mechanism for the collection and updating of risk information, and adopted a risk information register to carry out qualitative monitoring of risk events. At the same time, the Group has established a robust risk monitoring indicator system to track risk developments through quantitative monitoring, implement ongoing tracking and management, and establish a comprehensive closed-loop mechanism for the management of risk events.

During the year, the material environmental transition risk identified by the Group was the risk of legal disputes. We have formulated multi-dimensional response measures and, by conducting specialized training on identified risks, enhanced employees' legal and risk awareness, while strengthening business compliance and risk prevention capabilities; further strengthened communication with partners, defined contractual terms and responsibilities, and safeguarded the Company's interests; at the same time, established and enhanced a risk early-warning mechanism, and promptly analyzed and assessed various risk events in light of market dynamics and policy changes, so as to identify, prevent and mitigate risks at an early stage.



Part V: Focusing on Industry Applications and Integrating R&D Capabilities

The Group continued to focus on the rail transit industry, driving deep integration of advanced technologies such as big data, cloud computing, and artificial intelligence across core scenarios including command and dispatch, operations and maintenance, and passenger services. We actively identify new scenarios and emerging needs in rail transit operations and infrastructure development, maintain high level investment in technological application innovation, optimize products and solutions, and builds a reserve of technical systems that deliver both industry value and environmental and social benefits. Through responsible innovation, we empower rail transit travel services to become safer, more convenient, more user-friendly, and lower-carbon, contributing to the development of an inclusive, resilient, and sustainable urban mobility ecosystem.

R&D FRAMEWORK AND MANAGEMENT

The Group has established a research institute, comprising the Cloud and Data Innovation Center, the Intelligent Rail Innovation Center and the Technology Innovation Department, which are respectively responsible for the development and application of cloud computing and big data, the development and application of artificial intelligence and train-scenario platforms, the overall coordination of research initiatives and product projects, and intellectual property management, thereby ensuring the Group's products and services remain consistently compliant, innovative and industry-leading.

R&D Team Development

The Group places great emphasis on R&D team development and implements the working policy of "respecting labor, respecting knowledge, respecting talent and respecting creativity". It has formulated and continuously refined the Implementation Rules for Technological Innovation Awards, improved its technology innovation incentive mechanism, stimulated innovation vitality across the workforce, empowered technology R&D and the transformation of research results through positive incentives, and strengthened the foundation for scientific research and development. Adhering to the principles of openness, fairness and impartiality, we organize at the beginning of each year the solicitation and assessment of awards for scientific research achievements from the previous year. We have also established the Scientific Research Application Award, Scientific Research Achievement Transformation Award, Science and Technology Achievement Award and Supporting Award, among others, and provide incentives such as awards and cash bonuses to teams and individuals that have made outstanding contributions to the Group's technology innovation initiatives. During the year, we conferred a total of 24 science and technology achievement awards and 2 scientific research project commercialization achievement awards.

The Group implemented the strategy of 'Strengthening the Enterprise with Talent', attached great importance to the cultivation of R&D and technical personnel, and continuously enhanced its talent reserve. To give full play to the leading role of R&D and technical personnel in the Group's technological innovation, technological advancement and scientific research and development, and in accordance with the principles of 'selecting only the best, preferring quality over quantity,, and prioritizing business needs', the Group established an R&D talent pool, conducted a comprehensive review and classification of R&D personnel, and identified the development directions and training plans for talent at each tier.

Part V: Focusing on Industry Applications and Integrating R&D Capabilities

<p>High-caliber, top-tier talent</p>	<p>Mainly refers to technical leaders with strong professional expertise, a high level of scientific and technological research capability, and the ability to analyze and resolve complex technical or management issues; serving as the technical lead in key specialized projects, technological research and innovation, or management projects, and having made significant contributions; having substantial influence in areas such as science and technology awards, patents, standards formulation, the publication of academic papers in core journals, or the publication of academic monographs.</p>
<p>Innovative Talent</p>	<p>Primarily serves as a professional leader in product and technology research, playing a pivotal role in the technical field; serves as a key technical member in key special initiatives, technological research and innovation, or management projects, and has made substantial contributions; has demonstrated significant accomplishments in science and technology awards, patents, standards development, publishing academic papers in core journals, publishing academic monographs, and other perspectives.</p>
<p>Young Core Research Talent</p>	<p>Primarily refers to young personnel with strong development potential who participate in key special initiatives, technological research and innovation, or management projects, and provide support for technology R&D decision-making; certain achievements were attained in technology-related awards, patents, standards development, and the publication of academic papers.</p>

Table: R&D Talent Pipeline

The Group continuously organized and implemented specialized R&D training programs to support the team in keeping abreast of cutting-edge industry technologies and research methodologies, enhancing professional capabilities and innovative R&D capacity, and reinforcing the talent base and collaborative R&D capabilities underpinning the Group's technological innovation and product upgrading. During the year, the Group provided all employees with specialized training on data assets and large-model R&D, promoting the exploration of the value of data assets and the deep integration of large-model technologies into business operations, thereby strengthening digital momentum for the enterprise's technological innovation and high-quality development.



Figure: R&D Specialized Training Session

Part V: Focusing on Industry Applications and Integrating R&D Capabilities

R&D Directions and Case Studies



Figure: BIIT R&D and Innovation Platform



AI Digital Intelligence Product Matrix Framework

During the year, building on the work of its dedicated AI task force, the Group established a '1+2+1+N' AI product system. Through a five-dimensional integrated technology framework comprising computing power+data+models+platforms+scenarios, and by leveraging a flexibly deployable computing foundation together with a comprehensive, high-quality industry knowledge base, the Group achieved the efficient development and coordinated application of AI agent, thereby extensively empowering application scenarios such as passenger services, operations management, equipment operation and maintenance, emergency response and corporate management.

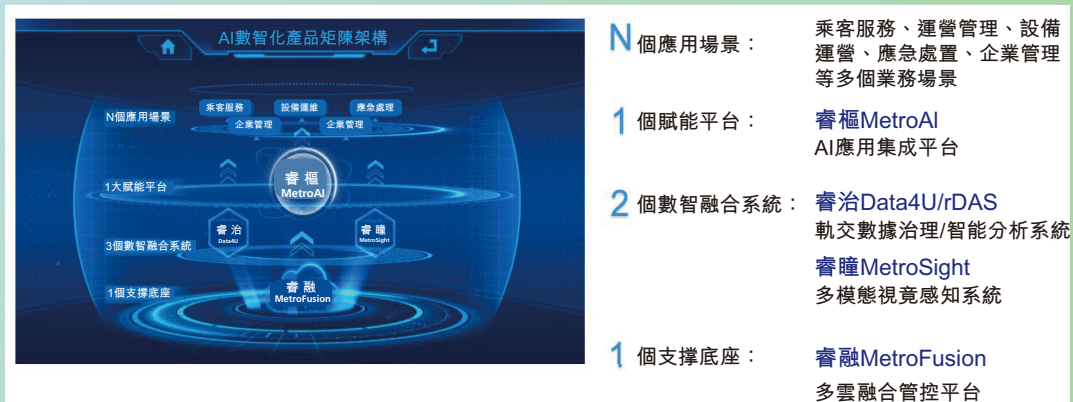


Figure: Architecture of the AI Intelligent Product Matrix

We launched the Ruishu MetroAI platform, which, through the five-dimensional integration of computing power, data, models, platform and scenarios, enables end-to-end management of all AI elements, full-process development of AI agents, and integrated applications combining intelligent agents with traditional systems, thereby rapidly responding to the intelligent needs of diverse rail transit scenarios.



Artificial Intelligence Infrastructure Support and Large-Model Application System

During the year, the Group advanced the R&D of AI large-model applications for the rail transit sector, with a focus on optimizing business scenarios such as passenger services, operation scheduling, public opinion monitoring, agile BI and operation and maintenance management. This resulted in systematic and standardized solutions featuring integrated functionalities including the knowledge base, model engineering, tool management, AI agents, and pre-configured typical scenarios, thereby enabling the Group to provide customers with convenient, comprehensive and innovative services.

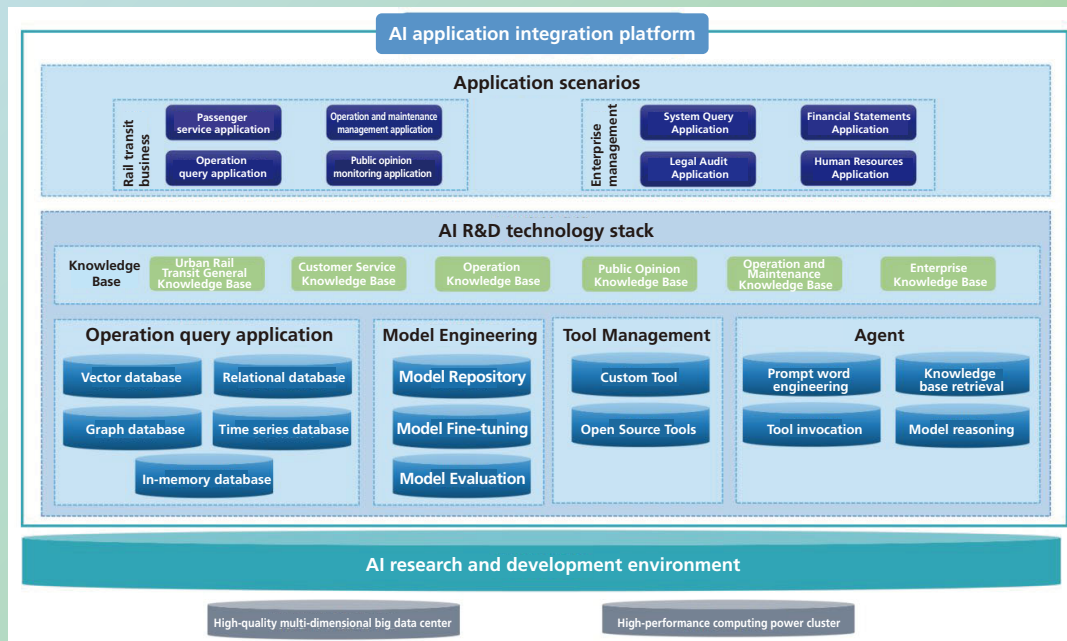


Figure: AI Application Integration Platform



Data4u Data Development Factory

The Data4u Unified Data Management Platform comprises four core modules: the Unified Data Access Platform (uDAP), Unified Data Model Service (uDMS), Unified Data Sharing Service (uDSS), and Unified Data Governance Service (uDGS).

During the year, the Group established a data development factory based on the Data4u Data Management Platform, integrated the data processing workflow, strengthened the underlying data infrastructure, and achieved comprehensive functional alignment of front-end products. Centered on unified development and centralized dispatch management, it enables integrated management of script development and unified scheduling and monitoring of operational tasks, thereby improving operations, maintenance and development efficiency.

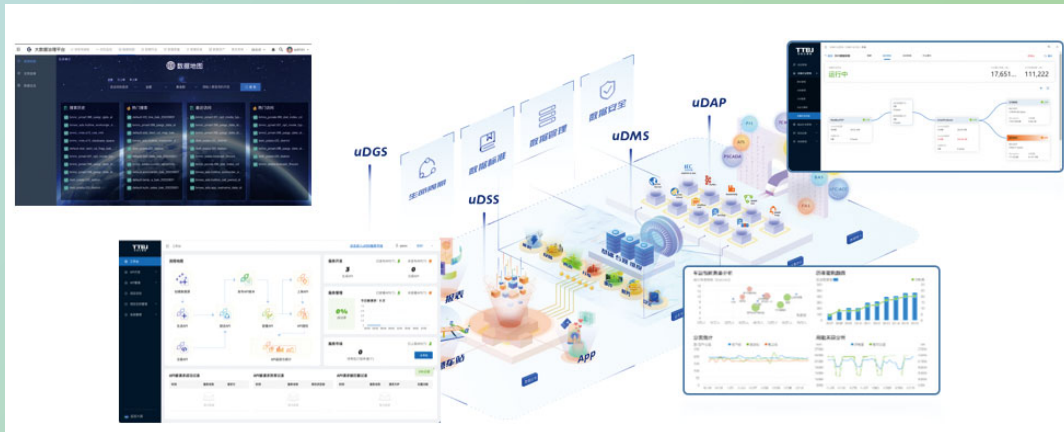


Figure: Data4u Data Development Factory



Rail Transit Train Onboard Edge Cloud Platform

To address pain points in rail transit onboard scenarios, including difficulties in cross-module management, substantial equipment space occupancy and high data collection redundancy, the Group has independently developed an onboard edge cloud platform. The system adopts a distributed train deployment architecture based on cloud-node modules, enabling customers to build a lightweight onboard edge cloud that integrates functions such as onboard and wayside communications, audio-visual playback, video surveillance and intelligent analysis, smart environmental control, and intelligent operations and maintenance, thereby realizing the integrated, efficient and secure operation, as well as unified management, of onboard services.

During the year, the Group leveraged the integration of advanced technologies such as edge cloud computing and artificial intelligence to achieve deep integration with high-speed rail passenger service operations, underscoring a significant technological breakthrough in the intelligent and digital development of China's high-speed rail. The system further re-engineered service logic across the three dimensions of passenger experience, operational efficiency and safety oversight, fostering a new intelligent service ecosystem characterized by efficient collaboration.

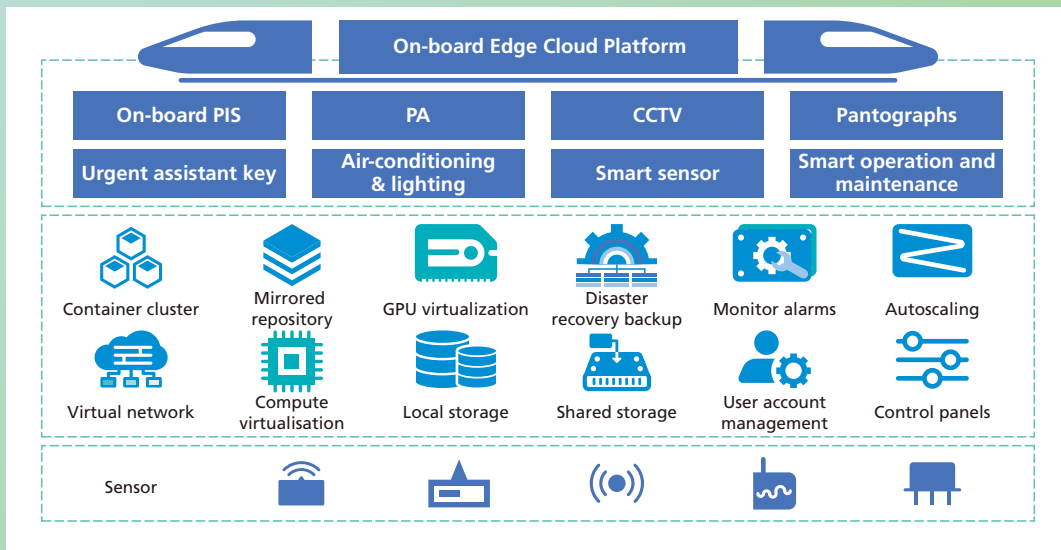


Figure: Main Functions of the Onboard Edge Cloud Platform

Part V: Focusing on Industry Applications and Integrating R&D Capabilities



R&D Investment

The Group closely monitors developments in emerging technologies and strives to achieve the organic integration of big data, cloud computing, artificial intelligence and other technologies with the Group's products and solutions. Through sustained and stable R&D investment, the Group unleashes the team's innovation momentum, reinforces product development capabilities, consolidates its core technology foundations, and enhances its competitiveness and market influence. During the year, the Group's R&D expenses amounted to approximately HKD1.876 million, representing an increase of approximately 17.6% as compared with the previous year.

R&D Achievements

The Group has conducted a comprehensive review of its scientific research and technological resources, integrated and consolidated its research capabilities, and coordinated the Group's data resources with shared foundational cloud platform capabilities to generate synergies and create value. Built around the '3+2' business framework, the Group has focused on developing integrated 'digital intelligence' technologies, including the Urban Rail Transit Big Data Platform, the Urban Rail Transit Cloud-based Integrated Management Platform, the Rail Transit Train On-board Edge Cloud Platform, and the Urban Rail Transit Intelligent Algorithm Platform. During the year, the Group's Artificial Intelligence Application Integration Platform completed the Phase I development targets, continued to optimize its functions, and supported the rapid development of subsequent new AI agents.

Award Date	Award Name	Award-winning Project
2025	First Prize, 2024 Science and Technology Progress Award of the China Urban Rail Transit Association	Smart Innovation Application Demonstration for the Beijing Rail Transit Winter Olympics Branch Line
2025	First Prize, 2024 Science and Technology Progress Award of the Beijing Rail Transit Society	Beijing Rail Transit Intelligent Innovation and Engineering Demonstration Applications
		Research and Application of Key Technologies for Cloud-Native Rail Transit On-Board Edge Intelligence
2025	Second Prize, 2025 Science and Technology Progress Award of the Beijing Rail Transit Society	Research and Application of Key Technologies for an Integrated Smart Passenger Services Cloud Platform for Metropolitan Rail Transit
2025	Second Prize, 2024 Beijing Science and Technology Progress Award	Key Technologies and Applications for Operational Safety Situation Awareness and Coordinated Emergency Response in Mega-City Rail Transit Networks

Table: Awards Received by R&D and Innovation Projects

As at 31 December 2025, the Group had obtained, in aggregate, 169 patents and 703 software copyrights ("Software Copyrights"). During the year, the Group obtained 21 patents and 56 Software Copyrights, primarily in the areas including smart passenger services, automatic fare collection and inspection systems, data management and analysis, signal acquisition and processing, broadcasting and communications, vehicle operation and maintenance, safety and monitoring, infrastructure. During the Reporting Period, the Group was not involved in any legal disputes relating to intellectual property rights.



Part V: Focusing on Industry Applications and Integrating R&D Capabilities

During the year, the Group's R&D and innovation efforts focused on three principal areas: research topics, product projects and dedicated AI task forces:

- **Research topics:** the Group centrally coordinated and managed 17 ongoing research topic projects, including one project of the Beijing Municipal Science and Technology Commission; during the year, a total of three topics passed acceptance review, namely: 2023-GS-01 Feasibility Study on the Application of Digital Management and Control Technologies for De-icing and Snow Removal on the Daxing Airport Expressway; 2023-BX-01 Research and Demonstration on Key Technologies for Intelligent Decision-making in the Protection and Health Management of Urban Utility Pipe Wells against Unauthorized Intrusion; and 2023-GY-04 Research and Application of a Lightweight Digital Train Broadcasting System Equipped with Intelligent Operations and Maintenance Functions; a total of 2 research projects passed the mid-term review, namely Project 2024-LW-01, Key Technology Research on Integrated Ticketing, Fare Calculation, Clearing and Ticketing Management for Regional (Suburban) Railways and Urban Rail Transit, and Project 2024-GY-03, Research and Application on Enhancing Security Screening Efficiency at Urban Rail Transit Stations Based on Intelligent Image Recognition Technology; among the newly submitted research projects, a total of 9 projects passed the preliminary review, of which 6 passed the project establishment review, including 5 that have already passed implementation plan approval.
- **Product projects:** a total of 26 annual product projects were submitted by all units of the Group, including 20 new R&D product projects and 6 product projects carried forward from the previous year; 11 product projects completed internal acceptance during the year.
- **AI Task Force:** in light of the business development and functional application needs of the Group's various units, the Group coordinated the establishment of an AI task force, comprising one foundational platform team, four business application R&D teams, and one enterprise management application R&D team, to advance the delivery and application of 12 key outcomes. All 12 achievements for the year met the prescribed annual targets, with certain achievements having already been translated into outputs such as design documentation, solutions, software systems, hardware prototypes, invention patents, software copyrights, product white papers and demonstration videos.



Product Management System

The Group places emphasis on the overall coordination of its R&D system and the integrated planning of product R&D across its product portfolio. It has established and continuously updated internal rules and regulations, including the *Measures for Management of Scientific Research Projects*. Through the structured organization of the Product Management Committee, the Group undertakes product planning, R&D project initiation, patent registration, demonstration projects, product commercialization and overall product coordination, thereby enabling efficient collaborative management and the parallel advancement of multiple projects and workstreams to support ongoing development. During the year, the Product Committee convened meetings and completed key tasks, including considering the feasibility materials for product projects and approving project establishment.

The Group comprehensively advanced its product management efforts. As an important governance body established for matters relating to product management, the Product Management Committee reviews and evaluates matters including product systems, development direction, project establishment assessment, process management, acceptance of deliverables, upgrade iterations, and other matters, with the aim of reducing risks in the product management process, enhancing the scientific basis of final decision-making, and supporting the Group's decision-making. The principal levels and responsibilities of the Product Management Committee are as follows:

Director of the Product Management Committee	A person-in-charge nominated by the Research Institute shall assume this role and be responsible for chairing the routine meetings of the Product Management Committee and conducting a comprehensive review of the relevant matters.
Requirements Committee Member	Technical experts from the Group and its subsidiaries shall serve in this role and be responsible for participating in the review of key matters, including product initiation review and product acceptance review, with a focus on assessing the technical feasibility, technical soundness, technological advancement, alignment with industry development trends, and market application prospects involved in each matter.
Member of the Management Committee	Nominated by various departments of the Group, and specifically involved in the review of key matters in product management, including product initiation review, periodic summary analysis of product execution, product acceptance review, product suspension or termination review, and the determination of joint product promotion models, with a focus on reviewing matters in respect of product necessity, the reasonableness of revenue forecasts, financial reasonableness, the reasonableness of external collaboration, and other aspects.

Table: Structure and Responsibilities of the Product Management Committee



Part V: Focusing on Industry Applications and Integrating R&D Capabilities

Product Development Process

Product Submission	The Group's products are categorized into self-developed products and jointly developed products. The Group and its subsidiaries submit product plans in the first quarter of each year. Upon review by the Product Management Committee and the President's Office Meeting, the annual product plan is confirmed, and the relevant units advance internal project initiation in accordance with the annual product plan.
Product Research and Development	Each unit independently develops product projects and regularly reports key progress and deliverables to the Group. In the fourth quarter of each year, each unit provides an annual summary of its product projects, which is then consolidated and analyzed to form the Group's annual summary for submission to the Product Management Committee and the President's Office Meeting.
Product Acceptance Inspection	Upon completion of development work for each product project within the prescribed cycle, the relevant units shall arrange internal acceptance inspection and submit the relevant documentation to the Group. After centralized consolidation, relevant experts or members of the Product Management Committee shall be invited to conduct formal acceptance inspection in accordance with the requirements of each project.
Product Change Management	Where any change arises during implementation, the relevant unit shall submit a change application in accordance with the applicable product management procedures, and hierarchical control measures shall be applied based on the type of change.

Table: Product Development Process

Protection of Intellectual Property Rights

Intellectual property rights are important assets of the Group. We are committed to protecting our proprietary intellectual property rights, while ensuring that our business operations do not infringe the intellectual property rights of third parties. We implement the *Management Measures for Intellectual Property Rights* and the *Intellectual Property Compliance Management Measures*, continuously strengthening our management systems for infringement risk, allocating resources to safeguard intellectual property rights, and proactively organizing relevant training on intellectual property rights, thereby fostering a sound environment for R&D innovation and supporting the Group's steady development and continuous advancement. During the year, the Group provided all employees with training on the use of properly licensed software, reinforcing respect for intellectual property rights and enhancing awareness of intellectual property protection.



Figure: Intellectual Property Training Session

The Group has imposed confidentiality requirements in respect of trade secrets, including technical solutions, technical materials proposed for intellectual property protection applications, products and engineering projects, and requires employees to comply with such requirements strictly. In the event of any breach, the Group shall penalize the employee responsible for the unauthorized disclosure in accordance with the *Employee Reward and Disciplinary Management Measures*. For all research topics conducted under the Group's engineering projects, a *Confidentiality Agreement* for the relevant project must be signed. The *Confidentiality Agreement* clearly defines the confidential information involved in the project, sets out requirements for the use of all intellectual property rights involved in the project, specifies the rights and obligations of the signatory, and provides detailed provisions on liability for breach, including but not limited to liquidated damages and compensation for other losses. During the Reporting Period, the Group did not record any incidents of non-compliance with the relevant confidentiality undertakings.

GREEN AND INTELLIGENT PRODUCTS AND SOLUTIONS

China is rapidly advancing a new people-centered model of urbanization, creating development opportunities for the rail transit industry while also placing higher demands on safety, convenience, smart development and low-carbon transition. As an important participant in China's rail transit construction, operation and service ecosystem, the Group actively captures policy opportunities arising from industry development. While consolidating its traditional strengths, it also explores potential market demand driven by evolving circumstances, empowering rail transit operators to enhance operational efficiency and optimize passenger experience, while supporting the development of new green and smart communities and improving urban livability. Through the implementation of a range of innovative solutions and services, the Group continues to support customers in advancing carbon reduction initiatives, upgrading services to enhance the passenger travel experience, and enabling green and intelligent management.

- **Supporting Customers' Carbon Reduction Targets**

We fully recognize the critical role of enterprises in achieving carbon reduction targets and are committed to helping customers monitor and optimize energy consumption, reduce carbon footprints, and deliver greener and cleaner rail transit operational services through solutions such as smart energy management systems.

Smart Energy Management Products

Through metering energy consumption by category, sub-item and account across each line, station and vehicle depot, the Smart Energy Management Products enable comprehensive collection of energy consumption data, full-scenario awareness of energy consumption information and visualized real-time monitoring. Leveraging intelligent analytics, these products support integrated smart operations and provide data support for optimizing train operating parameters and adjusting electromechanical equipment settings, thereby establishing a comprehensive green urban rail solution and supporting the urban rail transit industry in accelerating its green transformation.

In 2025, we strongly promoted the deployment and application of intelligent energy consumption control products in the Shijiazhuang rail network energy monitoring system, laying the foundation for the Group's rail network energy consumption solutions; at the same time, the operation and maintenance service project for the Beijing Metro energy consumption platform system was further optimized through intelligent energy consumption control products, thereby enhancing operation and maintenance efficiency. Looking ahead, as our rail network command business continues to expand actively, we will further increase the deployment and application of energy consumption control products across multiple markets.



Smart Lighting System

The Smart Lighting System utilizes intelligent sensors and smart control technologies to achieve comprehensive sensing of lighting areas and intelligent lighting control. While meeting operational needs and enhancing passenger convenience, it delivers on-demand lighting, comprehensive energy savings, and efficient operational management. This is in line with the development requirements for green urban rail, cost reduction and efficiency enhancement, significantly reducing electricity consumption for metro lighting, and supporting the effective implementation of the national dual-carbon strategy.

In 2025, the Smart Lighting System was deployed at two stations on the Shaoxing branch line, and lighting system optimization was also carried out under the large-screen display system project for the emergency incident response platform connected to Phase I of Beijing Rail Transit Line 3 and Line 12. Going forward, we will focus on advancing pilot smart lighting projects in new cities and the full-scale rollout across existing cities.

- **Enhancing the Passenger Travel Experience**

We place strong emphasis on the passenger travel experience. Through the development and application of smarter, more user-centric service platforms, we support operators in ensuring safe and convenient passenger travel, while enhancing the service standards of rail transit operators and passengers' overall travel experience.

Large Language Model-Based Digital Human Intelligent Customer Service System

Built on a foundational large model for rail transit, the digital human intelligent customer service system has established a customer service knowledge base and an AI digital human, enabling passenger intent recognition, meeting personalized passenger enquiry needs, and enhancing the quality of passenger services and operational management efficiency.

During the year, the system completed one digital human image model, developed one digital human intelligent customer service terminal application software package, established one specialized knowledge base for intelligent customer service scenarios in the rail transit sector, and applied for one software copyright for the "Digital Human Intelligent Customer Service Terminal Application Software".



Smart Passenger Services Platform Based on a Large AI Model

The Smart Passenger Services Platform project is founded on the practical pain points encountered in actual rail transit operations. Taking into account the needs of both passenger experience and rail transit operations, it has developed a smart passenger services solution aimed at enhancing operational efficiency and passenger experience. During the year, we introduced cutting-edge technologies such as large AI models and virtual digital humans, providing functions including passenger flow monitoring and forecasting, environmental monitoring and comfort assurance, equipment service capability monitoring, and passenger satisfaction evaluation, thereby delivering a more convenient and efficient operating experience for dispatchers. In addition, our Smart Passenger Services Platform, together with innovative products such as 55-inch transparent screens and small-pitch LED dynamic maps, coordinates and integrates travel information and service resources, enhances the level of smart passenger services, and improves passenger services quality and passenger satisfaction.

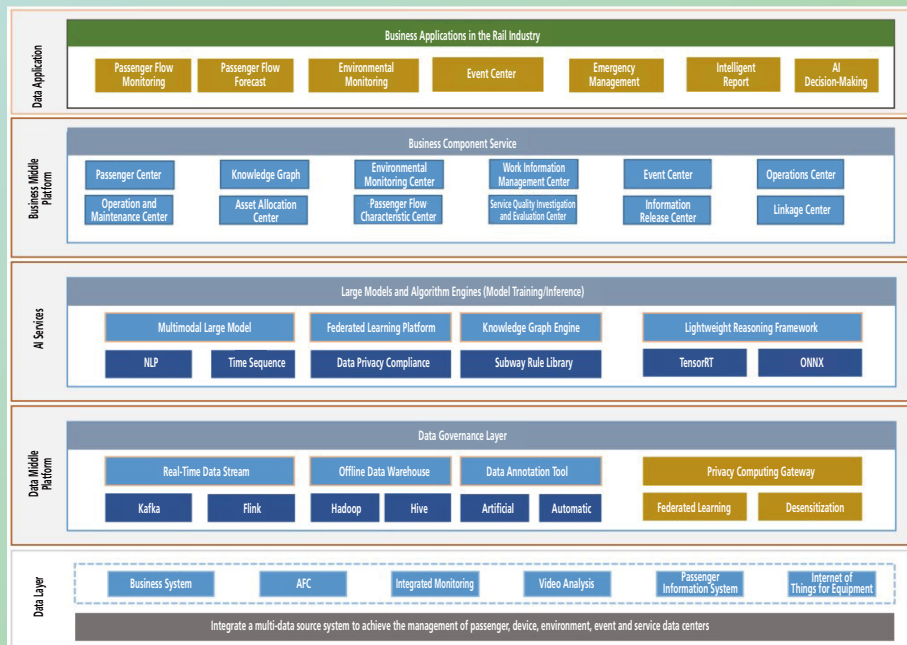


Figure: Intelligent Passenger Services Platform



- Ensuring Green Operations and Maintenance**

We believe that green requirements for operations and maintenance represent an important trend in future development. Through solutions such as Intelligent Operations and Maintenance System, we coordinate and optimize operations and maintenance workflows, enhance functions such as data management, fault diagnosis and risk early warning, and help customers improve operations and maintenance efficiency.



Integrated Intelligent Operations and Maintenance Platform

During the year, the Group introduced cutting-edge technologies such as large AI models and virtual digital humans to deliver intelligent operations and maintenance at both the train and station levels. The Group developed an integrated operations and maintenance platform covering multiple segments, including train-ground PIS, train-ground PA and train-ground CCTV, integrating functions such as real-time monitoring, fault alarms, intelligent diagnosis, health assessment, service life monitoring and digital human interaction. This enabled more intelligent and integrated operations and maintenance, providing rail transit operators with integrated solutions that comprehensively enhance operations and maintenance efficiency and support more precise, more scientific needs assessment and resource allocation.

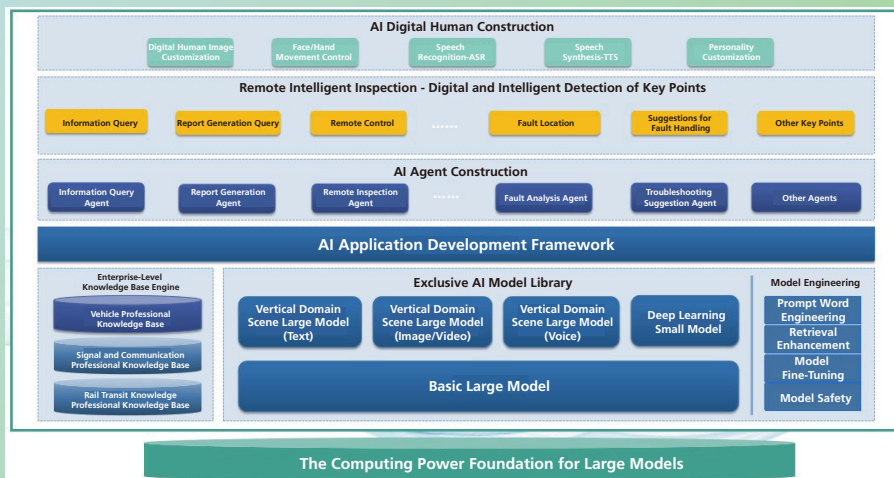


Figure: Integrated Intelligent Operations and Maintenance Platform



Heterogeneous Fire Protection Interconnection System for Rail Transit

During the year, building on the research foundation established through scientific research projects, the Group completed the development of a rail transit heterogeneous fire protection interconnection protocol adaptation product and a line-/station-level graphical display system product. The principal functions include access to station fire alarm systems and other fire protection subsystems, interface integration following the interconnection of fire protection systems of different brands, and the delivery of unified fire alarm monitoring, equipment operation monitoring, fire linkage control, and fire safety management. Through connecting the line control center with the fire protection systems of individual stations and completing the interface integration following interconnection among such systems, the Group enables unified fire alarm monitoring, line operation monitoring, linkage mode control and fire safety management, effectively enhancing operators' fire management capabilities and supporting the proactive prevention of risks in rail transit service scenarios.

INDUSTRY EXCHANGE AND DEVELOPMENT

the Group places great importance on opportunities for industry exchange and cooperation, and actively participates in major exhibitions, forums and award programs to enhance its brand image, identify market expansion opportunities, engage in technical exchanges with industry professionals, and continuously advance the optimization of the Group's products and services as well as the deeper exploration of innovative technologies and expertise.



Case Study: MetroTrans2025 China International Urban Rail Transit Exhibition and CAMET Forum

During the year, as an exhibitor at the MetroTrans2025 China International Urban Rail Transit Exhibition and CAMET Forum, the Group drew widespread attention with its digital and intelligent product matrix covering six core scenarios: digital and intelligent empowerment, smart customer service, smart ticketing, smart operations, smart operation and maintenance, and smart safety, fully showcasing its 'robust' capabilities.



Figure: Group Booth at MetroTrans2025
China International Urban Rail Transit Exhibition and CAMET Forum

Part V: Focusing on Industry Applications and Integrating R&D Capabilities



Photo: The Group's booth at the 12th World Congress on High-Speed Rail & the 17th Railway Equipment Exhibition



Photo: The Group's booth at NT EXPO 2025 – Brazil São Paulo Railway Industry Exhibition

Part VI: Strengthening Project Quality Control and Enhancing Service Quality



As an important component of the urban transport network, rail transit underpins city operations, serves public mobility needs, and is closely connected to public safety. As a responsible participant in the rail transit industry and a conscientious corporate citizen, the Group regards quality control as the lifeline of its development, establishing a rigorous governance system covering the entire project lifecycle to ensure the safe implementation and stable operation of projects. We continuously optimize the service quality, enhancing the reliability and inclusiveness of the travel experience, and work with industry partners to uphold public service value and effectively improve social well-being.

IMPLEMENTING QUALITY CONTROL

Quality Management System Development

To continuously enhance the quality of our products and services, we adhere to the principle of 'Quality First, Customer Priority' and have established a top-down management system. The Group is responsible for planning overall quality management and for supervising and conducting spot checks on the quality management of its subsidiaries and their projects, so as to ensure the effective implementation of all quality management requirements; subsidiaries are responsible for organizing and managing their respective projects, addressing quality issues, and ensuring the stable and orderly implementation of project quality management.

During project implementation, the Group remains focused on customer needs and maintains an appropriate balance between rigor and flexibility: it exercises stringent control over the technical standards, product quality and project progress of each stage, including project design, equipment selection, software development and system commissioning, while retaining the necessary flexibility to accommodate customers' reasonable change requests to the greatest extent practicable.

In the course of project execution, the Group strictly complies with internal management requirements such as the *Approach to Project Management Measures*, covering the entire process from initiation and planning, tracking and control, acceptance and settlement, to operations and maintenance. The Group also formulates the *Quality Assurance Plan and the Project Quality Management Plan* to set out the quality assurance and quality management activities for each project. In accordance with the *Project Quality Assurance Plan*, the quality management of each project is monitored throughout the project lifecycle by the project manager and a dedicated project quality engineer. Upon project completion, a comprehensive quality review is conducted covering each subsystem unit and the project as a whole, and a *Quality Assurance (QA) Inspection Report* is submitted for the project.

The Group updates and finalizes the annual QA inspection plan each year, and organizes QA engineers from various departments to conduct process compliance inspections on key ongoing projects in accordance with the plan. In particular, the review focused on whether each project team had conducted process monitoring and inspection as required, whether any deviations from the plan had arisen, whether corrective measures had been implemented, and whether the project team had carried out process management, resource management and technical management in accordance with the requirements of relevant standards and procedural documents. During the year, we conducted QA inspections on 8 key projects, covering integrated supervision and control engineering projects, Intelligent Operations and Maintenance Platform projects, High-speed Control and Management Platform projects, among others.

Project Initiation and Planning	Requirements Analysis and Design	Implementation and Testing	Monitoring and Control	Risk Management
Milestone Review	Delivery and Release	Shipping and Arrival	Commissioning	Acceptance and Closure

Table: QA Inspection Content

Part VI: Strengthening Project Quality Control and Enhancing Service Quality

Graded Implementation of Quality Responsibilities – Taking the Intelligent Passenger Information Services Business as an Example

To ensure the full implementation of the Group’s quality management system, the three principal business segments have further specified their respective quality management responsibilities. Among them, taking the intelligent passenger information services business as an example, quality assurance for products and systems is carried out across three stages: research and development, production, and operation and maintenance:

Research and Development Stage	This stage covers R&D project initiation review, risk identification and analysis, as well as reliability trials and testing, with planning and verification conducted at the product design source in respect of Reliability, Availability, Maintainability and Safety (RAMS).
Production Stage	A full-process quality control system is in place, with key quality control checkpoints covering management procedures such as incoming material inspection, first article inspection, finished product inspection and pre-delivery inspection, alongside the delivery of design and testing documentation in accordance with scheduled milestones.
Operation and Maintenance Stage	Ensure timely response and efficient issue resolution, and provide technical guidance and training based on customer needs and project characteristics.

Table: Three Stages of Quality Assurance

The Group has also established a three-tier quality management accountability system comprising the ‘planning and decision-making level – project management level – the business implementation level’; established RAMS technical systems, management systems and a knowledge base at the operational level; formulated project-based RAMS technical system assurance plans; conducted various RAMS activities throughout the project cycle; and further refined controls down to the various types of materials, components and software systems involved in each project, thereby achieving comprehensive quality control from top to bottom and from the overall framework to the finest details.

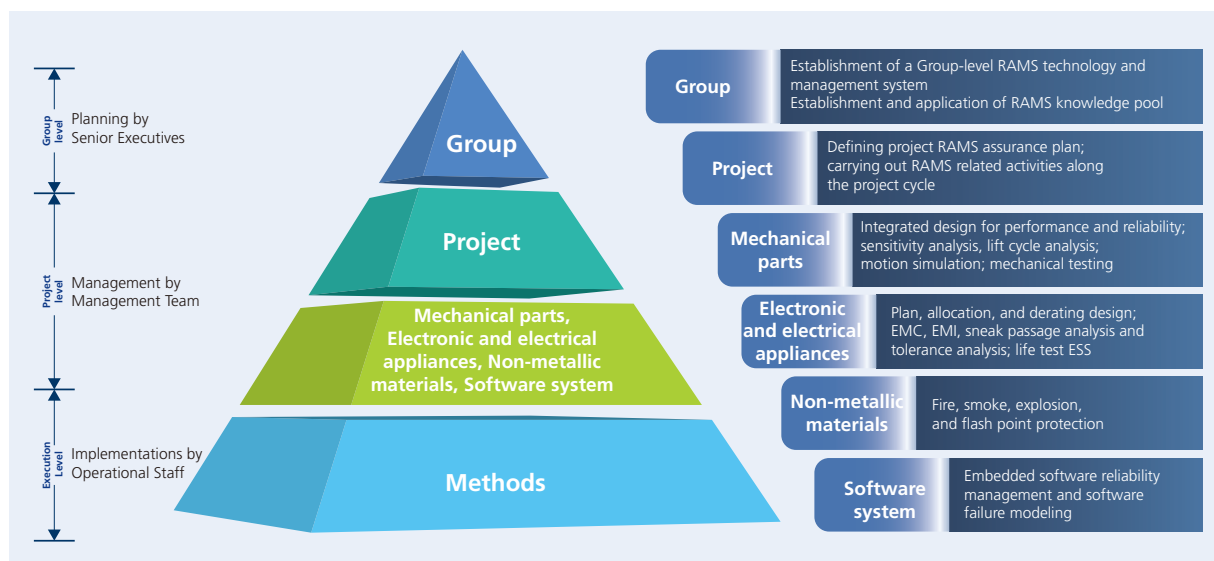


Figure: Quality Management Accountability Framework

Part VI: Strengthening Project Quality Control and Enhancing Service Quality

The Group independently designed and developed a quality management platform to drive the transformation and upgrading of “digitalised quality management”, with the objective of promoting the deeper integration of digital technology and quality management in a more structured and systematic manner. The overall architecture of the quality management platform comprises three core modules: quality management, supplier management and document management. Supported primarily by the quality management system, the supplier management system and document management system operate independently and are seamlessly linked through back-end system interfaces, enabling an integrated operating model and significantly enhancing the overall effectiveness of quality control. On this basis, we continuously optimized and iterated the platform’s functions based on feedback from actual use. During the year, we identified 29 key optimization areas relating to the review management module, customer complaint management module, reliability testing module, tools and measuring instruments management module, email content information and reminder functions, and overseas customer complaint module; formulated optimization measures; completed testing and validation; and implemented the functional enhancements, thereby further improving the stability, effectiveness and reliability of the quality management platform.

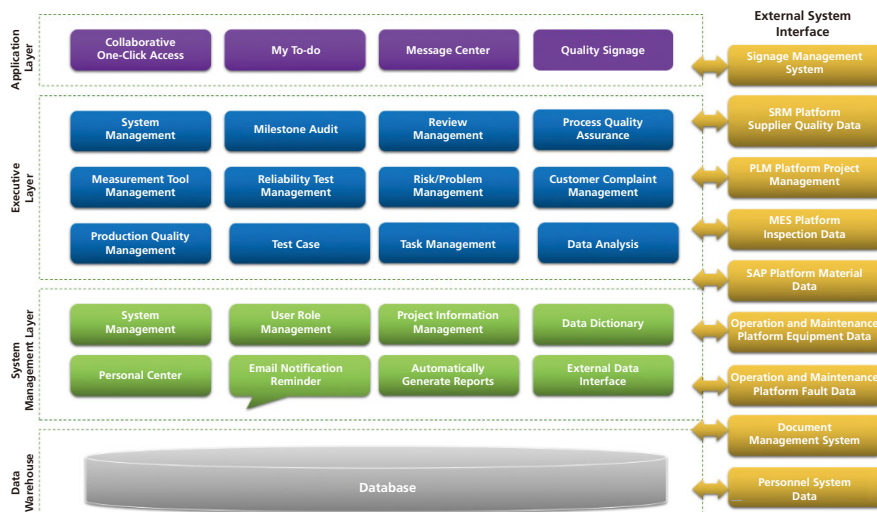


Figure: Quality Management Platform

The Group’s self-established reliability laboratories, including environmental management control (EMC) and environmental testing laboratories, also supported the effective operation of the quality management system. The laboratory possesses the capabilities and qualifications required to perform more than ten key tests needed by the industry, fully meeting the testing requirements under international and domestic industry standards. The quality reliability laboratory is equipped with a wide range of testing equipment, mainly including a constant temperature and humidity chamber, a high-temperature test chamber, an intelligent multiple-pulse generator, an intelligent lightning surge generator, a vibration test bench, a cyclic dip generator, a salt spray test chamber and a drop tester. During the year, the reliability laboratory added a rapid temperature-change test chamber for high-temperature and high-humidity ageing tests, as well as a multi-channel temperature recorder for temperature-rise tests, to support the development of more reliable products with stronger environmental adaptability and longer service life.

Part VI: Strengthening Project Quality Control and Enhancing Service Quality

In addition, we attach great importance to cultivating a quality culture. We regularly publish our internal newsletter, Voice of Quality, to promote quality-related knowledge among employees, enhance their quality awareness, and recognize teams and individuals that have made significant progress in quality, thereby further motivating greater initiative and proactiveness in quality management. At the same time, we proactively organized a range of quality management training programs, leveraging standardized and refined management to support the enhancement of product and service quality, while comprehensively strengthening employees' quality control awareness and professional capabilities.



“Zero Defect” Management Transformation Project and Action Workshop

During the year, we officially launched a management transformation project and action workshop guided by the ‘Zero Defect’ philosophy, marking the beginning of a new phase of comprehensive management enhancement. We actively advanced ‘Zero Defect’ management and, through renewed understanding and effective actions, jointly drove a comprehensive elevation in quality value. At the same time, the Group organized seminars for exchange and experience sharing on management of production-related processes and practical product technology case studies, with a view to continuously enhancing business capabilities.



Photo: Project Kick-off

Part VI: Strengthening Project Quality Control and Enhancing Service Quality



Qualifications, Certifications and Management System Development

The Group remained committed to implementing annual qualification and certification work and advancing management system development, enriching its quality system certifications and technical capability qualifications, steadily promoting standardized and regulated operations, and continuously strengthening capabilities across multiple dimensions. The Group carried out and completed a total of 65 certification initiatives, including 8 new certifications obtained during the year.

Key Qualifications	Certification Status
ISO 9001 Quality Management System Certification	Relevant certification obtained by 6 member companies of the Group
ISO 22163 Rail Transit Industry Quality Management System Certification	Relevant certification obtained by 1 member company of the Group
ISO 20000 Information Technology Service Management System Certification	Relevant certification obtained by 4 member companies of the Group
ISO 27001 Information Security Management System Certification	Relevant certification obtained by 5 member companies of the Group
ISO 9003 Certification for the Software Engineering Management System	Relevant certification obtained by 1 member company of the Group
ISO 14001 Certification for the Environmental Management System	Relevant certification obtained by 6 member companies of the Group
ISO 50001 Certification for the Energy Management System	Relevant certification obtained by 1 member company of the Group
ISO 45001 Certification for the Occupational Health and Safety Management System	Relevant certification obtained by 5 member companies of the Group

Table: Key Qualifications Obtained

The BIIT six Sustainable Development Goals include 'We aim to have more sizeable production-focused subsidiaries ISO 45001 certified by 2025'. During the Reporting Period, five subsidiaries of the Group have obtained relevant certifications and successfully achieved the goals.

During the Reporting Period, the Group's intelligent passenger information services business continued to operate effectively under management systems including ISO 22163, ISO 9001, ISO 14001, ISO 45001, ISO 27001 and ISO 50001, and successfully passed the certification audits for each of these systems, thereby maintaining the validity of the relevant certificates; in the 2025 ISO 22163 surveillance audit, it achieved a high score of 78.00%, meeting the requirements for the "Silver" rating and retaining the "Silver" designation for the third consecutive year; the display products for its Netherlands double-deck train project successfully obtained EU TSI interoperability certification.



Part VI: Strengthening Project Quality Control and Enhancing Service Quality

EMPHASIZING CUSTOMER COMMUNICATION

High-quality customer service is fundamental to building brand image and sustaining customer relationships. The Group's customers are primarily rail transit operators, rail transit integrators and train manufacturers. To respond precisely to core customer needs and enhance customer loyalty and partnership resilience, we have established diversified customer communication channels and adopted customer satisfaction as a core metric, continuously improving service quality to meet customer expectations.

Deeply Embedded Customer Relationships

The Group has consistently been committed to facilitating convenient and safe public mobility by empowering rail transit operations and public infrastructure development. The Group is not only deeply rooted in the China market, but also actively participates in infrastructure development in other developing economies, jointly advancing the achievement of the United Nations Sustainable Development Goals.

• Intelligent Passenger Information Services Business

The Group's intelligent passenger information services business provides customers with rail transit passenger information systems and after-sales services. Following testing and acceptance, the products are deployed in passenger operations, with maintenance personnel stationed on-site or conducting regular visits to rolling stock manufacturers. During the year, the intelligent passenger information services business secured bids for a cumulative total of 1,170 onboard PIS rail vehicles in Mainland China. The Group established operation and maintenance service points and assigned operation and maintenance personnel for the relevant lines, continuously providing customers with one-stop services and undertaking to deliver 24-hour service response.

We continued to expand into overseas markets, ensuring that our products and service standards satisfy the production process requirements of existing and potential international customers across Asia, Southeast Asia, the Middle East, Europe, North and South America, and other regions. This has prompted us to enhance the transparency of process management, move functional assurance further upstream into the production process, and achieve comprehensive safeguards on an all-round basis.

During the Reporting Period, the intelligent passenger information services business recorded a total of 105 ongoing projects and 72 delivered projects.

• Digital-Intelligent Urban Rail Transit Services Business

The Group's digital-intelligent urban rail transit services business focuses on customer needs. During the year, we noted that customers are placing increasing emphasis on advanced data analytics and management capabilities, and that demand for data processing services is shifting from data collection and coordination towards the transformation of data into production factors, resources and assets. We will explore targeted, diversified and personalized approaches to data application, comprehensively enhance user experience, optimize our business operations, maintain service quality, strengthen brand reputation, and strive to provide customers with the most cost-effective products and services.

The digital-intelligent urban rail transit services business requires project teams to maintain day-to-day communication with customers, jointly determine integration solutions, discuss change requirements and adjust technical specifications, and ultimately deliver the works in accordance with the agreed standards. Based on project characteristics and service requirements, warranty periods of 3 to 5 years are established.

During the Reporting Period, the digital-intelligent urban rail transit services business had a total of 64 projects under implementation and 20 projects delivered.

Part VI: Strengthening Project Quality Control and Enhancing Service Quality



• Innovative Development Business

The Group's innovative development business actively monitors market changes, listens to customers, and incorporates their feedback into the design and research and development of new products, as well as the upgrading and optimization of existing products. The innovation development business also maintained ongoing daily communication with customers to jointly establish product requirements, cooperation plans and working terms, thereby ensuring the smooth completion of each collaboration.

During the Reporting Period, the innovative development business had a total of 20 projects under implementation and completed delivery of 6 projects.

Diverse and Effective Communication Channels

The Group strictly adhered to its internal policies relating to customer complaint management, while continuously strengthening process management, enhancing the service awareness and sense of responsibility of on-site project teams, and addressing issues promptly upon identification. In addition to on-site communication, we provide multiple channels, including telephone, email, WeChat and the client quality management system, through which customers may provide feedback on project delivery, product quality or product-related services. At the same time, we clearly stipulate our responsibilities, obligations and commitments to customers through contractual terms, actively respond to integrity and anti-corruption requirements, and carry out related relationship confirmation procedures. We also provide relevant inspection and complaint channels to facilitate customer complaints through different means.

Closely Followed-up Feedback Surveys

In accordance with the *Approach to Project Management Measures*, the Group strictly implements its work plans and engages independent professional firms to conduct two customer satisfaction surveys each year, in the first and second halves of the year, covering all projects under implementation or completed during the year, including the three major categories of operation and maintenance, software, and systems integration projects; the main areas covered by the surveys include project schedule planning, materials delivery, service quality, product quality, and safety management. We conduct the surveys through various channels, including distributing questionnaires to customers and selecting customer samples for telephone follow-up interviews, thereby enhancing the objectivity and accuracy of the surveys and enabling more effective feedback and handling of customer needs. Upon completion of the survey, we consolidated and analyzed the results, recommended improvement measures, and prepared the Customer Satisfaction Survey Analysis Report for reporting to the Group's management.

During the year, the customer satisfaction survey for the first half covered 137 projects, with an overall project satisfaction score of 99.15; the customer satisfaction survey for the second half covered 127 projects, with a satisfaction score of 99.07, achieving the management target of maintaining customer satisfaction above 90%. Overall, customers and users demonstrated a high degree of recognition of the Group's project delivery and services.

Our products and solutions are primarily software-based services. Installation and repeated commissioning are completed upon project delivery to meet customer requirements; at the same time, maintenance services are provided to support customers in achieving long-term, stable and sustainable use. Therefore, the Group is not currently involved in any product recall cases.

During the Reporting Period, the Group did not receive any material customer complaints, and no product recall incidents occurred.

STRICTLY SAFEGUARDING INFORMATION SECURITY

Safeguarding Customer Information Security

The Group provides various types of products and solutions, including metro automatic fare collection and ticket inspection systems, network clearing and settlement systems, rail network command center systems, and passenger information systems. In the course of daily operation, such systems collect, transmit, process, exchange or store substantial volumes of rail transit operational data and passenger behavioral information. Accordingly, the safety and reliability of our products and solutions are crucial to our sustainable operations, steady development, and the trust of customers and passengers.

In the course of integrated system development, the Group determines system security classifications in accordance with relevant national laws and regulations, industry standards, and the attributes of different categories of information. At the same time, it standardizes the administration of graded security protection and defines the governing principles for such work, so as to ensure that the systems and products we provide enhance rail transit operators appropriate security protection for operational activities and passenger behavioral information at every stage, including collection, transmission, processing, interaction and storage.

With respect to customer information protection, the Group has established important policies such as the *Personal Information Processing Full Process Protection Management Measures*, and collects personal information in accordance with the principles of ‘minimum frequency, shortest retention period, minimum scope, and minimum impact on personal rights and interests’, while disclosing the purpose of such information collection. For the collection of certain sensitive information and the processing of such information, we strictly implement the relevant consultation procedures and must obtain the prior consent of the data subject.

In carrying out project construction and providing operation and maintenance services, the Group strictly requires project personnel who need to access customers’ confidential information to sign confidentiality agreements, and implements corresponding confidentiality procedures and security measures in relation to approval, authorization and retention. The person in charge of the project also serves as the primary person accountable for the project’s confidentiality management and is responsible for ensuring the necessary resource support for such work.



Case Study: Chongqing Jiangbei International Airport Passenger Automated People Mover System

During the Reporting Period, the passenger automated people mover system customized by the Group for Chongqing Jiangbei International Airport was officially commissioned. Leveraging leading cybersecurity technologies, we safeguarded this ‘aerial corridor’ connecting Terminals T3A and T3B. To address the automated people mover system’s stringent security requirements, we deployed seven major categories of security equipment, including industrial firewalls and a security management platform, thereby establishing a comprehensive ‘monitoring-protection-audit’ security framework. The solution adopts a ‘one core, three-layer protection’ architecture to ensure system security across the physical environment, network communications and boundary areas, achieve zero interruption in the event of failures, and has passed the national Cybersecurity Classified Protection Level 2 assessment.

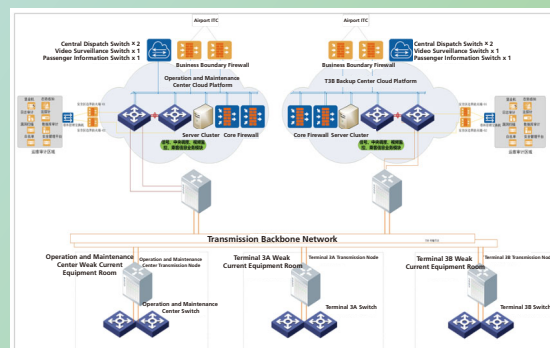


Figure: Passenger Automated People Mover System at Chongqing Jiangbei International Airport

Part VI: Strengthening Project Quality Control and Enhancing Service Quality



Safeguarding Proprietary Data Security

The Group places great emphasis on the protection and confidentiality of data and information relating to internal stakeholders and business partners, and has issued and implemented the *Data Classification and Management Guidelines*. Relevant operations have obtained valid ISO 27001 Information Security Management System certification in both project implementation and corporate management. At the same time, the Company continued to revise the *Network and Information System Security Management Measures*, clearly setting out cybersecurity management requirements applicable to all employees, so as to safeguard networks and information systems against interference, damage or unauthorized access, and prevent data leakage, theft or tampering; the Company established an effective cybersecurity technical protection framework and, based on actual operational needs, adopted technical measures such as network access security protocols, data encryption, access controls, monitoring, and operational log tracking to prevent conduct that endangers cybersecurity; establish a comprehensive and effective cybersecurity emergency response system; formulate and implement complete and standardized emergency handling and response procedures; and improve cybersecurity reporting and incident handling mechanisms; implement primary accountability for cybersecurity, execute cybersecurity responsibility statements at each level, and incorporate cybersecurity development into the scope of performance assessment; enter into confidentiality agreements and security responsibility statements with service providers to information systems, and incorporate cybersecurity management into contractual scope.

The Group has implemented stringent requirements on the protection of employees' cybersecurity, clearly setting out employees' responsibilities, including prohibited activities that may compromise cybersecurity, cybersecurity responsibilities in respect of company-owned and personal devices, and cybersecurity protection responsibilities under special circumstances. Meanwhile, the Group requires all departments and subsidiaries to provide employees with regular training on cybersecurity and data security, as well as personal information protection, so as to continuously enhance employees' awareness and capabilities in relation to cybersecurity, data security and personal information protection. During the Reporting Period, the Group did not record any employee violations that compromised cyber and information security.

The Group has also established requirements for the safety of information technology equipment and the operating environment, and implements full-process control over the construction, upgrading, adjustment, commissioning, access control measures and record-keeping of networks and information systems. The Group requires all departments and subsidiaries, in the operation and management of networks and information systems, to appoint dedicated or part-time network administrators responsible for the routine monitoring and inspection of cybersecurity operations, the management of network resources and related configuration information, the establishment and continual improvement of network operation and maintenance records, and the timely identification and resolution of network anomalies. For important self-built server rooms, the Group establishes, as required, server room facilities and site environmental monitoring systems to monitor key facilities such as air-conditioning, fire protection, uninterruptible power supply (UPS), power supply and distribution, and access control systems. The Group also strictly manages access rights to self-built and self-managed server rooms. Personnel may enter server rooms only upon authorization, and may operate server room equipment only upon further authorization. Unauthorized personnel are prohibited from entering server rooms at will.



Access control measures for networks and information systems:

- Operational access rights are assigned by group and classification level; operators shall set up their own user accounts and passwords and shall be responsible for their access control permissions;
- System administrators shall regularly review system permission settings and promptly adjust any inappropriate operational access rights;
- Prevent any utility programs, system software or malware capable of bypassing system controls or application controls from gaining unauthorized access to the system;
- Establish an isolated operating environment for important sensitive systems.

During the year, the Group organized themed information security awareness training covering information technology liaison personnel across all departments of the Group, focusing on the information security protection needs of individuals and enterprises in digital scenarios. The training systematically covered topics, including knowledge and practical skills in password management and anti-virus protection, endpoint devices and office security, legal compliance and security awareness, and data security and privacy protection, with a view to enhancing the information security awareness and protection capabilities of all employees, establishing a regularized security protection framework, preventing various information security risks, and safeguarding the security and stability of the organization's information assets and business operations. At the same time, the Group continued to provide all employees with online cybersecurity training courses, delivering systematic instruction on laws and regulations relating to information protection across a range of topics, and setting out targeted risk response measures from a practical perspective.



Figure: Cybersecurity Awareness Training

Part VII: Enhancing Supply Chain Resilience and Advancing Responsible Procurement



The supply chain is the cornerstone of the Group's stable operations and a vital extension of our commitment to responsible corporate citizenship. The Group continuously improves its supply chain governance system, integrating compliance, integrity, green and low-carbon principles, and labor rights protection into procurement decisions while pursuing stability and resilience. We actively explore responsible procurement pathways, working with partners to build a supply ecosystem that balances efficiency, fairness and sustainability, and drive the supply chain towards greater transparency, lower carbon emissions, and enhanced social value.

SUPPLY CHAIN MANAGEMENT SYSTEM

The Group's procurement activities not only involve high-value transactions in network systems, electronic equipment and engineering services, but also include specific requirements for customized metal components and electronic parts. We place importance on the long-term value delivered across the full life cycle of products and services, and attach particular importance to suppliers' quality assurance capabilities, their ability to provide continuous, responsive and reliable supply, as well as their follow-up service support. During the Reporting Period, the Group updated the Supplier Management Measures, Procurement Management Measures and Procurement Management Regulations to provide guidance on supplier management for each business line and comprehensively enhance its supply chain management standards. In its supplier management practices, the Group has integrated ESG principles into its existing evaluation system. All suppliers are assessed against governance dimensions including commercial reputation, financial stability and performance capability. On this basis, for suppliers in special categories, the Group further imposes sustainable development requirements covering environmental and social dimensions such as energy conservation and environmental protection, labor rights, occupational health and safety, as well as green construction.

In accordance with the Supplier Management Measures, the Group implements categorized supplier management and classifies suppliers into eight major categories: software development; software and hardware equipment procurement (general equipment); software and hardware equipment procurement (manufacturing/production); engineering construction; system integration/subcontracting; operation and maintenance services; materials procurement; and intermediary services.

Before entering into initial cooperation with a new supplier, the Group is required to conduct an initial assessment of the supplier. The assessment process includes a supplier qualification review and an on-site supplier inspection. Upon completion of the on-site inspection, a *Supplier On-site Inspection Report* shall be issued, submitted for approval, and filed for record. The initial evaluation of suppliers shall be jointly conducted by the user department, the department primarily responsible for procurement, the finance department, and the respective responsible leaders, with a comprehensive assessment based on such factors as supplier credibility, financial position, and professional qualifications. Suppliers achieving satisfactory assessment results shall be included in the Group's 'Candidate Supplier Database' and, upon passing the re-evaluation, incorporated into the Group's annual *Qualified Supplier Directory*.

The Group conducts annual supplier re-evaluations jointly with relevant departments and subsidiaries, issues a *Supplier Re-evaluation Report*, and submits it to the Group's President's Office Meeting for consideration and approval before publishing the annual *Qualified Supplier Directory*. Supplier re-evaluations primarily consider factors such as the cost-effectiveness of products and services, delivery timelines, contract performance capability and financial position, and impose sustainability-related requirements on suppliers in specific categories. In the reporting year, no supplier was disqualified during the re-evaluation due to non-compliance, and the supplier review rate reached 100%.



Part VII : Enhancing Supply Chain Resilience and Advancing Responsible Procurement

Procurement Compliance Assurance

The Group has established a 'one-vote veto principle' to strictly enforce suppliers' integrity and ethical compliance requirements. During the initial evaluation, re-evaluation or the course of cooperation, where any of the following supplier conduct red lines is breached, the supplier shall be disqualified, recorded as an unqualified supplier, and no cooperation shall be undertaken with such supplier for three years.



Supplier Conduct Red Lines

- Bribing procurement personnel, procurement review committee members, procurement agents or other procurement-related parties and personnel, or otherwise illegally or improperly offering undue benefits;
- During participation in procurement activities, providing false qualification documents or performance certification materials, or engaging in any other fraudulent conduct;
- Using improper means such as collusion, bid rigging, tender collusion, cover bidding, or false quotations to win a bid or be selected, or defaming and excluding other suppliers;
- Causing disturbances without justification at bid opening, bid evaluation (review), or negotiation venues, thereby disrupting the normal order of procurement projects;
- Refusing to accept supervision and inspection by the relevant authorities, or providing false information;
- During the validity period of the contract, expressly indicating or demonstrating through actual conduct a refusal to perform the contract, and still failing to perform within a reasonable period after being urged to do so;
- Where a malicious complaint is substantiated, or where the grounds for complaints are found to be unfounded on two cumulative occasions within three years;
- having been subject to criminal penalties, or administrative penalties imposed by the relevant government authorities, including orders to suspend production or business operations, revocation of permits or licenses, or relatively substantial fines, as a result of production safety accidents or unlawful operations; and having been disqualified from tendering by the government procurement supervision and administration authorities due to malicious complaints, submission of false materials, collusive tendering, bid rigging, or similar circumstances.

Part VII :Enhancing Supply Chain Resilience and Advancing Responsible Procurement



At the same time, the Group also strictly requires procurement personnel to comply with the following procurement discipline requirements, and conducts assessments of procurement work accordingly. Procurement personnel shall conduct procurement activities in accordance with applicable laws, disciplinary requirements and regulations. Where any breach of the relevant procurement management requirements causes damage, loss or adverse impact to the Company, we will pursue the corresponding accountability.



Procurement Discipline

- Comply with relevant national laws and regulations and the relevant requirements of the Group;
- No person shall use procurement activities to engage in unlawful conduct, disrupt social or economic order, harm the interests of the State, society or the Group, or seek personal gain or illicit benefits;
- Unreasonable conditions shall not be imposed to restrict or exclude competition;
- Acts to circumvent tendering shall not be undertaken, and procurement approval levels shall not be lowered or circumvented by splitting procurements into smaller parts or by any other means;
- Information and materials relating to procurement work that should be kept confidential, or any other circumstances that may affect fair competition, shall not be disclosed to others;
- Where a conflict of interest exists with a supplier, the person concerned shall voluntarily recuse himself or herself in accordance with the relevant requirements;
- Supervision shall be accepted voluntarily.

Part VII : Enhancing Supply Chain Resilience and Advancing Responsible Procurement

GEOGRAPHICAL DISTRIBUTION OF THE SUPPLY CHAIN

The Group conducts an annual supplier re-evaluation based on factors such as qualifications, financial position and cooperation performance, and, following deliberation of the *Supplier Re-evaluation Report* by the Group's President's Office Meeting, formulates a new *Qualified Suppliers Directory*. In 2025, a total of 529 qualified suppliers participated in the annual re-assessment, of which 525 were confirmed as qualified suppliers following the re-assessment. As at the end of 2025, the Group had 562 suppliers with which it maintained business dealings during the year, and added 270 new suppliers during the year.

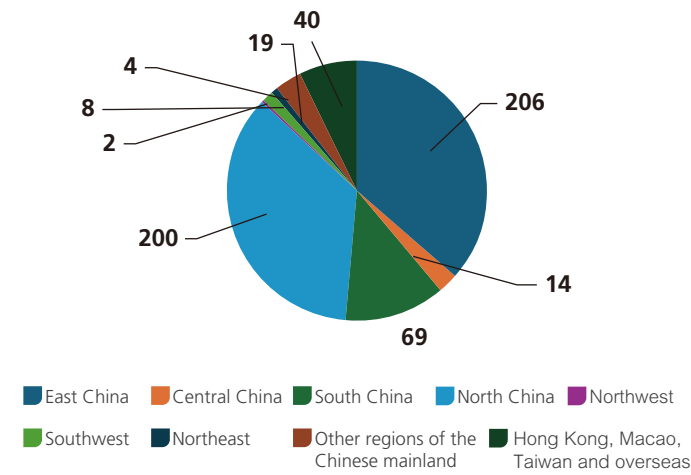


Figure: Overview of the Geographical Distribution of Suppliers



GREEN SUPPLY CHAIN REQUIREMENTS

The Group attaches great importance to supply chain risks and sustainable development issues, and is progressively exploring practical and effective approaches to monitoring ESG risks in the supply chain. In accordance with established procedures, we require bidding parties to make integrity undertakings in the tender documents, while other contracting parties are required to sign integrity agreements upon execution of the contracts.

We focus on suppliers' sustainable development strategies and integrate them into our supplier screening requirements, with sustainability-related assessments incorporated into the selection criteria for specialized categories of suppliers.

Equipment Suppliers	<ul style="list-style-type: none"> • The equipment supplied bears energy consumption labels and offers the benefits of energy efficiency, low-carbon performance and environmental protection
Service Suppliers	<ul style="list-style-type: none"> • Provide service personnel with safety protective equipment and labor protection supplies • Execute labor contracts with service personnel in accordance with laws and regulations, pay wages in full and make full social security contributions • Provide occupational health and safety training to service personnel to ensure that they maintain appropriate occupational health and safety awareness
Engineering and construction suppliers	<ul style="list-style-type: none"> • Ensure safe, orderly and civilized site operations, fulfill environmental protection responsibilities, and implement safe production and green construction practices • Comply with relevant requirements relating to air pollution control and green construction • Implement the construction dust control plan formulated by the relevant local administrative authorities • Properly handle and recycle waste materials and construction waste generated during the construction process • Use construction machinery and materials that comply with safety and environmental requirements

Table: Sustainability-related Requirements for Special-category Suppliers

Part VIII: Strictly Upholding Safety Red Lines and Emphasizing Talent Development

Safety is the bottom line of the Group's operations, and talent is the cornerstone of sustainable development. The Group adopts a zero-tolerance approach to managing safety risks in production and operations, and has established an all-scenario occupational health and safety management system to fully protect the safety of its employees and assets. In infrastructure development and public mobility services, we adhere to the principle of "Safety First, Prevention Primacy, Comprehensive Governance", strictly implement production safety responsibilities, and build a solid safety foundation. Meanwhile, the Group practices people-oriented development, respects and cares for every employee, and optimizes the entire talent chain of selection, development, management and utilization. This enhances organizational resilience and cohesion, supporting long-term value creation through responsible talent governance.

SOUND SAFETY MECHANISMS

Work Safety Management and Control Mechanism

The Group strictly complies with laws and regulations relating to production safety in the PRC, including the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Trade Union Law of the People's Republic of China, the Emergency Response Law of the People's Republic of China, the Flood Control Law of the People's Republic of China, the Beijing Flood Control Emergency Response Plan, and the Provisions of Beijing Municipality on the Main Responsibility of Organizations for Fire Safety. The Group's work safety control mechanism has been fully implemented across all departments and subsidiaries, ensuring the effectiveness of work safety management, supervision and inspection, while continuously optimizing emergency response plans and reporting mechanisms, enhancing full-process control and seeking to ensure the effective operation of the work safety control mechanism.

Education and Training	<i>Measures for Work Safety Education and Training</i>
Control and Inspection	<i>Administrative Measures for the Identification, Investigation and Remediation of Hidden Risks of Production Safety Accidents</i>
Production Processes	<i>Production Safety Responsibility System; Production Safety Management Regulations; Measures for the Management of Work Safety in Construction Projects; Measures for the Safety Management of Special Operations Personnel; Measures for the Management of Labor Protection Supplies; Measures for the Management of Hazardous Operations; Measures for the Safety Management of Related Parties; Measures for the Reporting, Investigation and Handling of Production Safety Accidents; Measures for Fire Safety Management; Measures for the Administration of the Extraction, Use and Management of Work Safety Expenses</i>
Supervision and Inspection	<i>Measures for the Supervision and Inspection of Work Safety</i>
Emergency Response	<i>Emergency Response Plan; Measures for the 'Dual Reporting' of the Rectification of Major Hidden Safety Hazards</i>

Table: Full-Process Control and Management System for Work Safety

Part VIII: Strictly Upholding Safety Red Lines and Emphasizing Talent Development



The Group defines safety risks in the *Measures for Safety Risk Management* and sets out the key stages of risk assessment, including identifying and analyzing risks to determine risk levels, formulating specific risk control measures, and conducting regular dynamic updates of risk information. Based on risk assessments, the Group conducts safety inspections at all levels, formulates contingency plans, and designates a 'Safety Production Month', with emphasis on safety production supervision and inspection, thereby preventing risks before they materialize through a prevention-first approach and by moving controls further upstream.

In accordance with the *Production Safety Management Regulations*, the Group has established a Group-wide Safety Production Committee (the 'Safety Committee') as the organizational leadership body for the Group's safety production work. The Safety Committee comprises the Group's management, the heads of various departments and the principal persons in charge of its subsidiaries. Its primary duties include implementing and communicating major decisions and work arrangements relating to safety production; hearing reports on safety production; analyzing the safety production situation; studying, planning and deploying safety production initiatives; reviewing major safety production matters; coordinating the resolution of significant safety production issues; organizing, guiding, supervising and coordinating the safety production work of all units; and recommending commendations for units and individuals with outstanding performance in safety production work. The Group convenes Safety Committee meetings on a quarterly basis to communicate updates to laws and regulations, implement safety supervision and inspections, arrange rehearsals for safety risk identification and hidden-risk investigation and rectification, and share accident cases, in order to better enforce and uphold accountability under the work safety responsibility system.

During the year, the Safety Committee extended its oversight to frontline operations and conducted supervisory inspections of key projects and major sites; The work safety supervision and administration departments of each unit used the assessment indicators for work safety target responsibility as a basis for carrying out mutual inspections and cross-checks; for projects under implementation and production and manufacturing sites, the Group focused on fire safety and electrical safety in conducting self-inspections for the identification and rectification of potential safety hazards. Through multi-level and multi-dimensional safety inspections, hidden accident risks were eliminated at an early stage, preventing such risks from escalating into incidents or accidents.

The Group has established work safety management objectives and has made solid progress across six areas: fatality/serious injury accidents, safety liability accidents, fire accidents, occupational disease hazards, environmental pollution incidents, and the rectification of hidden safety risks. It has further reinforced the recognition that 'work safety is the responsibility of all employees', consistently implemented the 'first responsible person' requirement and the 'one-vote veto system' for work safety, and proactively reduced safety risks through targeted initiatives such as special rectification campaigns on work safety.

Work Safety Management Implementation

The Group has issued the *Emergency Response Plan* in relation to emergency handling, clearly setting out the principles and procedures governing emergency management, prevention and emergency response in the event of work safety incidents. During the year, the Group identified the enhancement of flood control emergency response capabilities as a key priority in the development of its emergency management framework, revised the classification criteria for flood control emergency incidents (hazardous situations) under the *Flood Control Emergency Response Plan*, and aligned them with the work safety incident standards set out in the *Production Safety Management Regulations*; additional disclosures have been made in relation to emergency resource support and other related matters. By further strengthening the emergency management system, the Group is able to respond effectively to flood disasters and flood control emergencies.

Part VIII: Strictly Upholding Safety Red Lines and Emphasizing Talent Development

The Group has formulated an annual emergency drill plan and actively organized various forms of emergency drills to test the operability and practicality of its emergency plans and emergency response procedures, enabling frontline personnel to become fully familiar with emergency procedures and enhancing their emergency response capabilities. During the year, the Group completed a total of 171 emergency drills of various types across all ongoing projects and production and manufacturing sites, in accordance with its emergency drill plan. During the year, the Group also organized fire evacuation emergency drills simulating a fire in office areas, in order to assess relevant personnel's use of fire extinguishers and evacuation response. Through these drills, employees' proactive learning of fire safety knowledge was strengthened, enabling them to recognize the hazards of fire, acquire the basic methods for extinguishing fires, and become familiar with evacuation and escape routes in office premises.



Figure: Fire Emergency Training and Drill

The Group launched the "Everyone Talks About Safety, Everyone Knows How to Respond to Emergencies" themed Work Safety Month and the "National Fire Safety, Production First" themed Fire Safety Awareness Month in 2025, and organized the 'Ankang Cup' competition. Pursuant to its annual activity plan and in conjunction with the three-Year action plan for the fundamental improvement of work safety, the Group enhances the Company's emergency management capabilities through a variety of initiatives, including workplace publicity arrangements, dedicated emergency response seminars, accident warning and education sessions, and knowledge quiz activities. At the same time, the Group organizes work safety education and training on a range of topics, including project safety management, work safety induction for new employees, analysis of accident cases, safety technical standards, the work safety accountability system, fire safety knowledge, and electrical safety. During the year, the Group organized six sessions of production safety education and training for all employees and personnel across its business projects, covering topics including policy communication and implementation, reminders of key precautions, and basic knowledge briefings, thereby further enhancing the emergency preparedness and safety awareness of all employees.

For business partners engaged in the Group's operation and maintenance service projects, we have established and required the execution of a *Production Safety Agreement*, implementing the principle of 'safety first, prevention first, and integrated management'. Both parties are required to conscientiously implement production safety policies, laws and regulations, strengthen safety awareness, improve and optimize rules and regulations to enhance preventive measures, and refine construction management, so as to achieve production safety objectives, clearly define each party's production safety responsibilities and obligations, prevent and reduce safety incidents in production, and safeguard life and property.

Part VIII: Strictly Upholding Safety Red Lines and Emphasizing Talent Development



Production Safety Evaluation Framework

Based on the actual production safety conditions of its subsidiaries, the Group conducts annual production safety evaluations under two main categories: projects under construction, and production and manufacturing sites.

Category	Evaluation Indicators
Projects Under Construction	<ul style="list-style-type: none"> • Achievement of Production Safety Targets • Implementation of Production Safety Responsibilities • Production Safety Emergency Management • Safety Education and Training • Development of a Dual Prevention Mechanism for Tiered Safety Risk Control and Hidden Hazard Identification and Remediation • Third-Party Management • Management of Monthly Production Safety Reports
Production and Manufacturing Sites	<ul style="list-style-type: none"> • Achievement of Production Safety Targets • Implementation of Production Safety Responsibilities • Production Safety Emergency Management • Safety Education and Training and Regular Meeting Management • Development of a Dual Prevention Mechanism for Tiered Safety Risk Control and Hidden Hazard Identification and Remediation • Safety Inspection and Rectification

Table: Annual Work Safety Assessment Indicators

In 2025, all work safety targets of the Group were achieved as expected, including targets relating to safety liability accidents, fatal/serious injury accidents, fire accidents, safety liability accidents involving related parties, occupational disease hazard accidents, environmental pollution accidents, and the rectification of safety hazards. During 2023 and 2024, the Group did not record any work-related fatalities or injury accidents, and there were no lost working days due to work-related injuries; during 2025, the Group recorded no work-related fatalities. One work-related injury incident occurred outside the production process, resulting in 91 lost workdays.

FULFILLING EMPLOYER RESPONSIBILITIES

Employees are the enterprise's core strategic assets and the fundamental pillar and key driving force underpinning the Group's value creation and sustainable development. We place great emphasis on strengthening our talent pipeline and workforce development, and are committed to providing a sound working environment, competitive remuneration and benefits, effective incentive mechanisms, and career development opportunities, thereby fostering technological capability, cultural cohesion, and effective strategy execution.

Part VIII: Strictly Upholding Safety Red Lines and Emphasizing Talent Development

Employment

The Group adheres to the principles of openness, fairness, impartiality, reasonableness and merit-based selection in recruitment and hiring, and recruits and employs staff according to the qualification and competency requirements of each position. In accordance with the law, the Group enters into labor contracts with employees and makes social insurance and housing provident fund contributions for employees in compliance with national regulations, ensuring that recruitment is not influenced by non-job-related factors such as gender, ethnicity, religion, marital status, or age. The Group has established a series of employee management policies and procedures, including but not limited to the *Administrative Measures for Personnel Recruitment and Deployment*, the *Administrative Measures for Labour Personnel Management*, the *Administrative Measures for Employee Performance Management*, the *Administrative Measures for Attendance and Leave Management*, and the *Code of Conduct for Employees*, and continues to refine and enhance its employee management system.

The Group strictly complies with the applicable laws and regulations of all countries and regions in which it operates, including Mainland China, Hong Kong and India, and recruits and employs full-time/part-time/contract staff in accordance with the law. The Group prohibits the employment of child labor or any form of forced labor, and requires all newly hired employees to provide valid identity documents for verification. If any non-compliance is identified, we will immediately handle it in accordance with the relevant requirements. We encourage employee referrals and internal applications, and while attracting talent from external sources, we enhance internal mobility by providing employees with pathways for promotion or transfer, as well as opportunities to broaden their professional experience and strengthen overall organizational collaboration. During the Reporting Period, the Group did not record any incidents relating to child labor or forced labor.

As at 31 December 2025, the Group had 627 full-time employees and 353 part-time and dispatched personnel. The average turnover rate of full-time employees was 10.21%.

Number of Employees by Gender	
Male	447
Female	180
Number of Employees by Age Group	
Aged 29 or Below	67
Aged 30 to 49	523
Aged 50 or Above	37
Number of Employees by Job Level	
Management	26
Middle Management	86
Employees	515
Number of Employees by Geographical Region	
Mainland China	604
Hong Kong, China	23

Table: Distribution of Full-time Employees by Category in 2025

Part VIII: Strictly Upholding Safety Red Lines and Emphasizing Talent Development



Employee Turnover Rate by Gender	
Male	12.08%
Female	5.56%
Employee Turnover Rate by Age Group	
Aged 29 or Below	19.40%
Aged 30 to 49	8.80%
Aged 50 or Above	13.51%
Employee Turnover Rate by Region	
Mainland China	9.93%
Hong Kong, China	17.39%

Table: Turnover Rate of Full-time Employees by Category in 2025

During the year, the Group formulated and publicly issued the *Employee Diversity Policy* and, through its employee code of conduct, regulated professional ethics, employee behavior and the office environment, among other areas, in order to provide a workplace free from harassment and discrimination; expand the talent pool through channels such as collaboration with institutions of diverse backgrounds and external organizations, and select talent of different backgrounds, including genders, cultural contexts, ages, and nationalities, thereby providing a diverse talent base for the enterprise's development; ensure that employees enjoy equal opportunities in recruitment, promotion, remuneration, training, and other aspects, without restrictions based on factors such as gender and age; clearly stipulate that employee recruitment, promotion and related matters shall be conducted in accordance with the Group's prescribed procedures, so as to recruit more candidates from diverse backgrounds, foster a diverse and inclusive workplace, and support long-term development.

Remuneration

The Group has established its remuneration framework primarily with reference to job responsibilities, work performance and operational risks, in line with the principles of equal pay for equal work and the recognition of knowledge and skills, with a performance-oriented approach, while linking employee remuneration to their duties and risk prevention responsibilities. We implement internal policies, including the *Remuneration Management Measures*, the *Employee Performance Management Measures*, the *Management Measures for the Appointment, Removal and Performance Assessment of Middle Management Personnel*, and the *Employee Rewards and Disciplinary Measures*; In Mainland China, a Group-level trade union organisation has been established, and, with reference to the *Regulations on Enterprise Trade Union Work*, a collective agreement has been entered into with the trade union to define labor standards and conditions relating to remuneration, working hours and leave, occupational safety, training, insurance and benefits, among others.

Benefits and Rights

The Group strictly complies with labor-related laws and regulations in Mainland China, Hong Kong and overseas. In addition to providing employees with pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund contributions, the Group also provides supplementary medical insurance and progressively enhances its enterprise annuity scheme, thereby establishing a comprehensive employee rights and interests protection system featuring 'six insurances and two funds', which has been widely recognized by employees.

We provide employees with benefits such as meal allowances, annual medical check-ups, and reimbursement of heating expenses, as well as extreme weather care packages, hardship assistance funds, and allowances in connection with marriage, bereavement, illness, pregnancy, and other situations. For eligible employees, we assist in obtaining Beijing Work and Residence Permits, thereby creating favorable conditions for their work and daily lives. In addition, we offer competitive leave entitlements and paid annual leave arrangements, including 15 days of paternity leave for male employees; until a child reaches the age of three, employees are entitled to 5 days of childcare leave per year; and employees who are only children are entitled to 10 days of caregiving leave each year to care for their parents, among other benefits.

Part VIII: Strictly Upholding Safety Red Lines and Emphasizing Talent Development

We have established a labor union and convene union committee meetings annually to encourage employees to participate actively in decision-making, while respecting their views and suggestions. During the year, the union committee meeting considered and reviewed important matters submitted for approval, including re-election arrangements, requests concerning the income and expenditure budget, standards for summer heat-relief visits, and the nomination of consultation representatives, thereby promoting two-way communication between the Group and its employees.

The Group organizes festive celebrations, birthday greetings and employee family open day activities to foster a warm and harmonious office atmosphere and enhance employees' sense of belonging; the Group has established service facilities such as an employee home and caring station in office areas, and regularly procures tea, light refreshments and essential medicines to provide employees with a comfortable and welcoming working environment; the Group places emphasis on employees' physical and mental well-being, encourages employees to actively participate in cultural, artistic and sports activities, and organizes mental health seminars to help relieve work pressure and provide comprehensive care and support. During the Reporting Period, the Group organized a Women's Day frisbee activity, a mental health seminar, an open day for employees' families, a Mid-Autumn Festival mooncake DIY activity, a series of Sports and Fitness Week activities, and other activities, with a view to stimulating employees' enthusiasm for work and collective awareness, fostering a positive and proactive team culture, and enhancing happy and harmonious emotional connections.



Photo: Open Day for Employees' Families



Photo: Mid-Autumn Festival Mooncake DIY Activity

Part VIII: Strictly Upholding Safety Red Lines and Emphasizing Talent Development



Photo: Sports and Fitness Week Activities



Photo: Mental Health Seminar

SUPPORTING EMPLOYEE DEVELOPMENT

The industry in which we operate is characterized by a light-asset model and a talent-intensive nature. Enhancing employees' comprehensive skill development and continuous learning capabilities is a primary focus of our talent development efforts. We place great importance on the growth and development of our employees. By providing professional development opportunities, we encourage them to enhance their personal capabilities and align individual development with the Company's capabilities. This not only strengthens corporate cohesion, but also lays a solid foundation for management succession planning.

The Group has established a series of employee management policies, including the *Position Level Management Measures*, to align its overall job grade framework more closely with market practices and enhance industry comparability, thereby providing guidance for the further strengthening of its talent pipeline. The Group adopts dual career pathways comprising a management track and a professional track, with 9 job grades under the management track and 15 job grades under the professional track. The professional track is further divided horizontally into seven categories: technology, product, investment, marketing, engineering, operations and maintenance, and functional support. Through a detailed delineation of functions, the Group further specifies employees' development directions and maintains full communication with employees, enabling them to gain a clearer understanding of their future development directions and, align their own strengths and professional expertise with career development paths.

Part VIII: Strictly Upholding Safety Red Lines and Emphasizing Talent Development

The Group implements the *Training Management Measures* and formulates annual training plans and budgets based on the characteristics and requirements of different positions. In formulating its annual training plan, the Group maintains active coordination with its subsidiaries to collect and jointly discuss the training needs of frontline business teams, with the aim of fostering a workforce with solid technical capabilities, strong business expertise and abundant vitality. We also grant corresponding incentives to employees who obtain relevant professional qualification certificates in business-related fields such as economics, accounting, engineering, mechanical and electrical engineering, communications and network technologies, thereby enhancing the Company's soft capabilities by supporting employees' self-improvement and professional development.

We provide multi-dimensional training and learning opportunities to enable employees to continuously enhance their skills and competencies and realize their self-worth. We provide targeted training for key middle management personnel, outstanding young talent with strong development potential, and R&D technical professionals, with tailored training modules designed to address capability enhancement needs at different stages of their development. Training for key middle management personnel focuses on the themes of 'Strategic Vision', 'Technology Empowerment' and 'Management in Practice', with a view to fostering and enhancing the middle management team's integrated management capabilities; training for outstanding young talent, under the themes of 'Frontier Insights' and 'Growth Breakthroughs', is designed to broaden perspectives, keep abreast of industry development trends, and strengthen professional skills; training for R&D technical talent focuses on the study of cutting-edge large-model technologies, enabling the R&D team to further understand development trends in artificial intelligence and master advanced artificial intelligence technologies, while promoting the Group's exploration of applications that integrate artificial intelligence technologies with rail transit business contexts. At the same time, since launching the targeted young talent development program in 2020, we have recruited new employees each year into the key talent pipeline under the "Supernova Talent" program. The talent pool comprised 30 reserve talents, including 10 new additions during the year. We also implemented the "Shining Plan" for "Supernova Talent", organizing activities such as quarterly sharing salons and promotion pathway design to provide more robust support for the rapid development of key talents.

In 2025, the Group coordinated and delivered more than 70 professional training sessions through a combination of online and offline formats, covering topics such as compliance, production safety, technology research and development, and project management, as well as specialized training organized by departments including research and development, finance, IT, procurement, quality control and sales. The employee training coverage rate reached 95.22%, with average training hours of 29.72 hours per employee.

Percentage of Employees Trained by Gender	
Male	95.75%
Female	93.89%
Percentage of Employees Trained by Job Level	
Management	100.00%
Middle Management	100.00%
Employees	95.2%
Average Training Hours per Employee by Gender	
Male	31.42
Female	25.49
Average Training Hours per Employee by Job Level	
Management	181.67
Middle Management	113.03
Employees	23.84

Table: Training of Full-time Employees by Category in 2025

Part IX: Promoting Green Development and Enhancing Operational Efficiency



The Group is fully aware of the important role of environmental and climate action in advancing global sustainable development. We consistently incorporate the environmental and climate impacts arising from rail transit operating scenarios into major business-related decision-making, closely monitor emissions and resource consumption in the course of operations, and continuously update our sustainable management objectives, with a view to achieving environmentally friendly, long-term and sustainable development alongside corporate growth. We have incorporated climate-related matters into the key priorities of our ESG governance to ensure compliance with our environmental and climate governance responsibilities.

ENVIRONMENTAL MANAGEMENT TARGETS

Rail transit is an integral part of urban operations and also one of the sources of urban energy consumption. As the impacts of climate change become increasingly far-reaching, global sustainable development is facing significant challenges, and the role of rail transit in building urban green mobility systems and advancing sustainable urban development has become increasingly prominent.

As the rail transit industry enters a stage of smart development and low-carbon transformation, we conduct in-depth analysis of the actual and potential impacts of our business characteristics and operating activities on the environment and climate, and formulate and continuously update our Sustainable Development Goals in light of our business operations. Our business primarily comprises software development, solution integration, system deployment and project implementation. Only the on-board PIS products under the intelligent passenger information services business involve assembly and production, while all other operating activities are conducted in an office environment. The principal energy consumption and emissions arising from our production and operating activities are primarily attributable to office premises and assembly production facilities.

Within BIIT Sustainable Development Goals, we have established a Scope 2 greenhouse gas emissions target based on our business characteristics, namely to reduce the Group's electricity carbon emissions intensity by 10% by 2025 and by 15% by 2030, using 2021 as the base year.

RESOURCE UTILIZATION MANAGEMENT

The Group strictly complies with environmental protection-related laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Administrative Measures for Green Product Labelling*, and the *Renewable Energy Law of the People's Republic of China*. On this basis, the Group has formulated corresponding internal policies and, with reference to requirements including the *Industrial Energy Conservation Supervision Measures* promulgated by the Ministry of Industry and Information Technology of the PRC, completed internal self-inspection and self-assessment.

Part IX: Promoting Green Development and Enhancing Operational Efficiency

In terms of resource and energy consumption, the Group exercises stringent control over the manner and methods of use, and has implemented across the Group a series of measures for energy conservation, emissions reduction, consumption reduction and efficiency enhancement. The Group has put into practice the *Notice on the Energy Saving Initiative and the Regulations on Management of Scrap and Waste*, and has communicated these requirements to employees, including but not limited to:

<p>Fuel</p>	<ul style="list-style-type: none"> • Control the frequency of the Group's vehicle use • Systematically replace the Group's fuel-powered vehicles with new energy vehicles and hybrid vehicles • Coordinate and plan the frequency and mode of business travel, enforce approval process controls, implement travel necessity assessments, and strictly curb non-essential travel at source • Promote online meetings and utilize online meeting tools for cross-regional communication; recording and replay functions may be enabled for important meetings to reduce the need for in-person attendance • Prioritize online live-streaming or recorded formats for activities such as training sessions and seminars to support cross-regional exchange • Encourage employees to use public transport for travel
<p>Electricity</p>	<ul style="list-style-type: none"> • Manage the duration and brightness of lighting in office areas, make full use of natural daylight, and avoid wastage • Use energy-efficient office equipment and promote office digitisation to reduce the frequency of use of printers and other equipment • Install energy-saving and environmental protection signage • Set air-conditioning temperatures and operating hours, with summer cooling set at no lower than 26°C and winter heating set at no higher than 20°C • Air-conditioning in meeting rooms, vacant offices and other areas is switched off separately • Procurement is planned, and power-consuming equipment bearing the national energy efficiency label is used • Power-consuming equipment is maintained regularly • Employees are encouraged to switch off office electrical facilities promptly when leaving work to avoid standby energy consumption • Holiday and routine water and electricity shut-off periods are established, with strict management, inspection and supervision implemented
<p>Water</p>	<ul style="list-style-type: none"> • Prominent water-saving signage is posted at key locations such as office taps, water dispensers and pantries to strengthen employees' water conservation awareness • Promote green meetings and encourage the use of personal water bottles to reduce water consumption arising from the cleaning of shared cups • Provide meeting participants with small bottles of mineral water to avoid waste • Reuse fragmented water resources by collecting leftover drinking water and the final-rinse water from cups for watering office plants, thereby enabling reuse • Carry out regular maintenance of water-using equipment • Encourage employees to conserve water in their daily work and daily lives, and to avoid waste and pollution

Table: Measures for Energy Conservation, Emissions Reduction, Resource Consumption Reduction and Efficiency Enhancement in 2025



<p>Office supplies</p>	<ul style="list-style-type: none"> • Promote paperless office operations and reduce the circulation of paper documents • Promote duplex printing and copying by setting printers and photocopiers to duplex mode by default; avoid printing color documents unless necessary; and encourage employees to adopt duplex printing to conserve paper • Give priority to the reuse of single-sided used paper for internal documents and draft materials • Promote reusable stationery, establish shared office-supplies areas, and distribute office supplies on an as-needed basis to reduce the use of common consumables
<p>Packaging Materials</p>	<ul style="list-style-type: none"> • Recycle bubble wrap, cartons, PE bags and other materials generated in office areas and production bases, and reuse them in operational scenarios such as turnover use between production lines and warehouses, thereby reducing the consumption of related materials
<p>Waste</p>	<ul style="list-style-type: none"> • Full implementation of waste segregation facility standards, with collection containers provided for all waste categories, including recyclables, food waste, hazardous waste and other waste, and classification guidance and practical illustrated instructions displayed at disposal points to ensure that employees can clearly identify each category and achieve 'classified disposal – classified collection – classified transportation – classified treatment' • A <i>Report on Change of Solid Waste Types</i> was issued for printed circuit board (PCB) boards and filed with the local government solid waste management center. A phased disposal plan of 'centralised safe storage first, followed by batch treatment' was formulated, under which materials are first stored in a compliance hazardous waste warehouse and, once the accumulated volume reaches one tonne, are transferred to a qualified professional third party for centralized treatment. • Develop and install signage in accordance with the relevant requirements of the <i>Technical Specification for the Setting Identification Signs for Hazardous Wastes</i>, so as to alert operating personnel and ensure operational safety • Continuously monitor updates to the <i>National Hazardous Waste List</i> and strictly comply with the relevant requirements

Table: Measures for Energy Conservation, Emissions Reduction, Resource Consumption Reduction and Efficiency Enhancement in 2025

The Group has established production and R&D bases in three cities. Among these, the Suzhou Industrial Park is equipped with a laboratory for various key industry-related tests. Production activities at the production base primarily involve the assembly of structural components and parts, software programming, and finished product testing. The energy consumed mainly comprises electricity and fuel for forklifts, with part of the electricity supplied by distributed photovoltaic clean energy facilities in the Suzhou Industrial park. Our water consumption is for office use, supplied via municipal water pipelines across various regions. Reclaimed water accounts for over 30% of our total water consumption, and we have not encountered any issues in securing adequate water sources.

Part IX: Promoting Green Development and Enhancing Operational Efficiency

In response to customer requirements and to enhance our environmental management standards, we introduced the ISO 14001:2015 Environmental Management System at the production base and implemented green management across the entire operational cycle, covering procurement, production, products and services, and logistics. The industrial park in which the Group's Suzhou production base is located is equipped with distributed photovoltaic power generation facilities for shared use by multiple tenants within the park. During the Reporting Period, power generation for the Group's production base amounted to 539,622 kWh, improving the Group's power consumption mix.

During the Reporting Period, the Group's air pollutant emissions arose from the use of fuel by mobile sources. The use of gasoline-fueled vehicles showed no material difference compared with 2024, and direct greenhouse gas emissions also showed no material difference compared with 2024. As the Group's ongoing implementation of electricity-saving measures continued to deliver results, and as the proportion of renewable energy used to replace part of the traditional externally purchased electricity at the Suzhou base increased, power consumption rose slightly compared with 2024, while indirect greenhouse gas emissions decreased significantly over the same period. The Group's water consumption decreased significantly compared with 2024, primarily because the relocation of certain office premises of the Group had been completed and water usage returned to a normal level. There was no material change in the Group's non-hazardous waste generated compared with 2024.

Environmental Indicators	Unit	2025	2024
Energy			
Petrol	kWh	34,937	34,962
Diesel	kWh	5,849	5,849
Electricity	kWh	1,572,189	1,528,821
Total Energy Consumption	kWh	1,612,975	1,569,631
Total Energy Consumption Intensity	kWh/million HKD	908.36	947.40
Greenhouse Gas			
Direct Greenhouse Gas Emissions (Scope 1)	tonnes of carbon dioxide equivalent	9.71	9.71
Indirect greenhouse gas emissions (Scope 2)	tonnes of carbon dioxide equivalent	587	703
Total greenhouse gas emissions (Scopes 1 and 2)	tonnes of carbon dioxide equivalent	597	713
Total greenhouse gas emissions intensity (Scopes 1 and 2)	tonnes of carbon dioxide equivalent/HK\$ million	0.34	0.43
Value chain greenhouse gas emissions (Scope 3)	tonnes of carbon dioxide equivalent	177	/
Air pollutants			
Nitrogen oxides (NO _x)	g	2,288	2,330
Sulphur oxides (SO ₂)	g	53	54
Particulate matter (PM)	g	168	172



Environmental Indicators	Unit	2025	2024
Water			
Water consumption	tonnes	7,072	10,869
Water Consumption Intensity	tonnes/million HKD	3.98	6.56
Hazardous Waste			
PCB Assemblies	tonnes	0.5	1.1
Non-hazardous Waste			
General Production Waste	tonnes	21	15
Office and Domestic Waste	tonnes	306	304
Packaging Materials	tonnes	61	54
Waste Recycling	tonnes	8	28
Non-hazardous Waste Intensity	tonnes/million HKD	0.21	0.21

Table: Overview of Environmental Indicators for 2025

Notes:

- The emission intensity of environmental indicators is measured based on revenue;
- Electricity consumption includes purchased electricity and electricity generated by photovoltaic systems at the Suzhou Industrial Park;
- Scope 3 greenhouse gas emissions in the value chain include Category 5: waste generated in operations;
- During the year, the sub-categories of packaging materials identified were paper boxes, EPE foam and others.

ADDRESSING CLIMATE CHANGE

The Group closely aligned with the national strategic decisions and deployments on carbon peaking and carbon neutrality, fully implemented the core requirements of the national dual carbon targets, and adhered to a green, low-carbon and high-quality development path. We complied with Part D, "Climate-related Disclosures", of the ESG Code of HKEX and, with reference to the International Financial Reporting Standard on Sustainability Disclosure No. 2 – Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework, established a regular mechanism for the identification and analysis of climate risks and opportunities. We conducted a comprehensive review and precise assessment of the potential impacts of various climate-related factors across all dimensions of the Group's production and operations, industrial chain deployment, financial position and long-term development. Based on these assessments and in light of actual circumstances, the Group formulated a series of strategies and measures to address climate risks and opportunities and proactively respond to climate change.



Part IX: Promoting Green Development and Enhancing Operational Efficiency

Governance

To enhance its capability to respond to climate change, the Group has incorporated climate change governance responsibilities into its existing ESG governance system and established a climate change response mechanism overseen and led by the Board, supervised by the ESG Committee, spearheaded by the ESG Working Group, and carried out in coordination with the relevant departments. Please refer to the section headed “ESG Governance Structure”.

The Group has systematically reviewed and defined its management approach to climate change response, established short-term (1-2 years), medium-term (3-5 years) and long-term (more than 5 years) management strategies and action plans, and formulated targeted response measures on that basis. The Board conducts an annual review of the ESG report, receives regular updates on climate-related risks and opportunities, and ensures that climate considerations are incorporated into the Group’s strategic planning. In overseeing the Group’s strategy, major transaction decisions and risk management, the Board and the ESG Committee take into account climate-related risks and opportunities, including balancing relevant trade-offs such as transition costs and long-term sustainability benefits.

During the Reporting Period, we engaged professional consultants to deliver climate-related training sessions and sharing seminars to the Board and management, to help them understand the latest changes in climate-related guidance and response measures, and to enhance their professional understanding and competence in climate-related matters. Furthermore, the Group has integrated ESG and climate-related indicators into the remuneration policies and performance appraisal system for executive directors and senior management. On the one hand, indicators concerning work safety and employees’ vital interests have been incorporated into the assessment system, advancing the full integration of ESG dimensions into the performance evaluation of senior management. On the other hand, ESG performance, compliance implementation and third-party assessment results are directly included in the Group’s overall evaluation scope, linking ESG effectiveness with executive performance and establishing a sound positive incentive mechanism.

Strategy

The Group regularly assesses the impact of climate-related risks and opportunities on its operations and value chain. During the year, taking into account its business operations and with reference to internationally recognised climate change trend projections and advice from external experts, the Group further identified and analyzed the potential short-, medium – and long-term impacts of climate-related risks and opportunities on the Group’s operations and financial performance.

In view of HKEX’s relief arrangements (including reasonable information relief, capabilities relief and financial impact relief), this Report does not currently disclose details regarding financial impact, climate-related scenario analysis and climate resilience, and instead is principally based on qualitative disclosures. The Group will continue to monitor climate change issues and the related allocation of resources, further enhance its climate change-related management standards and capabilities, and progressively improve the relevant disclosures in future reports.

Part IX: Promoting Green Development and Enhancing Operational Efficiency



Risk Type			Time Horizon	Financial Impact	Response Measures
Physical Risks	Acute Risks	<p>Natural disasters or extreme weather events, such as typhoons, extreme heat, floods and droughts:</p> <ul style="list-style-type: none"> • May disrupt employees' travel, reduce operational efficiency, and delay project progress; • May cause damage to production facilities, premises, equipment and installations, and deterioration in material quality; • May lead to congestion or disruption of material transportation routes and delays in delivery 	Short-term	May result in impairment of fixed assets, increased operating costs, and a decline in revenue	<ul style="list-style-type: none"> • Closely monitor weather conditions, issue advance warning notices to local employees, project departments and machine rooms in respect of extreme weather, and implement staggered travel arrangements where necessary; • Implement tiered emergency response plans at the 'Group-Business-Project' levels, and formulate targeted contingency plans based on the characteristics of climate-related emergencies in different operating regions; • For locations affected during the flood season, promptly issue flood prevention alerts and require all projects under construction to maintain timely communication and follow-up; • Conduct regular inspections of the office, server rooms and production bases, review safety conditions relating to ventilation, water, electricity, etc., and promptly eliminate potential hazards; • Use cloud servers to store and back up data and information, and regularly verify their functionality; • Issue high-temperature alerts during periods of extreme heat, and provide beverages and supplies for heatstroke prevention and cooling; • Implement the principle of local procurement, establish backup suppliers and contingency plans, and ensure supply chain stability

Part IX: Promoting Green Development and Enhancing Operational Efficiency

Risk Type		Time Horizon	Financial Impact	Response Measures	
	Chronic Risks	Global warming, sea-level rise, ecological degradation and climate change, etc.:	Long-term	May result in impairment of fixed assets, a decline in operating revenue and an increase in operating costs	<ul style="list-style-type: none"> Issue notices and proposals on energy and resource conservation, encourage employees to reduce waste and enhance resource-use efficiency; Designate water and electricity shut-off periods in office areas, implement stringent management measures, and conduct pre-holiday inspections and routine quarterly inspections; Conduct forward-looking identification and assessment of chronic climate risks, and incorporate such risks into considerations for the selection of office premises
Transition Risks	Policy and Legal Risks	Enhanced Compliance requirements, business-related regulatory requirements, and ESG disclosure requirements, etc.:	Medium- to long-term	Higher compliance costs	<ul style="list-style-type: none"> Adopt multiple channels to keep abreast in real time of changes in domestic and overseas laws and regulations, strengthen communication and exchanges with regulatory authorities and professional institutions, establish a legal database, and achieve routine regulatory monitoring; Closely monitor national laws, regulations and policy developments relating to climate change response, and incorporate ESG- and climate-related risks into the overall risk management framework; Provide employees with various training programs to ensure the compliance of products and services

Part IX: Promoting Green Development and Enhancing Operational Efficiency



Risk Type	Time Horizon	Financial Impact	Response Measures
<p>Technology Risks</p> <ul style="list-style-type: none"> • Technological innovation and product iteration driven by industry development may require the Group to increase its investment in research and development and launch innovative products and solutions • Heightened requirements for the green transformation of products and services may require the Group to enhance operational efficiency and establish a green supply chain 	Medium-term	Increased R&D investment and higher operating costs	<ul style="list-style-type: none"> • Continue to monitor technological developments in the technology sector, align with rail transit needs, develop products featuring cutting-edge technologies, and integrate emerging technologies such as large-model data analysis and artificial intelligence-enabled interaction into products and solutions; • Monitor demand for green transformation-related products and services, and continue to embed the concepts of energy conservation and emissions reduction into product planning, including the optimization of functions such as environmental data recording and operational efficiency enhancement; • Adopt automated equipment at production bases, incorporate environmental protection and non-toxicity requirements into supplier selection criteria, and include suppliers' ESG performance in assessment scores

Part IX: Promoting Green Development and Enhancing Operational Efficiency

Risk Type		Time Horizon	Financial Impact	Response Measures
Market Risk	<ul style="list-style-type: none"> Changes in customer behavioral preferences may require the Group to continuously pursue research, development and innovation, and to design new products that meet customer needs and expectations The cost of resources such as electricity, fuel and water may fluctuate as a result of climate change, which may adversely affect operations 	Medium- to long-term	Increased R&D investment and higher operating costs	<ul style="list-style-type: none"> Provide basic standardized solutions, monitor customer behavioral preferences in real time, and implement customized upgrades based on customer needs and specific project circumstances; Actively participate in industry exchange sessions, exhibitions and other activities to understand development trends in the international rail transit market, maintain ongoing engagement with potential customers, and explore opportunities for market expansion; Strengthen the promotion and management of energy conservation and emissions reduction, prioritize the use of energy-efficient equipment, and reduce unnecessary energy consumption;
Reputational Risk	<ul style="list-style-type: none"> Public attention to corporate social responsibility may prompt the Group to continue making social contributions Unsatisfactory performance and adverse publicity relating to environmental protection and climate change may affect the Group's reputation 	Long-term	Reduced financing channels	<ul style="list-style-type: none"> Closely monitor disclosure requirements relating to sustainable development and climate change and, while ensuring compliance, optimize external communication channels for corporate social responsibility; By paying close attention to social developments and supporting education, rural revitalization, emergency response and disaster relief, among other initiatives, the Group actively fulfills its corporate social responsibility through charitable donations and other means, thereby enhancing its brand image

Table: Results of Climate Change Risk Identification for 2025

The Group is acutely aware that, while climate change gives rise to risks, it also advances concepts such as low-carbon and green development, thereby creating opportunities for corporate transformation and the achievement of sustainable development.

Part IX: Promoting Green Development and Enhancing Operational Efficiency



Opportunity Type		Time Horizon	Financial Impact	Implementation Measures
Market	<ul style="list-style-type: none"> Demand for green public transportation continues to grow. Driven by the 'dual carbon' goals and relevant domestic and international policies, the green rail transit market has entered a window of opportunity for development, creating favorable conditions for the Group to expand its business scope and enhance its market competitiveness 	Medium- to long-term	Operating revenue increased, and the proportion of orders from green business-related projects rose	<ul style="list-style-type: none"> Closely monitor domestic and international policies and market demand relating to green rail transit and, leveraging extensive project experience and specialized technical capabilities, provide customers with customized green solutions and strengthen brand presence
Resource Utilization Efficiency	<ul style="list-style-type: none"> By optimizing operational processes and enhancing resource utilization efficiency, reducing greenhouse gas emissions as well as pollutant discharges and waste generation, the Group advances sustainable development and promotes the circular economy 	Medium-term	Lowered operating costs	<ul style="list-style-type: none"> Optimize production and operational processes, and reduce energy consumption and material consumption per unit of output through refined management; Strengthen internal awareness-building on resource conservation, and implement water-saving, electricity-saving and material-saving measures across office and production operations
Products and Services	<ul style="list-style-type: none"> Customer demand for low-carbon, energy-efficient rail transit software and hardware products is increasing. Through green product design and innovation in service models, the Group can strengthen product differentiation, expand value-added service offerings, and enhance market competitiveness 	Medium-term	Operating revenue increased, and the revenue contribution from green products and services gradually rose	<ul style="list-style-type: none"> Incorporate energy-saving and low-carbon design concepts into product research and development to optimize product energy efficiency performance; Understand customer demand for products and services related to green transformation, and provide customers with green, energy-efficient solutions

Part IX: Promoting Green Development and Enhancing Operational Efficiency

Opportunity Type		Time Horizon	Financial Impact	Implementation Measures
Climate Resilience	<ul style="list-style-type: none"> The escalating impact of extreme weather events and climate risks has placed higher demands on the stability of rail transit systems. By advancing a low-carbon transition through measures such as process optimization, enterprises can strengthen their resilience and overall risk resistance. 	Medium-term	Achieved more stable operating costs, reducing potential cost fluctuations arising from climate risks	<ul style="list-style-type: none"> Conduct climate risk identification and assessment, and establish contingency plans for extreme weather events; Proactively participate in industry collaboration and communication to jointly explore pathways for the green and low-carbon development of the industry

Table: Results of 2025 Climate Change Opportunity Identification

Risk Management

The Group has proactively explored management approaches to climate-related risks and systematically incorporated such risks into the Group's risk management framework. For details of the risk management framework and procedures, please refer to the "Risk Management" section.

Metrics and Targets

The Group has established Sustainable Development Goals and reviews progress against them. During the Reporting Period, the Group achieved its 2025 target of a 10% reduction in electricity carbon emission intensity and its 2030 target of a 15% reduction in electricity carbon emission intensity. For its long-term target, the Group will align with the country's 2060 carbon neutrality commitment and strive to achieve carbon neutrality in its own operations by 2060. At the same time, the Group has set targets for water consumption and non-hazardous waste generation, and will continue its efforts to consciously reduce water consumption and non-hazardous waste generation. Looking ahead, the Group will remain closely focused on core areas including green and low-carbon development, employee well-being protection, and the enhancement of operational management, while prudently exploring and scientifically formulating a new round of Sustainable Development Goals. The Group will continue to review the appropriateness of such goals and, where appropriate, optimize its disclosure and target management mechanisms in light of the Group's actual operations and broader industry development trends.

In light of the HKEX's waiver arrangements (including the reasonable information waiver, capability waiver and commercially sensitive information waiver), this Report does not, for the time being, disclose information relating to cross-industry metrics, industry-specific metrics and certain other aspects. In addition, we state that no internal carbon pricing is currently applied. The Group is committed to continuously enhancing relevant capabilities and will progressively refine such disclosures in future reports.

Part X: Contributing to Social Value and Promoting Public Welfare



Embedding regional value and participating in public welfare are deeply rooted in the Group's values and serve as a mission calling to support national development and fulfill the responsibilities of a state-owned enterprise. As a Beijing municipal state-owned enterprise, we always bear in mind the fundamental principle of serving the capital and national strategies – ensuring convenience and safety, supporting the resilient development of modern cities, driving regional development through technological innovation, and contributing to the broader goal of high-quality national development. At the same time, the Group consistently supports social welfare and rural revitalization, organizes employee volunteers to participate in community services, and has formulated the “External Donation Management Measures” to coordinate social investment at the Group level, effectively advancing the implementation of corporate social responsibility.

CULTIVATING REGIONAL VALUE

Boosting the Coordinated Development of the Beijing-Tianjin-Hebei Region

The Group has actively integrated itself into the overall development of rail transit construction in the Beijing-Tianjin-Hebei (BTH) region. In 2025, it vigorously participated in the construction of Beijing's first inter-provincial rail transit line, Rail Transit Line 22 (Pinggu Line). The Group won bids for key projects including the communication system integration procurement and the automatic fare collection (AFC) system equipment procurement, providing solid technical support for the integrated inter-provincial operation. Stretching approximately 81.82 kilometers, this line connects key functional areas such as Beijing's central urban area, the Beijing Municipal Administrative Center, and Sanhe City in Hebei Province, serving as the flagship demonstration line for urban rail transit under the BTH coordinated development strategy. In September 2025, the southern section of Tianjin Metro Line 7, constructed with the Group's involvement, was successfully opened. The Group supplied the entire line's AFC system and was fully responsible for the end-to-end process, including installation supervision, system commissioning, and launch assurance. Furthermore, the Group continued to strengthen its presence in other key BTH projects, making its inaugural foray into the Shijiazhuang market during the year. Moving forward, the Group will persist in supporting the intelligent upgrading of rail transit in Tianjin and Hebei, propelling the integrated development of regional transportation.

Advancing the Construction of Beijing's “Four Centers”

Beijing is the national political center, cultural center, international exchange center, and scientific and technological innovation center, undertaking the strategic mission of governance by the CPC Central Committee. As a municipal state-owned enterprise in Beijing, the Group has always taken serving the construction of the “Four Centers” as its primary political task, and fulfilled its responsibilities as a state-owned enterprise with intelligent technology.

In 2025, the Group, together with 6 affiliated enterprises, made a joint appearance at the China International Urban Rail Transit Exhibition, focusing on presenting an AI product system covering 6 core scenarios such as smart customer service, smart ticketing, and smart operation and maintenance, taking practical actions to serve the self-reliance and self-improvement of science and technology, and helping Beijing build a science and technology innovation center with global influence.

The Group's independently developed “Multi-Mode Integrated Ticketing Gate” appeared as a first-set enterprise at the China International Fair for Trade in Services (CIFTIS), overcoming the difficulty of integrating national railway and urban rail transit ticketing, providing key technical support for Beijing's “Four Networks Integration” strategy, and helping improve the transportation service capacity of the capital as an international exchange center.



Part X: Contributing to Social Value and Promoting Public Welfare

In addition, the Group built a passenger service system for the CR450 EMU, the world's fastest high-speed train under the national major project, showing the hard power of Beijing's scientific and technological innovation to the world with Chinese wisdom. With firm political responsibility, the Group has deeply integrated its development into the construction of the capital's functions and contributed the strength of a state-owned enterprise to the implementation of national strategies.

Empowering Beijing's Development as a "World-Class, Harmonious and Livable Capital"

Building a "world-class, harmonious and livable capital" is General Secretary Xi Jinping's earnest expectation for Beijing and an unshirkable political responsibility of state-owned enterprises (SOEs) in the capital. The Group has always served the capital and benefited the people by adhering to the highest standards of excellence. In 2025, the Group completed the integration and delivery of core systems for Beijing Metro Line 18, further enhancing the capital's rail transit network and making travel more convenient and efficient for residents. It also participated in the capacity expansion and upgrading project of Beijing Metro Line 13, contributing technical expertise to alleviating urban traffic congestion and optimizing the urban functional layout.

In terms of security assurance, the Group constructed the Structural Safety Assurance Platform for Existing Lines of Beijing Rail Transit, establishing a closed-loop management system of "Monitoring – Early Warning – Response – Feedback" to fortify the political line of defense for the safe operation of the capital's rail transit. It completed the cybersecurity upgrade of the integrated monitoring system for the Fangshan Line, resolutely safeguarding the security of critical information infrastructure. The Group's independently developed Multi-Mode Integrated Ticketing Gates have been piloted on lines such as the Suburban Railway Sub-Center Line, effectively improving the daily commute experience for citizens.

Through concrete actions, the Group practices the people-centered development philosophy, contributing the strength of an SOE to writing a new chapter of Chinese modernization in Beijing.

SUPPORTING THE INDUSTRY'S GLOBAL EXPANSION

The Group has long been committed to empowering rail transit operation and public infrastructure development with intelligent technologies, ensuring safe and convenient travel for the public. It has actively participated in the high-quality joint development of the Belt and Road Initiative, steadily advanced its global strategic layout, deeply engaged in infrastructure construction in developing economies along the routes, and jointly promoted the achievement of the UN Sustainable Development Goals.

During the year, the Group continued to expand its overseas presence, successfully entering the Moroccan market by signing a contract for the on-board PIS system for electric multiple unit (EMU). It secured new contracts in existing markets including Brazil, Malaysia and India, further consolidating its market position in Southeast Asia and South America.

In addition, the Group focused on the implementation of key projects such as Delhi Metro Line 4 in India and EMU passenger information devices in Brazil. It continued to follow up on emerging markets including India, Egypt, Malaysia, and explored markets including Thailand, the Philippines and Argentina. Meanwhile, the group continuously improved its capabilities in technological R&D, project delivery, quality control and after-sales service, supporting the global expansion of China's rail transit industry with concrete actions, fully demonstrating Chinese wisdom and Chinese strength.

ADVANCING SOCIAL WELL-BEING

Supporting Rural Development

Upholding the “Cornerstone Spirit”, the Group diligently fulfilled the political and social responsibilities of a state-owned enterprise, actively participated in rural revitalization and paired assistance initiatives, and contributed to rural development. During the Reporting Period, we visited households in Dakailing Town, Miyun District with family members aged 60 or above and carried out the “Welcoming the Spring Festival and Warming People’s Hearts” outreach and care initiative, delivering festive care supplies such as edible oil and flour valued at more than RMB9,100; in procuring holiday care packages, we consciously supported agricultural development by purchasing poverty alleviation products from assisted regions such as Inner Mongolia and Hebei, amounting to RMB177,100. In addition, the First Secretary dispatched by the Group continued to act as a bridge and bond. On the basis of in-depth research on village conditions, the Group focused on key areas such as the development of the village collective economy, rural governance and providing practical services for the people to carry out assistance work, contributing to the construction of smart villages and integrating the “Cornerstone Spirit” into the practice of rural revitalization.



Photo: “Welcoming the Spring Festival and Warming People’s Hearts” Outreach and Care Activity



Part X: Contributing to Social Value and Promoting Public Welfare

Supporting Basic Education

The Group fully recognizes that education is the foundation of building a strong nation in science and technology, and actively supports the development of basic education. Since 2018, the Group has provided targeted assistance to Zhenningbao Central Primary School in Chicheng County, a remote area of Zhangjiakou, for eight consecutive years. These caring assistance initiatives have benefited more than 300 students at the township central primary school, with cumulative donated supplies exceeding RMB420,000. During the Reporting Period, based on actual needs, we provided schools with relief supplies valued at over RMB17,800, including integrated multimedia teaching equipment for classrooms, heated drinking water dispensers, canteen dishwashers and sample retention cabinets.

Caring for Disaster-Affected Communities

The Group stays attentive to social developments, actively fulfills the social responsibilities of a state-owned enterprise, and upholds the spirit of 'mutual support in times of hardship'. When crises or disasters occur, the Group provides financial and material assistance to support emergency rescue operations and post-disaster resettlement. During the Reporting Period, Gaoling Town in Miyun District experienced persistent heavy rainfall, and Dakailing Village was severely affected. We conducted a detailed assessment of the villagers' actual difficulties and needs, formulated a response plan, and urgently donated relief supplies valued at over RMB11,200, including materials for post-disaster reconstruction, food and beverages, and daily necessities; following a fire incident in several residential blocks at Wang Fuk Court, Tai Po, New Territories, Hong Kong, we proactively contacted the Beijing Chapter of the Hong Kong Chinese Enterprises Association and donated HKD1 million to Hong Kong Chinese Enterprises Charity Fund Co., Ltd. to support emergency rescue operations and post-disaster reconstruction. We closely monitored the progress of the relief efforts and worked in solidarity with all sectors of society to help affected residents overcome their difficulties as soon as possible and rebuild their homes.

Appendix I: Major Relevant Laws and Regulations Applicable to the Business Activities of the Group



Aspect	Major Applicable Laws and Regulations
Environment	<p>Mainland China:</p> <ul style="list-style-type: none"> • Environmental Protection Law of the People’s Republic of China • Law of the People’s Republic of China on Environmental Impact Assessment • Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution • Law of the People’s Republic of China on the Prevention and Control of Water Pollution • Measures for the Administration of Pollutant Discharge Permits (for Trial Implementation) • Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste • Regulations on the Administration of Pollutant Discharge Permits • Administrative Measures for the Transfer of Hazardous Waste • Administrative Measures for Hazardous Waste Operating Permits • Energy Conservation Law of the People’s Republic of China • Law of the People’s Republic of China on Promoting Cleaner Production • Electric Power Law of the People’s Republic of China • Administrative Measures for Electricity Conservation • Water Law of the People’s Republic of China • GB/T 2589 General Principles for Calculation of Comprehensive Energy Consumption • Law of the People’s Republic of China on the Prevention and Control of Noise Pollution • Regulations on Water Conservation
Employment	<p>Mainland China:</p> <ul style="list-style-type: none"> • Labor Law of the People’s Republic of China • Labor Contract Law of the People’s Republic of China • Regulations on the Implementation of the Labor Contract Law of the People’s Republic of China • Provisions of the State Council on Working Hours of Employees • Regulations on Paid Annual Leave for Employees • Implementation Measures for Paid Annual Leave for Enterprise Employees • Implementation Plan of Jiangsu Province on Optimizing the Birth Policy and Promoting Long-term Balanced Population Development • Provisions on Minimum Wage • Interim Provisions on Wage Payment • Trade Union Law of the People’s Republic of China • Social Insurance Law of the People’s Republic of China • Interim Regulations on the Collection and Payment of Social Insurance Premiums • Regulations on the Administration of the Housing Provident Fund • Regulations on Work Injury Insurance • Regulations on Unemployment Insurance • Interim Provisions on Labour Dispatch • Notice on Further Regulating Matters Relating to Work Injury Insurance for Labor Dispatch Entities (Henan Province) • Special Provisions on Labor Protection for Female Employees • Provisions on the Administration of the Employment of Foreigners in China • Interim Measures for the Participation in Social Insurance by Foreigners Employed within the Territory of China • Provisions on the Medical Treatment Period for Enterprise Employees Suffering from Illness or Non-Work-Related Injuries <p>Hong Kong, China:</p> <ul style="list-style-type: none"> • Employment Ordinance • Minimum Wage Ordinance • Employees’ Compensation Ordinance

Appendix I: Major Relevant Laws and Regulations Applicable to the Business Activities of the Group

Aspect	Major Applicable Laws and Regulations
Working Environment and Occupational Health Management	<p>Mainland China:</p> <ul style="list-style-type: none"> • Work Safety Law of the People’s Republic of China • Labor Law of the People’s Republic of China • Fire Protection Law of the People’s Republic of China • Measures for the Administration of Work Safety Training • Regulations on Work Safety Permits • Regulations on the Reporting, Investigation and Handling of Work Safety Accidents • Beijing Municipality Work Safety Regulations • Provisions of Beijing Municipality on the Principal Responsibility of Production and Business Entities for Work Safety • Provisions on the Five Implementations and Five Measures in Place for the Corporate Work Safety Responsibility System • Provisions on Work Safety Training for Production and Business Entities • Measures for the Administration of Emergency Response Plans for Production Safety Accidents • Interim Provisions on the Investigation and Rectification of Hidden Hazards of Work Safety Accidents • Regulations on the Administration of Work Safety in Construction Projects • Measures for the Supervision and Administration of the ‘Three Simultaneous’ Requirements for Safety Facilities in Construction Projects • Emergency Regulations on Production Safety Accidents • Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases • Measures for the Supervision and Administration of the “Three Simultaneities” for Occupational Disease Protection Facilities in Construction Projects • Administrative Specifications for the Periodic Testing of Occupational Disease Hazard Factors by Employers • Administrative Specifications for the Management of Labour Protection Articles by Employers • Provisions on Occupational Health Management in Workplaces (Order No. 5 of the National Health Commission, 2021) • Guidelines for the Preparation of Emergency Response Plans for Work Safety Accidents of Production and Business Operation Entities (GB/T 29639-2020) • Procedures and Requirements for Security Protection Engineering (GAT 75-1994) <p>Hong Kong, China:</p> <ul style="list-style-type: none"> • Occupational Safety and Health Ordinance

Appendix I: Major Relevant Laws and Regulations Applicable to the Business Activities of the Group



Aspect	Major Applicable Laws and Regulations
Prevention of Child Labor and Forced Labor	<p>Mainland China:</p> <ul style="list-style-type: none"> • Labor Contract Law of the People’s Republic of China • Law of the People’s Republic of China on the Protection of Minors • Civil Code of the People’s Republic of China • Provisions on the Prohibition of Child Labor • Criminal Law of the People’s Republic of China • Measures for One-off Compensation for Casualties of Personnel in Illegal Employment Units <p>Hong Kong, China:</p> <ul style="list-style-type: none"> • Employment of Children Regulations
	<p>Mainland China:</p> <ul style="list-style-type: none"> • Patent Law of the People’s Republic of China • Trademark Law of the People’s Republic of China • Regulations for the Implementation of the Trademark Law of the People’s Republic of China • Copyright Law of the People’s Republic of China • Implementing Regulations for the Copyright Law of the People’s Republic of China • Cybersecurity Law of the People’s Republic of China • Regulations of the People’s Republic of China on Security Protection for Computer Information Systems • Measures for the Administration of Classified Protection of Information Security • Regulations on the Security Protection of Critical Information Infrastructure (State Council Decree No. 745) • Opinions on Further Strengthening the Planning, Construction and Management of Urban Rail Transit (Guobanfa [2018] No. 52) • Outline for the Development Plan of Digital Transport • Outline for Building a Strong Transport Nation • Outline of the National Comprehensive Three-Dimensional Transportation Network Plan • Opinions on Accelerating the Building of a Strong Transport Nation through Scientific and Technological Innovation • Assessment and Evaluation Standards for the Green Travel Creation Initiative • Action Plan for Infrastructure Development of New-Type Infrastructure in the Transport Sector (2021-2025) • Guiding Opinions on Accelerating the Development of New Energy Storage • Opinions on Fully, Accurately and Comprehensively Implementing the New Development Philosophy and Effectively Advancing Carbon Peaking and Carbon Neutrality • Opinions on Promoting Green Development in Urban and Rural Development • Action Plan for Carbon Peaking Before 2030 • White Paper on China’s Policies and Actions for Addressing Climate Change • Implementation Plan for Promoting the ‘Cloud Adoption, Data Utilization and Intelligence Empowerment’ Initiative to Foster the Development of the New Economy • Three-Year Action Plan for the Development of New Data Centers • Three-Year Action Plan for the Construction of New IoT Infrastructure (2021-2023)

Appendix I: Major Relevant Laws and Regulations Applicable to the Business Activities of the Group

Aspect	Major Applicable Laws and Regulations
Anti-Corruption	<p>Mainland China:</p> <ul style="list-style-type: none"> • Anti-Unfair Competition Law of the People’s Republic of China • Anti-Money Laundering Law of the People’s Republic of China • Supervision Law of the People’s Republic of China • Interim Provisions of the State Administration for Industry and Commerce on the Prohibition of Commercial Bribery • Interpretation of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases of Corruption and Bribery • Interim Provisions on the Prohibition of Commercial Bribery • Regulations on Fair Competition Review <p>Hong Kong, China:</p> <ul style="list-style-type: none"> • Prevention of Bribery Ordinance
Protection of Intellectual Property Rights	<p>Mainland China:</p> <ul style="list-style-type: none"> • Patent Law of the People’s Republic of China • Trademark Law of the People’s Republic of China • Regulations for the Implementation of the Trademark Law of the People’s Republic of China • Copyright Law of the People’s Republic of China • Implementing Regulations for the Copyright Law of the People’s Republic of China • Regulations on National Science and Technology Awards • Beijing Municipal Science and Technology Awards Measures • China Patent Award Evaluation Measures • Beijing Municipal Invention Patent Award Measures

Appendix II: Index to the Environmental, Social and Governance Reporting Guide of HKEX



Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
Aspect A1: Emissions		
General Disclosure	Information relating to air emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part IX
Key Performance Indicator A1.1	Types of emissions and related emissions data.	Part IX
Key Performance Indicator A1.2	Total hazardous waste generated (in tonnes) and, where appropriate, intensity (e.g. per unit of production, per facility).	Part IX
Key Performance Indicator A1.3	Total non-hazardous waste generated (in tonnes) and, where appropriate, intensity (e.g. per unit of production, per facility).	Part IX
Key Performance Indicator A1.4	Describe the emissions targets set and the steps taken to achieve them.	Part IX
Key Performance Indicator A1.5	Describe the methods for handling hazardous and non-hazardous waste, and describe the waste reduction targets set and the steps taken to achieve them.	Part IX

Appendix II: Index to the Environmental, Social and Governance Reporting Guide of HKEX

Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Part IX
Key Performance Indicator A2.1	Total direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in thousand kWh and intensity (e.g. per unit of production, per facility).	Part IX
Key Performance Indicator A2.2	Total water consumption and intensity (e.g. per unit of production and per facility).	Part IX
Key Performance Indicator A2.3	Describe the energy use efficiency target(s) set and the steps taken to achieve such target(s).	Part IX
Key Performance Indicator A2.4	Describe whether there is any issue in sourcing water that is fit for purpose, the water use efficiency target(s) set and the steps taken to achieve such target(s).	Part IX
Key Performance Indicator A2.5	The total weight of packaging materials used for finished products (in tonnes) and, if applicable, the amount per unit of production.	Part IX
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Part IX
Key Performance Indicator A3.1	A description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage such impacts.	Part IX



Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
Aspect B1: Employment		
General Disclosure	Information relating to compensation and dismissal, recruitment and promotion, working hours, leave, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part VIII
Key Performance Indicator B1.1	Total number of employees by gender, employment type (such as full-time or part-time), age group and geographical region.	Part VIII
Key Performance Indicator B1.2	Employee turnover rate by gender, age group and geographical region.	Part VIII
Aspect B2: Health and Safety		
General Disclosure	Disclosures relating to the provision of a safe working environment and the protection of employees from occupational hazards: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part VIII
Key Performance Indicator B2.1	Number and rate of work-related fatalities in each of the past three years, including the reporting year.	Part VIII
Key Performance Indicator B2.2	Lost days due to work-related injuries.	Part VIII
Key Performance Indicator B2.3	Describe the occupational health and safety measures adopted, and the related implementation and monitoring methods adopted.	Part VIII

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Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
Aspect B3: Development and Training		
General Disclosure	Policies on enhancing employees' knowledge and skills for discharging their work duties. Describe the training activities.	Part VIII
Key Performance Indicator B3.1	The percentage of employees trained, by gender and employee category (e.g. senior management, middle management, etc.).	Part VIII
Key Performance Indicator B3.2	The average training hours completed per employee, by gender and employee category.	Part VIII
Aspect B4: Labour Standards		
General Disclosure	Information relating to the prevention of child and forced labour: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part VIII
Key Performance Indicator B4.1	Describe the measures taken to review recruitment practices to prevent child and forced labour.	Part VIII
Key Performance Indicator B4.2	Describe the steps taken to eliminate such practices when non-compliance is identified.	Part VIII

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Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks in the supply chain.	Part VII
Key Performance Indicator B5.1	Number of suppliers by geographical region.	Part VII
Key Performance Indicator B5.2	Describe the practices relating to the employment of suppliers, the number of suppliers to which such practices are applied, and the relevant implementation and monitoring methods.	Part VII
Key Performance Indicator B5.3	Describe the practices used to identify environmental and social risks at each stage of the supply chain, and the relevant implementation and monitoring methods.	Part VII
Key Performance Indicator B5.4	Describe the practices relating to promoting the use of environmental products and services in supplier selection, and the related implementation and monitoring methods.	Part VII
Aspect B6: Product Responsibility		
General Disclosure	Information on the health and safety, advertising, labelling and privacy matters relating to products and services provided, and the related redress procedures: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part VI
Key Performance Indicator B6.1	Percentage of total products sold or shipped that were subject to recalls for safety and health reasons.	Not applicable
Key Performance Indicator B6.2	The number of complaints received in relation to products and services and the corresponding handling methods.	Part VI
Key Performance Indicator B6.3	Describe the practices relating to the maintenance and protection of intellectual property rights.	Part V
Key Performance Indicator B6.4	Describe the quality assurance process and product recall procedures.	Part VI
Key Performance Indicator B6.5	Describe policies on consumer data protection and personal data privacy, and the relevant implementation and monitoring methods.	Part VI

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Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
Aspect B7: Anti-corruption		
General Disclosure	Information on the prevention of bribery, extortion, fraud and money laundering: (a) Policies; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	Part IV
Key Performance Indicator B7.1	The number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period, and the outcomes of such cases.	Part IV
Key Performance Indicator B7.2	Describe the preventive measures and reporting procedures, and the related implementation and monitoring methods.	Part IV
Key Performance Indicator B7.3	Describe the anti-corruption training provided to directors and employees.	Part IV
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities in which the issuer operates and to ensure that its business activities take into account community interests.	Part X
Key Performance Indicator B8.1	The focus areas of contribution (such as education, environmental matters, labour needs, health, culture and sports).	Part X
Key Performance Indicator B8.2	The resources invested in the focus areas (such as money or time).	Part X



Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
Part D: Climate-related Disclosures		
Governance	19(a) The governance body responsible for overseeing climate-related risks and opportunities.	Addressing Climate Change
	19(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Addressing Climate Change
Strategy	20 An issuer shall disclose information that enables an understanding of the climate-related risks and opportunities that could reasonably be expected to affect its cash flows, access to finance or cost of capital over the short, medium or long term.	Addressing Climate Change
	21 An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on its business model and value chain.	Addressing Climate Change
	22(a) An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making.	Addressing Climate Change
	22(b) The issuer shall disclose how the issuer's current and future plans will provide resources for the actions as disclosed under paragraph 22(a).	Addressing Climate Change
	23. The issuer shall disclose the progress of the plans disclosed in accordance with paragraph 22(a) for each prior reporting period.	Addressing Climate Change

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Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
	<p>24 The issuer shall disclose the following qualitative and quantitative information:</p> <p>(a) how climate-related risks and opportunities have affected the issuer's financial position, financial performance and cash flows during the Reporting Period; and</p> <p>(b) where there is a significant risk of a material adjustment to the carrying amounts of assets and liabilities in the next reporting year's related financial statements, information about the climate-related risks and opportunities identified in paragraph 24(a).</p>	<p>Qualitative: Addressing Climate Change</p> <p>Quantitative: Applying Financial Impact Relief</p>
	<p>25(a) The issuer shall disclose the following qualitative and quantitative information: having considered its strategy for managing climate-related risks and opportunities, and taking into account the following matters, how its financial performance is expected to change over the short, medium and long term:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) the planned sources of funding for the capital required to implement its strategy.</p>	<p>Qualitative: Addressing Climate Change</p> <p>Quantitative: Applying Financial Impact Relief</p>
	<p>25(b) The issuer shall disclose the following qualitative and quantitative information: based on the issuer's strategy for managing climate-related risks and opportunities, the changes expected in its financial performance and cash flows over the short, medium and long term.</p>	<p>Qualitative: Addressing Climate Change</p> <p>Quantitative: Applying Financial Impact Relief</p>



Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
Risk Management	26(a) After considering the climate-related risks and opportunities identified by the issuer, the issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments or uncertainties. The issuer shall, in a manner proportionate to its circumstances, use climate-related scenario analysis to assess its climate resilience. Where quantitative information is provided, the issuer may disclose a single amount or a range.	Relief for implementation capabilities
	26(b) The issuer shall disclose how and when it conducts climate-related scenario analysis.	Relief for implementation capabilities
	27(a) Risk Management The issuer shall disclose the following information: the processes and related policies used by the issuer to identify and assess climate-related risks, and to prioritise and monitor such risks.	Addressing Climate Change
	27(b) The processes used by the issuer to identify and assess climate-related opportunities, and to prioritise and monitor such opportunities (including whether the issuer uses climate-related scenario analysis to identify climate-related opportunities and, if so, how it does so).	Addressing Climate Change
	27(c) How the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into the issuer's overall Risk Management process, and the extent of such integration.	Addressing Climate Change

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Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
Metrics and Targets	<p>28. The issuer shall disclose the total absolute greenhouse gas emissions during the Reporting Period (expressed in tonnes of carbon dioxide equivalent), classified into:</p> <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. <p>29. The issuer shall:</p> <ul style="list-style-type: none"> (a) Unless otherwise required by a regulatory authority or another exchange on which the issuer is listed, the issuer shall measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004); (b) disclose the method used to measure its greenhouse gas emissions, including: <ul style="list-style-type: none"> (i) the measurement methodology, input data and assumptions used by the issuer to measure its greenhouse gas emissions; (ii) why the issuer selected such measurement methodology, input data and assumptions for measuring greenhouse gas emissions; and (iii) any changes made by the issuer during the Reporting Period to the measurement methodology, input data and assumptions, and the reasons for such changes; (c) in respect of Scope 2 greenhouse gas emissions disclosed pursuant to paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information on any contractual instruments necessary to understand such emissions; and (d) In respect of the Scope 3 greenhouse gas emissions disclosed pursuant to paragraph 28(c), disclose, by reference to the Scope 3 categories set out in the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011), the categories included in the issuer's measurement of Scope 3 greenhouse gas emissions. 	<p>Resource Utilization Management</p> <p>Resource Utilization Management</p>

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	30. The issuer shall disclose the amount and percentage of assets or business activities susceptible to climate-related transition risks.	Implement reasonable data exemption
	31. The issuer shall disclose the amount and percentage of assets or business activities susceptible to climate-related physical risks.	Implement reasonable data exemption
	32. The issuer shall disclose the amount and percentage of assets or business activities associated with climate-related opportunities.	Implement reasonable data exemption
	33. The issuer shall disclose the amount of capital expenditure, financing or investments allocated to climate-related risks and opportunities.	Addressing Climate Change
	34. The issuer shall disclose the following: (a) explain whether and how the issuer applies carbon pricing in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and (b) the price per metric tonne of greenhouse gas emissions used by the issuer to assess the cost of its greenhouse gas emissions; or an appropriate negative statement confirming that the issuer does not apply carbon pricing in decision-making.	During the Reporting Period, the Group did not implement internal carbon pricing.
	35. The issuer shall disclose whether climate-related considerations have been incorporated into its remuneration policy and, if so, how, or provide an appropriate negative statement. This may form part of the disclosure made pursuant to paragraph 19(a)(iv).	Addressing Climate Change

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Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
	<p>36. The Exchange encourages issuers to disclose industry-specific metrics relevant to one or more particular business models and activities, or industry-specific metrics relating to common characteristics of the relevant industry in which they operate. In determining which industry-specific metrics to disclose, the Exchange encourages issuers to refer to the industry-specific metrics relevant to the disclosure topics set out in the Industry-based Guidance on Implementing IFRS S2 and the industry disclosure requirements under other international environmental, social and governance reporting frameworks, and to consider whether such metrics are applicable.</p>	Addressing Climate Change
	<p>37. The issuer shall disclose: (a) the qualitative and quantitative climate-related targets it has set to monitor progress towards achieving its strategic objectives; and (b) any targets required to be met by the issuer under laws or regulations, including any greenhouse gas emissions targets.</p>	Addressing Climate Change
	<p>38. The issuer shall disclose the method it uses to set and review each target, and how it monitors progress towards achieving such targets.</p>	Addressing Climate Change
	<p>39. The issuer shall disclose information on performance in respect of each climate-related target, as well as an analysis of trends or changes in the issuer's performance.</p>	Addressing Climate Change



Major Areas, Aspects, General Disclosures and Key Performance Indicators	Description of Disclosure	Corresponding Section/ Statement
	<p>40. For each greenhouse gas emissions target disclosed pursuant to paragraphs 37 to 39, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether the target covers Scope 1, Scope 2 or Scope 3 greenhouse gas emissions; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the target is a net greenhouse gas emissions target, the issuer shall also disclose the corresponding gross greenhouse gas emissions target; (d) whether the target is derived using an industry decarbonisation approach; and (e) the issuer's plan to use carbon credits to offset GHG emissions in order to achieve any net GHG emissions target. In relation to its plan for the use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) the extent to which, and the manner in which, it relies on carbon credits to achieve any net GHG emissions target; (ii) the third-party schemes under which those carbon credits will be verified or certified; (iii) the type of carbon credits, including whether the relevant offsets are nature-based or technology-based carbon removals, and whether the relevant offsets are achieved through emissions reductions or carbon removals; and (iv) any other material factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer intends to use (for example, assumptions regarding the effectiveness of carbon offsets). 	Addressing Climate Change
	<p>41. In preparing disclosures to comply with the requirements set out in paragraphs 21 to 26 and 37 to 38, the issuer shall refer to (i) the cross-industry KPIs (see paragraphs 28 to 35) and (ii) the industry-specific KPIs (see paragraph 36), and consider whether they are applicable.</p>	Implement reasonable data exemption