中国通号

China Railway Signal & Communication Corporation Limited*

中 國 鐵 路 通 信 信 號 股 份 有 限 公 司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 03969)

2021 FIRST QUARTERLY REPORT

The Board of Directors of China Railway Signal & Communication Corporation Limited* (the "**Company**") is pleased to announce the unaudited financial information of the Company and its subsidiaries for the first quarter ended 31 March 2021, prepared in accordance with China Accounting Standards for Business Enterprises. This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

This announcement contains the Chinese original version and English translation version of the "2021 First Quarterly Report of China Railway Signal & Communication Corporation Limited*" as published on the website of the Shanghai Stock Exchange, and is provided for your reference only.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

"Board" or "Board of Directors"	the board of Directors of the Company
"Company"	China Railway Signal & Communication Corporation Limited* (中國鐵路通信信號股份有限公司)
"Director(s)"	director(s) of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Reporting Period"	the period from 1 January 2021 to 31 March 2021
"Supervisor(s)"	supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company

By order of the Board
China Railway Signal & Communication Corporation Limited*
ZHOU Zhiliang
Chairman

Beijing, the People's Republic of China, 29 April 2021

As of the date of this announcement, the executive directors of the Company are Mr. ZHOU Zhiliang, Mr. XU Zongxiang and Mr. YANG Yongsheng, the non-executive director of the Company is Mr. GUO Yonghong, and the independent non-executive directors of the Company are Mr. CHEN Jin'en, Mr. CHAN Ka Keung Peter and Mr. YAO Guiqing.

* *For identification only*

China Railway Signal & Communication Corporation Limited*
2021 First Quarterly Report

CONTENTS

I. IMPORTANT NOTICE

1.1 The Board of Directors, the Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that the information in this quarterly report is true, accurate and complete and contains no false record, misleading statement or material omission, and assume individual and joint liabilities to the information in this report.

1.2 All Directors of the Company attended the Board meeting to review and consider this quarterly report.

1.3 ZHOU Zhiliang, person in charge of the Company, HU Shaofeng, person in charge of accounting affairs of the Company, and ZHANG Shihu, person in charge of the accounting office of the Company (head of accounting department), hereby guarantee that the financial statements contained in this quarterly report are true, accurate and complete.

1.4 This first quarterly report of the Company is unaudited.

II. BASIC CORPORATE INFORMATION

2.1 Key financial data

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year	Change as at the end of the Reporting Period compared with the end of the previous year (%)
Total assets	104,439,785,758.03	105,328,082,320.59	-0.84
Net assets attributable to shareholders of listed company	43,111,025,648.21	42,563,468,050.40	1.29
	From beginning of the year to the end of the Reporting Period	**From beginning of the previous year to the end of the reporting period in the previous year**	**Change compared with corresponding period of the previous year (%)**
Net cash flows generated from operating activities	-1,276,606,868.03	-1,145,721,633.49	Not applicable
Net cash flows generated from investing activities	-837,417,187.91	-2,559,957,231.09	Not applicable
Net cash flows generated from financing activities	153,940,976.76	330,272,490.85	-53.39
	From beginning of the year to the end of the Reporting Period	**From beginning of the previous year to the end of the reporting period in the previous year**	**Change compared with corresponding period of the previous year (%)**
Operating income	6,571,740,629.36	5,149,712,076.31	27.61
Net profit attributable to shareholders of listed company	586,246,461.93	504,688,841.19	16.16
Net profit attributable to the shareholders of listed company deducting non-recurring profit or loss	574,915,960.28	488,841,569.48	17.61
Weighted average return on net assets (%)	1.42	1.22	Increased by 0.2 percentage point
Basic earnings per share (in RMB per share)	0.06	0.04	50.00
Diluted earnings per share (in RMB per share)	0.06	0.04	50.00
Percentage of research and development investment to revenue (%)	5.27	5.18	Increased by 0.09 percentage point

Non-recurring profit or loss items and amounts

√Applicable □Not applicable

Unit: Yuan Currency: RMB

Items	**Amount for the Reporting Period**	**Explanation**
Gains or losses from disposal of non-current assets	5,680,197.96	
Government grants recognized through profit or loss for the period (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity according to a certain standard)	1,228,501.28	
Profit or loss from debt restructuring	718,023.15	
Reversal of the provisions for impairment of receivables and contract assets subject to individually impairment test	73,735.34	
Other non-operating income and expenses other than the above items	5,937,276.93	
Effect on minority interests (after tax)		
Effect on income tax	-2,307,233.01	
Total	11,330,501.65	

2.2 Particulars of total number of shareholders, shareholdings of top ten shareholders and top ten shareholders not subject to trading moratorium as at the end of the Reporting Period

Unit: Share

Total number of shareholders Note 1								109,672
Particulars of shareholdings of the top ten shareholders								
Name of shareholder (full name)	**Number of shares held as at the end of the period**	**Percentage (%)**	**Number of shares held subject to trading moratorium**	**Number of restricted shares including lending shares for securities financing**	**Shares pledged or frozen**		**Nature of Status of shareholder**
					Status of shares	**Number of shares**	
China Railway Signal and Communication (group) Corporation Limited	6,604,426,424	62.37	6,604,426,424	6,604,426,424	Nil	0	State-owned corporation
HKSCC NOMINEES LIMITED Note 2	1,967,736,950	18.58	–	–	Unknown	–	Overseas corporation
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Exchange Traded Fund	103,823,741	0.98	–	–	Unknown	–	Others
China National Machinery Industry Corporation	63,507,192	0.60	–	–	Unknown	–	State-owned corporation
Industrial and Commercial Bank of China Limited – E Fund SSE STAR 50 Exchange Traded Fund	34,273,875	0.32	–	–	Unknown	–	Others
China Railway Investment Co., Ltd.	34,188,000	0.32	–	–	Unknown	–	State-owned corporation
Guangdong Hengjian Capital Management Co., Ltd.	23,677,500	0.22	–	–	Unknown	–	State-owned corporation
CETC Fund Management Co., Ltd. – Zhongdian Electronics Information Industry Investment Fund (Tianjin) Partnership (Limited Partnership)	23,677,500	0.22	–	–	Unknown	–	Others
Huatai Securities Co., Ltd.	23,528,764	0.22	–	–	Unknown	–	State-owned corporation
China Construction Bank Corporation – Huatai-PineBridge SSE STAR 50 Exchange Traded Fund	23,284,803	0.22	–	–	Unknown	–	Others

Particulars of shareholdings of the top ten Shareholders not subject to trading moratorium			
Name of Shareholder	Number of circulating shares held not subject to trading moratorium	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED[note 2]	1,967,736,950	Overseas listed foreign shares	1,967,736,950
China Merchants Bank Co., Ltd. -China AMC SSE STAR 50 Exchange Traded Fund	103,823,741	RMB ordinary shares	103,823,741
China National Machinery Industry Corporation	63,507,192	RMB ordinary shares	63,507,192
Industrial and Commercial Bank of China Limited – E Fund SSE STAR 50 Exchange Traded Fund	34,273,875	RMB ordinary shares	34,273,875
China Railway Investment Co., Ltd.	34,188,000	RMB ordinary shares	34,188,000
Guangdong Hengjian Capital Management Co., Ltd.	23,677,500	RMB ordinary shares	23,677,500
CETC Fund Management Co., Ltd. – Zhongdian Electronics Information Industry Investment Fund (Tianjin) Partnership (Limited Partnership)	23,677,500	RMB ordinary shares	23,677,500
Huatai Securities Co., Ltd.	23,528,764	RMB ordinary shares	23,528,764
China Construction Bank Corporation – Huatai-PineBridge SSE STAR 50 Exchange Traded Fund	23,284,803	RMB ordinary shares	23,284,803
Agricultural Bank of China Limited -ICBC Credit Suisse SSE STAR 50 Exchange Traded Fund	21,051,088	RMB ordinary shares	21,051,088
Explanation on the related party relationship or acting-in-concert arrangement among the above shareholders	China Railway Signal and Communication (group) Corporation Limited does not have any related party relationship with the other shareholders nor is it a person acting in concert with them. The Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.		
Explanation on the preference shareholders with voting right restored and their shareholdings	Not applicable		

Note 1: At the end of the Reporting Period, the number of A share shareholders of the Company was 109,672, and the number of H share registered shareholders was 236.

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

2.3 Total number of shareholders of preference shares, particulars of shareholdings of top ten shareholders of preference shares and top ten shareholders of preference shares not subject to trading moratorium as at the end of the Reporting Period

□ Applicable √ Not applicable

III. SIGNIFICANT EVENTS

3.1 Descriptions and reasons for significant changes in major accounting statement items, financial indicators of the Company

√ Applicable □ Not applicable

(1) Receivables for financing decreased by 32.82%, which is mainly because the bills were acceptance at maturity and received as at the beginning of the period.

(2) Prepayments increased by 43.09%, which is mainly due to the increase in prepayment for materials and labor costs according to the contract.

(3) Tax payable decreased by 47.46%, which is mainly due to the payment of taxes as of the beginning of the year during the period.

(4) Lease liabilities increased by 44.79%, which is mainly due to the increase in housing leases as a result of business expansion.

(5) Selling and distribution expenses increased by 32.26%, which is mainly due to the less expenses occurred in the selling and distribution business affected by the epidemic in the corresponding period of the previous year.

(6) Profit or loss attributable to non-controlling interests increased by 44.80%, which is mainly due to the larger increase in the operating business and profits of the controlling subsidiaries during the period as compared with the corresponding period of the previous year.

(7) The net cash flows generated from operating activities amounted to RMB-1,277 million, while that of the corresponding period of the previous year amounted to RMB-1,146 million. There was little change in the two periods, both of which were net outflows, and the change was mainly due to the more cash paid for purchase of goods and services received in the first quarter.

(8) The net cash flows generated from investing activities amounted to RMB-837 million, while that of the corresponding period of the previous year amounted to RMB-2,560 million. The change was mainly due to the decrease in the time deposits over three months.

(9) The net cash flows generated from financing activities amounted to RMB154 million, while that of the corresponding period of the previous year amounted to RMB330 million. The change was mainly due to the decrease in cash received from borrowings as compared with the previous period.

The revenue breakdown of each business line during the first quarter is set out as below:

Unit: 0' 000 Currency: RMB

Business lines	Revenue			
	From January to March 2021	Corresponding period of the previous year	Increase/ decrease in amount	Increase/ decrease in ratio (%)
Railway	311,847.91	263,145.83	48,702.08	18.51
Urban transit	155,939.30	121,325.53	34,613.77	28.53
Overseas businesses	9,037.08	7,413.99	1,623.09	21.89
Construction contracting	179,053.74	122,900.04	56,153.70	45.69
Other businesses	1,296.03	185.82	1,110.21	597.47
Total	657,174.06	514,971.21	142,202.85	27.61

From January to March 2021, the aggregate amount of newly-signed contracts amounted to RMB7.586 billion, representing an increase of 11.72% as compared with the corresponding period of the previous year. The value of newly-signed contracts in railway sector amounted to RMB2.711 billion, representing a decrease of 23.89% as compared with the corresponding period of the previous year. The change was mainly due to the number of bid openings for post-railway projects nationwide was relatively small in the first quarter, representing a significant drop as compared with the corresponding period of the previous year. The value of newly-signed contracts in urban transit sector amounted to RMB1.680 billion, representing a decrease of 1.62% as compared with the corresponding period of the previous year; the value of newly-signed contracts in overseas businesses sector amounted to RMB104 million, representing an increase of 107.38% as compared with the corresponding period of the previous year; the value of newly-signed contracts in construction contracting and other businesses sectors amounted to RMB3.091 billion, representing an increase of 110.19% as compared with the corresponding period of the previous year. The change was mainly due to the implementation of major national strategies such as new urbanization, and the acceleration of urban infrastructure construction, which led to an increase in orders in this field.

3.2 Analysis and illustration of progress of important events and their impacts and solutions

☐ Applicable √Not applicable

3.3 Commitments that have been overdue and not been fulfilled in the Reporting Period

☐ Applicable √Not applicable

3.4 Warning and reason for the forecast that the accumulated net profit from the beginning of the year to the end of the next reporting period may be a loss or a significant change from the same period of the previous year

☐ Applicable √Not applicable

Company name	China Railway Signal &Communication Corporation Limited*
Legal representative	ZHOU Zhiliang
Date	29 April 2021

IV. APPENDIX

4.1 Financial statement

Consolidated Balance Sheet
31 March 2021

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	31 March 2021	31 December 2020
Current assets:		
Cash and bank balances	21,428,301,103.43	22,740,631,687.08
Accounts receivable	18,997,484,404.90	18,290,953,101.67
Receivables for financing	1,498,286,604.96	2,230,124,457.61
Prepayments	866,791,787.52	605,757,702.28
Other receivables	1,912,002,171.02	1,476,276,378.69
Inventories	2,665,406,665.54	2,489,187,213.72
Contract assets	36,216,885,705.69	36,043,391,206.89
Non-current assets due within one year	126,958,207.96	145,843,169.16
Other current assets	1,046,645,390.26	1,046,543,972.68
Total current assets	84,758,762,041.28	85,068,708,889.78
Non-current assets:		
Debt investment	273,172,183.50	273,172,183.50
Long-term receivables	7,734,888,627.05	8,384,707,579.19
Long-term equity investments	1,210,035,681.54	1,109,033,216.35
Other equity instrument investment	1,020,753,208.13	1,019,867,488.13
Investment properties	198,027,418.30	211,520,858.93
Fixed assets	4,147,803,453.45	4,204,231,031.03
Construction in progress	1,451,948,448.11	1,421,305,987.45
Right-of-use-assets	148,605,601.34	139,559,591.19
Intangible assets	2,477,849,765.56	2,507,196,579.31
Development expenditure	175,385,988.33	139,208,125.21
Goodwill	305,324,128.58	305,324,128.58
Long-term prepaid expenses	49,567,085.98	52,132,184.27
Deferred tax assets	291,077,248.58	288,190,592.17
Other non-current assets	196,584,878.30	203,923,885.50
Total non-current assets	19,681,023,716.75	20,259,373,430.81
Total assets	104,439,785,758.03	105,328,082,320.59

Items	31 March 2021	31 December 2020
Current liabilities:		
Short-term borrowings	439,000,000.00	491,584,392.53
Bills payable	2,184,840,893.04	1,974,383,429.57
Accounts payable	42,945,019,281.44	44,705,884,497.10
Contract liabilities	7,025,608,982.20	6,832,166,619.11
Employee benefits payable	546,326,223.52	600,135,460.14
Tax payable	488,940,506.90	930,587,455.57
Other payables	2,083,738,489.40	1,979,340,519.78
Non-current liabilities due within one year	184,922,803.63	216,094,781.87
Other current liabilities	356,343,994.87	338,315,519.02
Total current liabilities	56,254,741,175.00	58,068,492,674.69
Non-current liabilities:		
Long-term borrowings	2,229,350,668.00	1,995,641,575.20
Lease liabilities	116,816,120.76	80,677,106.29
Long-term payables	69,679,061.39	77,846,656.30
Long-term employee benefits payable	574,084,000.00	574,084,000.00
Provisions	46,523,758.11	41,449,064.17
Deferred income	183,476,155.16	150,934,432.75
Deferred tax liabilities	41,407,815.52	41,619,296.79
Total non-current liabilities	3,261,337,578.94	2,962,252,131.50
Total liabilities	59,516,078,753.94	61,030,744,806.19
Shareholders' equity:		
Share capital	10,589,819,000.00	10,589,819,000.00
Other equity instruments	2,800,000,000.00	2,800,000,000.00
Capital reserve	15,964,304,189.86	15,964,304,189.86
Other comprehensive income	-191,630,540.24	-207,690,607.13
Special reserve	296,466,219.30	306,215,150.31
Surplus reserve	1,552,958,257.98	1,597,958,257.98
Retained earnings	12,099,108,521.31	11,512,862,059.38
Total equity attributable to shareholders of the parent company	43,111,025,648.21	42,563,468,050.40
Non-controlling interests	1,812,681,355.88	1,733,869,464.00
Total shareholders' equity	44,923,707,004.09	44,297,337,514.40
Total liabilities and shareholders' equity	104,439,785,758.03	105,328,082,320.59

Person in Charge of the Company: ZHOU Zhiliang Person in Charge of Accounting Affairs: HU Shaofeng
Person in Charge of the Accounting Office: ZHANG Shihu

Parent Company's Balance Sheet
31 March 2021

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	**31 March 2021**	**31 December 2020**
Current assets:		
Cash and bank balances	16,917,165,209.10	17,956,276,961.76
Accounts receivable	1,805,975,610.65	2,125,968,045.27
Receivables for financing	269,081,596.92	375,836,342.66
Prepayments	245,024,108.31	221,994,542.23
Other receivables	7,059,055,082.47	7,018,129,988.69
Inventories	–	31,462,526.72
Contract assets	1,599,622,757.21	1,741,149,049.63
Non-current assets due within one year	18,633,320.70	41,366,628.24
Other current assets	153,836,316.08	133,245,711.04
Total current assets	28,068,394,001.44	29,645,429,796.24
Non-current assets:		
Debt investment	273,172,183.50	273,172,183.50
Long-term receivables	1,742,061,122.89	1,751,698,274.44
Long-term equity investments	16,991,420,429.00	16,987,641,187.31
Other equity instrument investment	476,408,221.20	476,408,221.20
Investment properties	1,488,962,250.81	1,498,455,649.52
Fixed assets	543,105,792.80	551,997,027.00
Construction in progress	712,876.28	712,876.28
Right-of-use-assets	540,565.15	648,678.18
Intangible assets	461,685,585.08	467,381,583.52
Deferred tax assets	18,446,237.75	21,013,747.78

Items	31 March 2021	31 December 2020
Other non-current assets	34,385,285.99	41,477,131.04
Total non-current assets	22,030,900,550.45	22,070,606,559.77
Total assets	50,099,294,551.89	51,716,036,356.01
Current liabilities:		
Short-term borrowings	400,000,000.00	400,000,000.00
Bills payable	125,257,206.78	110,307,696.00
Accounts payable	4,503,590,463.56	4,655,727,585.73
Contract liabilities	1,019,861,773.29	808,883,636.03
Employee benefits payable	24,982,603.32	25,357,541.30
Tax payable	14,518,300.69	26,355,117.49
Other payables	10,338,107,507.43	12,115,806,084.42
Non-current liabilities due within one year	422,419.64	422,419.64
Other current liabilities	29,551,335.32	30,351,127.68
Total current liabilities	16,456,291,610.03	18,173,211,208.29
Non-current liabilities:		
Lease liabilities	20,064.93	20,064.93
Long-term employee benefits payable	70,216,000.00	70,216,000.00
Provisions	686,646.49	686,646.49
Deferred income	3,869,841.68	4,229,365.49
Total non-current liabilities	74,792,553.10	75,152,076.91
Total liabilities	16,531,084,163.13	18,248,363,285.20

Items	31 March 2021	31 December 2020
Shareholders' equity:		
Share capital	10,589,819,000.00	10,589,819,000.00
Other equity instruments	2,800,000,000.00	2,800,000,000.00
Capital reserve	16,356,470,432.63	16,356,470,432.63
Other comprehensive income	-47,711,830.95	-47,706,142.52
Special reserve	28,829,133.08	30,739,738.39
Surplus reserve	1,597,958,257.98	1,597,958,257.98
Retained earnings	2,242,845,396.02	2,140,391,784.33
Total shareholders' equity	33,568,210,388.76	33,467,673,070.81
Total liabilities and shareholders' equity	50,099,294,551.89	51,716,036,356.01

Person in Charge of the Company: ZHOU Zhiliang Person in Charge of Accounting Affairs: HU Shaofeng
Person in Charge of the Accounting Office: ZHANG Shihu

Consolidated Statement of Profit or Loss and Other Comprehensive Income
January to March 2021

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	First quarter of 2021	First quarter of 2020
I. Total revenue	6,571,740,629.36	5,149,712,076.31
Including: Revenue	6,571,740,629.36	5,149,712,076.31
II. Total cost of sales	5,828,103,506.25	4,522,218,601.60
Including: Cost of sales	4,830,281,534.78	3,797,868,713.91
Taxes and surcharges	46,485,109.89	37,033,496.98
Selling and distribution expenses	178,143,966.55	134,693,711.96
General and administrative expenses	532,503,597.70	418,784,036.65
Research and development expenses	309,849,764.82	269,182,448.59
Finance costs	-69,160,467.49	-135,343,806.49
Including: Interest expenses	4,059,842.62	5,414,615.95
Interest income	111,587,863.09	122,773,097.84
Add: Other income	28,657,344.87	30,628,400.32
Investment income (with "-" for losses)	2,619,880.95	7,308,150.64
Including: Share of profits of associates and joint ventures	2,651,730.95	7,563,639.53
Credit impairment losses (with "-" for losses)	5,229,509.89	5,040,814.67
Asset impairment losses (with "-" for losses)	8,005,003.37	6,192,408.75
Gains from disposal of assets (with "-" for losses)	5,680,197.96	275,968.87
III. Operating profit (with "-" for losses)	793,829,060.15	676,939,217.96
Add: Non-operating income	8,065,867.85	4,268,250.77
Less: Non-operating expenses	1,410,567.77	680,265.19
IV. Total profit (with "-" for total losses)	800,484,360.23	680,527,203.54
Less: Income tax expenses	135,426,006.42	121,411,418.39

Items	First quarter of 2021	First quarter of 2020
V. Net profit (with "-" for net losses)	665,058,353.81	559,115,785.15
(I) Classified by continuity of operation		
1. Net profit from continuing operation (with "-" for net losses)	665,058,353.81	559,115,785.15
(II) Classified by the ownership		
1. Net profit attributable to shareholders of the parent company (with "-" for net losses)	586,246,461.93	504,688,841.19
2. Profit or loss attributable to non-controlling interests (with "-" for net losses)	78,811,891.88	54,426,943.96
VI. Other comprehensive income, net of tax	16,060,066.89	-18,374,404.35
(I) Other comprehensive income attributable to owners of the parent company, net of tax	16,060,066.89	-18,374,404.35
1. Other comprehensive income not to be reclassified into profit or loss	–	152,170.17
(1) Other comprehensive income under equity method that cannot be reclassified into profit or loss	–	152,170.17
2. Other comprehensive income to be reclassified into profit or loss	16,060,066.89	-18,526,574.52
(1) Hedging reserve arising from cash flows	16,206,300.00	-18,572,905.04
(2) Exchange differences on translation of foreign operations	-146,233.11	46,330.52
VII. Total comprehensive income	681,118,420.70	540,741,380.80
(I) Total comprehensive income attributable to owners of the parent company	602,306,528.82	486,314,436.84
(II) Total comprehensive income attributable to non-controlling interests	78,811,891.88	54,426,943.96
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.06	0.04
(II) Diluted earnings per share (RMB/share)	0.06	0.04

For the business combination under common control during the current period, net profit of the acquiree realized before business combination was RMB0. Net profit of the acquiree realized during the last period was RMB0.

Person in Charge of the Company: ZHOU Zhiliang   Person in Charge of Accounting Affairs: HU Shaofeng
Person in Charge of the Accounting Office: ZHANG Shihu

Parent Company's Statement of Profit or Loss and Other Comprehensive Income
January to March 2021

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	First quarter of 2021	First quarter of 2020
I. Revenue	1,017,319,212.80	269,265,703.54
Less: cost of sale	912,686,030.08	236,988,323.98
Taxes and surcharges	3,050,758.77	96,806.48
Selling and distribution expenses	1,873,425.74	1,579,315.88
General and administrative expenses	48,371,141.93	32,538,782.17
Research and development expenses	58,237.89	–
Finance costs	-49,571,810.88	-125,371,173.09
Including: Interest expenses	13,580,465.37	5,289,927.00
Interest income	59,371,004.55	107,827,130.11
Add: Other income	455,926.74	–
Investment income (with "-" for losses)	64,494,602.61	61,830,326.21
Including: Share of profits of associates and joint ventures	3,779,241.69	3,378,714.44
Credit impairment losses (with "-" for losses)	11,199,203.41	-6,935,606.12
Asset impairment losses (with "-" for losses)	1,367,723.53	597,557.86
Gains from disposal of assets (with "-" for losses)	1,709,613.76	–
II. Operating profit (with "-" for losses)	180,078,499.32	178,925,926.07
Add: Non-operating income	2,915.09	–
Less: Non-operating expenses	2,786.01	–
III. Total profit (with "-" for total losses)	180,078,628.40	178,925,926.07
Less: Income tax expenses	47,216,578.41	43,783,147.04

Items	First quarter of 2021	First quarter of 2020
IV. Net profit (with "-" for net losses)	132,862,049.99	135,142,779.03
(1) Net profit from continuing operation (with "-" for net losses)	132,862,049.99	135,142,779.03
V. Other comprehensive income, net of tax	-5,688.43	-28,511.51
(1) Other comprehensive income to be reclassified into profit or loss	-5,688.43	-28,511.51
1. Exchange differences on translation of foreign operations	-5,688.43	-28,511.51
VI. Total comprehensive income	132,856,361.56	135,114,267.52

Person in Charge of the Company: ZHOU Zhiliang   Person in Charge of Accounting Affairs: HU Shaofeng
Person in Charge of the Accounting Office: ZHANG Shihu

Consolidated Statement of Cash Flows

January to March 2021

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	First quarter of 2021	First quarter of 2020
I. Cash flows generated from operating activities:		
Cash received from the sale of goods or rendering of services	9,391,399,785.88	6,995,406,271.52
Refunds of taxes	77,584,908.46	30,865,683.33
Other cash received relating to operating activities	96,684,513.60	82,687,577.90
Sub-total of cash inflows from operating activities	9,565,669,207.94	7,108,959,532.75
Cash paid on purchase of goods or services received	8,406,847,063.37	6,177,237,383.67
Cash paid to and on behalf of employees	1,349,951,049.49	1,152,071,911.61
Cash paid for all types of taxes	826,511,587.24	635,562,428.62
Other cash paid relating to operating activities	258,966,375.87	289,809,442.34
Sub-total of cash outflows from operating activities	10,842,276,075.97	8,254,681,166.24
Net cash flows generated from operating activities	-1,276,606,868.03	-1,145,721,633.49
II. Cash flows generated from investing activities:		
Cash received from return on investments	7,020,000.00	11,153,935.88
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	15,184,327.95	310,863.58
Other cash received relating to investing activities	31,320,000.00	55,526,250.00
Sub-total of cash inflows from investing activities	53,524,327.95	66,991,049.46
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	196,182,855.87	553,933,587.15
Cash paid for investments	50,603,150.00	90,724,880.00
Other cash paid relating to investing activities	644,155,509.99	1,982,289,813.40
Sub-total of cash outflows from investing activities	890,941,515.86	2,626,948,280.55
Net cash flows generated from investing activities	-837,417,187.91	-2,559,957,231.09
III. Cash flows generated from financing activities:		
Cash received from borrowings	231,990,000.00	395,540,560.31
Sub-total of cash inflows from financing activities	231,990,000.00	395,540,560.31
Cash paid on repayment of borrowings	27,073,438.40	11,145,450.00

Items	First quarter of 2021	First quarter of 2020
Cash paid on distribution of dividends or profits, or interest expenses	50,975,584.84	53,965,339.06
Including: Dividends and profits paid to minority shareholders by subsidiaries	–	1,129,612.00
Other cash paid relating to financing activities	–	157,280.40
Sub-total of cash outflows from financing activities	78,049,023.24	65,268,069.46
Net cash flows generated from financing activities	153,940,976.76	330,272,490.85
IV. Effect of fluctuations in exchange rate on cash and cash equivalents	3,596,985.54	23,018,910.89
V. Net increase in cash and cash equivalents	-1,956,486,093.64	-3,352,387,462.84
Add: Balance of cash and cash equivalents at beginning of the period	18,184,861,073.07	17,854,952,684.12
VI. Balance of cash and cash equivalents at end of the period	16,228,374,979.43	14,502,565,221.28

Person in Charge of the Company: ZHOU Zhiliang Person in Charge of Accounting Affairs: HU Shaofeng Person in Charge of the Accounting Office: ZHANG Shihu

Statement of Cash Flows of the Parent Company
January to March 2021

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	First quarter of 2021	First quarter of 2020
I. Cash flows generated from operating activities:		
Cash received from the sale of goods or rendering of services	1,561,842,551.62	1,030,687,993.87
Refunds of taxes	3,625,608.88	12,064,292.76
Other cash received relating to operating activities	133,357,077.40	144,263,703.40
Sub-total of cash inflows from operating activities	1,698,825,237.90	1,187,015,990.03
Cash paid on purchase of goods and services received	903,192,665.16	742,995,173.48
Cash paid to and on behalf of employees	46,973,630.77	16,009,592.76
Cash paid for all types of taxes	69,796,506.55	52,521,378.14
Other cash paid relating to operating activities	87,247,768.40	88,546,434.37
Sub-total of cash outflows from operating activities	1,107,210,570.88	900,072,578.75
Net cash flows generated from operating activities	591,614,667.02	286,943,411.28
II. Cash flows generated from investing activities:		
Cash received from return on investments	108,880,745.74	221,179,692.65
Other cash received relating to investing activities	92,035,360.92	113,977,861.77
Sub-total of cash inflows from investing activities	200,916,106.66	335,157,554.42
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	530,609.92	38,353,013.54
Cash paid for investments	–	90,048,680.00
Other cash paid relating to investing activities	2,632,321,558.70	3,652,493,548.68
Sub-total of cash outflows from investing activities	2,632,852,168.62	3,780,895,242.22
Net cash flows generated from investing activities	-2,431,936,061.96	-3,445,737,687.80

Items	First quarter of 2021	First quarter of 2020
III. Cash flows generated from financing activities:		
Sub-total of cash inflows from financing activities	–	–
Cash paid on distribution of dividends or profits, or interests expenses	46,900,000.00	47,421,111.11
Sub-total of cash outflows from financing activities	46,900,000.00	47,421,111.11
Net cash flows from financing activities	-46,900,000.00	-47,421,111.11
IV. Effect of fluctuations in exchange rate on cash and cash equivalents	4,124,484.03	23,448,703.06
V. Net increase in cash and cash equivalents	-1,883,096,910.91	-3,182,766,684.57
Add: Balance of cash and cash equivalents at beginning of the period	13,737,400,620.01	13,492,113,566.38
VI. Balance of cash and cash equivalents at end of the period	11,854,303,709.10	10,309,346,881.81

Person in Charge of the Company: ZHOU Zhiliang Person in Charge of Accounting Affairs: HU Shaofeng Person in Charge of the Accounting Office: ZHANG Shihu

4.2 Particulars in relation to adjustments made to the initial adoption of the financial statements as at the beginning of the year of the initial adoption of new lease standard since 2021

☐Applicable √Not Applicable

4.3 Explanation on retrospective adjustment of the previous comparative data by initial adoption of new lease standard since 2021

☐Applicable √Not Applicable

4.4 Audit report

☐Applicable √Not Applicable