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If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in China Railway Signal & Communication Corporation Limited*, you should at once hand this circular and the enclosed form of proxy for the AGM to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).



中国通号

中國鐵路通信信號股份有限公司

China Railway Signal & Communication Corporation Limited*

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

(Stock Code: 3969)

- (1) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2022**
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2022**
- (3) 2022 ANNUAL REPORT**
- (4) FINAL ACCOUNT REPORT FOR 2022**
- (5) PROFITS DISTRIBUTION PLAN FOR 2022**
- (6) APPOINTMENT OF AUDITOR FOR 2023**
- (7) REMUNERATIONS FOR DIRECTORS AND SUPERVISORS OF THE COMPANY IN 2022**
- (8) ESTIMATIONS ON ORDINARY RELATED PARTY TRANSACTIONS FOR 2023-2025**
- (9) RENEWAL OF THE FINANCIAL SERVICES FRAMEWORK AGREEMENT**
- (10) GENERAL AUTHORIZATION FOR THE ISSUANCE OF DEBT FINANCING INSTRUMENTS**
- (11) AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE RULES OF PROCEDURE FOR THE GENERAL MEETINGS AND**
- (12) NOTICE OF 2022 ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 3 to 19 of this circular.

The AGM of the Company will be held at 10:00 a.m. on Friday, 9 June 2023 at Meeting Room, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC. The notice to convene the AGM has been dispatched on 10 May 2023 and is set out on pages 20 to 22 of this circular. The form of proxy for the AGM is also published on the HKEXnews website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.crsc.cn).

Whether or not you propose to attend the AGM, H Shareholders of the Company are requested to complete the form of proxy for the AGM in accordance with the instruction printed thereon and return them to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof, i.e. not later than 10:00 a.m. on Thursday, 8 June 2023. Completion and return of the form of proxy for the AGM will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

* For identification purpose only.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	ordinary Share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in RMB and listed on the Shanghai Stock Exchange
“A Shareholder(s)”	holder(s) of A Share(s) of the Company
“AGM”	the annual general meeting of the Company for the year 2022 to be convened and held at 10:00 a.m. on Friday, 9 June 2023 at Meeting Room, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“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)”	the director(s) of the Company
“H Share(s)”	overseas listed foreign share(s) in the Company’s ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in HK dollars
“H Shareholder(s)”	holder(s) of H Share(s) of the Company
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purposes of this circular excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure for the General Meetings”	the Rules of Procedure for the General Meetings of the Company (as amended from time to time)
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	A Shareholder(s) and/or H Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	Percent

LETTER FROM THE BOARD



中国通号

中國鐵路通信信號股份有限公司

China Railway Signal & Communication Corporation Limited*

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

(Stock Code: 3969)

*Chairman of the Board and
Executive Director:*
Mr. ZHOU Zhiliang

Executive Directors:
Mr. XU Zongxiang
Mr. ZHANG Quan

Non-executive Director:
Mr. GUO Yonghong

Independent non-executive Directors:
Mr. YAO Guiqing
Mr. YAO Cho Fai Andrew
Mr. FU Junyuan

Registered address:
20th Floor, Building A, CRSC Building
1 Compound, Automobile Museum South Road
Fengtai District, Beijing, the PRC

Principal place of business in the PRC:
CRSC Building
1 Compound, Automobile Museum South Road
Fengtai District, Beijing, the PRC

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

24 May 2023

To the Shareholders

Dear Sir/Madam,

- (1) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2022**
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2022**
- (3) 2022 ANNUAL REPORT**
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- (11) AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND THE
RULES OF PROCEDURE FOR THE GENERAL MEETINGS
AND**
- (12) NOTICE OF 2022 ANNUAL GENERAL MEETING**

I. INTRODUCTION

The AGM of the Company will be held at 10:00 a.m. on Friday, 9 June 2023 at Meeting Room, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC. The notice of convening the AGM has been dispatched on 10 May 2023 and is set out on pages 20 to 22 of this circular.

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LETTER FROM THE BOARD

The purpose of this circular is to provide you with details of the resolutions to be proposed for you to consider and approve as ordinary resolutions or special resolutions, as the case may be, at the AGM and to provide relevant information to enable you to make an informed decision on whether to vote for or against or abstain from voting at those resolutions. Such resolutions and details are set out in the letter from the Board.

II. MATTERS TO BE RESOLVED AT THE AGM

Ordinary Resolutions

1. *Work Report of the Board of Directors for 2022*

An ordinary resolution will be proposed at the AGM to approve the work report of the Board of Directors for 2022, the full text of which is included in Appendix I to this circular.

2. *Work Report of the Supervisory Committee for 2022*

An ordinary resolution will be proposed at the AGM to approve the work report of the Supervisory Committee for 2022, the full text of which is set out in Appendix II to this circular.

3. *2022 Annual Report*

An ordinary resolution will be proposed at the AGM to approve the 2022 annual report, the full text of which was published on the HKEXnews website of the Stock Exchange and the Company's website on 21 April 2023.

4. *Final Account Report for 2022*

An ordinary resolution will be proposed at the AGM to approve the final account report for 2022.

The Company has prepared the 2022 financial statements and notes thereof, and has appointed BDO China Shu Lun Pan Certified Public Accountants LLP to audit the Company's financial statements as of 31 December 2022. BDO China Shu Lun Pan Certified Public Accountants LLP considered that the Company's financial statements were prepared in compliance with the provisions of the Enterprise Accounting Standards formulated by the Ministry of Finance of the PRC in all material aspects, which fairly reflected the Company's consolidated financial position and the Company's financial position as at 31 December 2022, and the consolidated operating results, the operating results of the Company, the combined cash flows and the Company's cash flows of 2022. Details of the above statements are set out in the Company's 2022 annual report published on the HKEXnews website of the Stock Exchange and the website of the Company on 21 April 2023.

LETTER FROM THE BOARD

5. *Profits Distribution Plan for 2022*

An ordinary resolution will be proposed at the AGM to approve the profits distribution plan for 2022 of the Company.

As audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the Company (the parent company) realized a net profit of RMB2,316.4412 million for 2022, with retained earnings at the beginning of the year being RMB1,824.5826 million. After the transfer of RMB231.6441 million or 10% of its net profit to the statutory surplus reserve, the distribution of dividend of RMB1,800.2692 million for the last year and the interest on perpetual bonds of RMB92.9600 million for the year, the profit available for distribution at the end of 2022 was RMB2,016.1504 million.

The Board of Directors reviewed and approved the Profits Distribution Plan for 2022 of the Company on 23 March 2023. According to the Profits Distribution Plan of the Company, the dividend for 2022 is proposed to be distributed to all Shareholders in cash at RMB1.7 per 10 Shares (tax inclusive) by the Company based on the total issued share capital of 10,589,819,000 Shares. In particular: domestic Shareholders will be paid in RMB; H Shareholders will be paid in HK dollars. The exchange rate of HK dollars will be calculated in accordance with the average closing price for foreign exchange published by the People's Bank of China three working days prior to the date on which the dividend is declared (i.e. the date of the AGM). A total cash dividend of RMB1,800.27 million will be distributed, accounting for 49.54% of the net profit attributable to the owners of the parent company in the consolidated statements of the Company of RMB3,633.6403 million for 2022. If the total share capital of the Company changes before the record date(s) for the implementation of the equity distribution, the Company intends to maintain the distribution amount per Share unchanged and adjust the total distribution amount accordingly.

It is also proposed at the AGM to authorize the Board to implement the matters relating to the profit distribution, and the Board to further authorize the Chairman of the Board of the Company for specific implementation, and to deal with the matters relating to tax withholding in accordance with the requirements of relevant laws, regulations and regulatory authorities.

If the proposal is approved by the AGM upon consideration, the said cash dividend will be distributed on Thursday, 31 August 2023 to H Shareholders whose names appear on the Company's register of members on Tuesday, 20 June 2023.

In order to ascertain the entitlements of the Shareholders to receive a proposed cash dividend, transfer of Shares will be closed from Friday, 16 June 2023 to Tuesday, 20 June 2023 (both days inclusive). To be eligible to receive the aforesaid cash dividend, the transfer documents must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders of the Company no later than 4:30 p.m. on Thursday, 15 June 2023.

LETTER FROM THE BOARD

Withholding and Payment of Cash Dividend Income Tax on Behalf of Shareholders

Cash dividend income tax applicable to overseas Shareholders

Withholding and payment of PRC enterprise income tax (“EIT”) on behalf of overseas non-resident enterprise Shareholders

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》) and its implementing rules and the requirements under the Notice on the Issues Concerning Withholding and Payment of the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Administration of Taxation, the Company will withhold and pay EIT at the rate of 10% when it distributes the cash dividend to overseas non-resident enterprise holders of H Shares (including any H Shares of the Company registered in the name of HKSCC Nominees Limited, but excluding any H Shares of the Company registered in the name of HKSCC Nominees Limited which are held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder on behalf of investors who invest in the H Shares of the Company through Shanghai – Hong Kong Stock Connect).

Withholding and payment of individual income tax on behalf of overseas individual Shareholders

Pursuant to the applicable provisions of the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法》) and its implementing rules, the Tax Notice (《稅收通知》), the Notice of the State Administration of Taxation on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other relevant laws, regulations and requirements under normative documents, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of the overseas individual H Shareholders:

- For individual H Shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these individual H Shareholders in the distribution of the cash dividend;
- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of these individual H Shareholders in

LETTER FROM THE BOARD

the distribution of the cash dividend. If relevant individual H Shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Company will handle, on their behalf, the applications for tax preferential treatments under relevant tax treaties according to the Tax Notice. Qualified Shareholders please submit in time a letter of entrustment and all application materials as required under the Tax Notice to the Company's H share registrar, Computershare Hong Kong Investor Services Limited. The Company will then submit the above documents to the competent tax authorities and, after their examination and if and when the documents are approved, the Company will assist in refunding the excess amount of tax withheld and paid;

- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty on behalf of these individual H Shareholders in the distribution of the cash dividend; and
- For individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these individual H Shareholders in the distribution of the cash dividend.

Cash Dividend Income Tax Applicable to Shareholders in Mainland China Investing in H Shares of the Company through Southbound Trading Link

Withholding and payment of individual income tax on behalf of domestic individual Shareholders investing through Southbound Trading Link

- Shanghai – Hong Kong Stock Connect: Pursuant to the Notice on Tax Policies for Shanghai – Hong Kong Stock Connect Pilot Program (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for domestic individual Shareholders who invest in H Shares of the Company through Shanghai – Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the cash dividend. For domestic Shareholders who are securities investment funds investing in H Shares of the Company through Shanghai – Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the cash dividend.

LETTER FROM THE BOARD

- Shenzhen – Hong Kong Stock Connect: Pursuant to the Notice on Tax Policies for Shenzhen – Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for domestic individual Shareholders who invest in H Shares of the Company through Shenzhen – Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the cash dividend. For domestic Shareholders who are securities investment funds investing in H Shares of the Company through Shenzhen – Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the cash dividend.

No withholding and payment of EIT on behalf of domestic enterprise Shareholders investing through Southbound Trading Link

- Shanghai – Hong Kong Stock Connect: Pursuant to the Notice on Tax Policies for Shanghai – Hong Kong Stock Connect Pilot Program (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for domestic enterprise Shareholders who invest in H Shares of the Company through Shanghai – Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder), the Company will not withhold or pay EIT on their behalf in the distribution of cash dividends, and the domestic enterprise Shareholders shall report and pay the relevant taxes payable by themselves. Any dividend received in respect of H Shares of the Company which have been continuously held by a domestic enterprise Shareholder for 12 months shall be exempted from EIT.
- Shenzhen – Hong Kong Stock Connect: Pursuant to the Notice on Tax Policies for Shenzhen – Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for domestic enterprise Shareholders who invest in H Shares of the Company through Shenzhen – Hong Kong Stock Connect (such H Shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee Shareholder), the Company will not withhold or pay EIT on their behalf in the distribution of cash dividends, and the domestic enterprise Shareholders shall report and pay the relevant taxes payable by themselves. Any dividend received in respect of H Shares of the Company which have been continuously held by a domestic enterprise Shareholder for 12 months shall be exempted from EIT.

LETTER FROM THE BOARD

H Shareholders of the Company are recommended to consult their own tax advisors on the relevant tax impact in China, Hong Kong and other countries (regions) on the possession and disposal of H Shares of the Company.

The time arrangement such as record date and the cash payment date of Shanghai – Hong Kong Stock Connect and Shenzhen – Hong Kong Stock Connect investors is in line with H Shareholders of the Company.

6. *Appointment of Auditor for 2023*

An ordinary resolution will be proposed at the AGM to approve the appointment of auditor for 2023.

According to the requirements of relevant laws and regulations and the Articles of Association, the Company intends to re-appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's financial statements auditor and internal control auditor for 2023, with a term of one year. It is also proposed to the Shareholders' general meeting to authorize the Board to determine the 2023 annual audit fee according to the specific workload of the auditor and the market price level.

7. *Remunerations for Directors and Supervisors of the Company in 2022*

An ordinary resolution will be proposed at the AGM to approve the remuneration plan for the Directors and Supervisors of the Company in 2022, and authorize the human resources department of the Company to implement the details of such plan.

The remuneration and benefit standards for Directors and Supervisors of the Company in 2022 are reported as follows according to laws and regulations such as the Company Law of the People's Republic of China, the Standards for the Governance of Listed Companies and securities regulatory requirements of mainland China and Hong Kong:

1. The remuneration and benefit standards for executive Directors: total pre-tax remunerations (including basic salaries and performance-based salaries) + social insurances ("insurances and housing provident fund" paid by the Company for individuals) + annuity (supplementary pension insurance paid by the Company for individuals).
2. The remunerations for independent non-executive Directors consist of basic remunerations, allowances for attending Board meetings, allowances for attending meetings of special committees under the Board, of which basic pre-tax annual remunerations for chairmen of special committees and other independent non-executive Directors are RMB100,000 and RMB80,000, respectively; and pre-tax allowances for attending Board meetings and meetings of special committees are RMB3,000/time and RMB2,000/time, respectively.

LETTER FROM THE BOARD

3. The remuneration standards for an independent non-executive Director served by a person-in-charge of a central enterprise leaving his current post, including leaders of state-owned enterprises, state-owned financial enterprises and other units and their internal institutions and subsidiaries, shall be implemented in accordance with the Notice on Salary Allowances for External Directors Served by Persons-in-charge of Central Enterprises Leaving Their Current Posts (Guo Zi [2016] No. 531) (《關於退出現職的中央企業負責人擔任外部董事發放工資補貼有關事項的通知》(國資[2016]531號)) and the Notice on Adjusting the Work Allowances Standards for Retired Persons in Charge of Central Enterprises as External Directors (Guoziting Kao Fen [2020] No. 187) (《關於調整退出現職的中央企業負責人擔任外部董事工作補貼標準的通知》(國資廳考分[2020]187號)). The pre-tax work allowance is pre-paid at RMB5,000/month per person. When the annual performance evaluation result is determined, it will be cleared and cashed according to the corresponding standards. If the annual performance evaluation result is excellent, the pre-tax work allowance standard is RMB100,000/year; if the evaluation result is good, the pre-tax work allowance standard is RMB80,000/year; and if the evaluation result is basically competent or below, the pre-tax work allowance standard is RMB60,000/year, and no meeting allowance in any form is received.
4. The remuneration and benefit standards for Supervisors: total pre-tax remunerations (including post-based salaries and performance-based salaries) + social insurances (“insurances and housing provident fund” paid by the Company for individuals) + annuity (supplementary pension insurance paid by the Company for individuals).

It should be noted that Mr. GUO Yonghong, a non-executive Director and Ms. LI Tienan, a Supervisor, did not receive remuneration and benefits from the Company.

For details, please refer to Appendix III of this circular for the remunerations and benefits for Directors and Supervisors of the Company in 2022 formulated on an annual-term basis. Remuneration and benefit standards should strictly comply with the regulations related to the remuneration management of persons-in-charge and external directors of central enterprises under the State-owned Assets Supervision and Administration Commission of the State Council, the regulations related to internal remuneration evaluation management of the Company, and state-owned asset and securities regulatory policies and requirements.

8. Estimations on Ordinary Related Party Transactions for 2023-2025

An ordinary resolution will be proposed at the AGM to approve the estimations on ordinary related party transactions for 2023-2025.

Please refer to Appendix IV to this circular for the main contents of the estimations on ordinary related party transactions for 2023-2025.

LETTER FROM THE BOARD

Reference is made to the Company's announcement dated 23 May 2023 in relation to the renewal of the continuing connected transactions for years 2023-2025. Under the Listing Rules, all the relevant continuing connected transactions are exempt from the requirements of independent Shareholders' approval. According to applicable PRC laws and regulations, a proposal for the aforesaid related party transactions shall be submitted to the general meeting of the Company for voting by the Shareholders.

If any of the aforesaid related party transactions constitutes a non-exempt "connected transaction" under Chapter 14A of the Listing Rules in the future, the Company shall perform relevant compliance obligations (including but not limited to reporting, announcement, annual review and/or independent shareholders' approval) in strict accordance with Chapter 14A of the Listing Rules.

9. Renewal of the Financial Services Framework Agreement

An ordinary resolution will be proposed at the AGM to renew the Financial Services Framework Agreement and its related party transactions.

In order to regulate the related party transactions between CRSC Group Finance Limited ("**Finance Company**", a subsidiary of the Company) and China Railway Signal and Communication (Group) Corporation Limited ("**CRSC Group**", the Controlling Shareholder of the Company) and its subsidiaries and associates, to ensure the fairness of related party transactions and to safeguard the interests of small and medium investors, in accordance with the relevant regulatory requirements of the places where the Shares of the Company are listed, Finance Company and CRSC Group renewed the Financial Services Framework Agreement. During the validity period of the agreement, the maximum daily deposit balance (including accrued interest) placed with Finance Company by CRSC Group and its subsidiaries and associates in 2023 shall not exceed RMB7.6 billion. The maximum daily deposit balance (including accrued interest) placed with Finance Company in 2024 shall not exceed RMB8.6 billion. The maximum daily deposit balance (including accrued interest) placed with Finance Company in 2025 shall not exceed RMB9.6 billion.

Reference is made to the Company's announcement dated 23 May 2023 in relation to the renewal of the Financial Services Framework Agreement. Under the Listing Rules, all the transactions under the Financial Services Framework Agreement are exempt from the requirements of independent Shareholders' approval. According to applicable PRC laws and regulations, a proposal for the renewal of the Financial Services Framework Agreement shall be submitted to the general meeting of the Company for voting by the Shareholders.

If the renewal of the Financial Services Framework Agreement and the transactions to be contemplated thereunder constitute the non-exempt "connected transactions" under Chapter 14A of the Listing Rules in the future, the Company shall perform relevant compliance obligations (including but not limited to reporting, announcement, annual review and/or independent shareholders' approval) in strict accordance with Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Special Resolutions

10. General Authorization for the Issuance of Debt Financing Instruments

A special resolution will be proposed at the AGM to approve the general authorization for the issuance of debt financing instruments.

To further expand financing channels, to take full advantage of the financing environment of capital markets and to control financing costs, the Company proposes to issue, in one batch or in batches, one or several types of debt financing instruments, including but not limited to corporate bonds, company bonds, super short-term financing bills, short-term financing bills, medium-term notes, private placements of debt financing instruments, perpetual bonds and other onshore or offshore debt financing instruments in RMB or foreign currencies permitted by regulatory authorities. To grasp the favourable timing of the market, the Board proposes to apply for the general authorization for issuance of the aforesaid debt financing instruments with details as follows:

Issuers:	Onshore debt financing instruments will be issued by the Company or its subsidiaries; offshore debt financing instruments will be issued by the Company or its overseas subsidiaries
Size of issuance:	Except for bonds in issue of the Company, the size of issuance of onshore and offshore debt financing instruments in total shall not exceed RMB5 billion (inclusive of RMB5 billion, calculated based on the outstanding balance at the time of the issuance and, in the case where the instrument is denominated in a foreign currency, reference would be made to the median rate for the exchange rates as quoted by the People's Bank of China on the date of such issuance)
Methods of issuance:	One-off or multi-tranche issuance basis through public offerings or private placements
Targeting subscribers and subscription arrangement:	Onshore and offshore investors meeting the conditions for subscription (and in case of the issuance of corporate bonds (if any), Shareholders)

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- Category(ies): Onshore and offshore debt financing instruments can take the form of single term debenture or a combination of multiple categories with different terms. The specific composition of such terms and the issue size of each category with a specific term will be determined in accordance with relevant requirements and the market conditions, and the issue size of each category of debentures shall not exceed the limit applicable to the issue of such category of debentures by the Company in accordance with relevant requirements of the PRC
- Use of proceeds: The proceeds to be raised from such issuance will be used to satisfy the production and operation needs of the Company, replenish working capital of the Company and/or make project investments etc.
- Validity term of the resolution: From the date of approval of this resolution at the AGM to the date of expiry of twelve months therefrom. Where the Company has resolved to implement the issue or part of the issue and has also obtained the approval(s), permit(s) or registration(s) from regulatory authorities for such issuance within the above validity term of the resolution, the Company may complete the issuance within the validity period determined under such approval(s), permit(s) or registration(s)

The Board requests the grant of a general and unconditional authorization to the Board at the AGM and to approve the Board to further authorize the chief accountant of the Company at his/her sole discretion to deal with all matters relating to the issuance of the onshore and offshore debt financing instruments according to specific needs of the Company and other market conditions during the validity term of the resolution, including but not limited to:

- (1) determining the type(s), specific category(ies), specific terms and conditions as well as other matters of the debt financing instruments based on specific conditions of the Company and relevant debt markets, including but not limited to all the matters relating to the issuance such as the size of issue, actual total amount, currency, issue price, interest rate or the determination method thereof, place of issue, timing of issue, term(s), whether to issue in tranches and the number of tranches, whether to adopt any terms for repurchase and redemption, rating arrangements, guarantee matters, term of repayment of the principal and interests, use of proceeds, as well as listing and underwriting arrangements according to applicable laws, regulations and relevant provisions from the regulatory authorities as well as resolutions passed at the AGM for such purposes;

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- (2) carrying out all necessary and incidental actions and procedures for the issuance of the debt financing instruments, including but not limited to, providing necessary guarantee for issuance of debt securities by subsidiaries, engaging intermediary agencies to deal with procedures such as applying for approval from and registering and filing with relevant regulatory authorities relating to the issuance on behalf of the Company, executing all necessary legal documents relating to the issuance and dealing with other matters relating to the issuance and trading of the debt financing instruments; approving, confirming and ratifying any of the aforesaid actions and procedures relating to the issuance of the debt securities to the extent already taken by the Company;
- (3) executing and publishing or dispatching relevant announcement(s) and circular(s) in relation to the issuance of the debt financing instruments and complying with, if necessary, any relevant information disclosure and/or approval procedures, pursuant to the relevant laws and regulations and the Listing Rules and the requirements of relevant domestic and overseas regulatory authorities;
- (4) making relevant adjustments to the relevant matters of the issuance of the debt financing instruments and determining whether to proceed with the issuance according to actual condition with reference to the opinions from relevant domestic regulatory authorities, the changes in policies or market conditions within the scope of the authorization of the AGM, unless such adjustments and decision are subject to re-voting at a general meeting of the Company according to relevant laws and regulations and the Articles of Association;
- (5) if necessary, determining and dealing with the listing of the debt financing instruments in issue and relevant matters after issuance;
- (6) dealing with any other specific matters in relation to the issuance of the debt financing instruments and to execute all the required documents.

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11. Amendments to the Articles of Association and the Rules of Procedure for the General Meetings

A special resolution will be proposed at the AGM to approve the amendments to the Articles of Association and the Rules of Procedure for the General Meetings.

On a prudent, appropriate and necessary basis, the Company intends to make amendments to the Articles of Association in accordance with the Appendix III of the Listing Rules. The details of the amendments are as follows:

Comparison Table of the Amendments to the Articles of Association

Before Amendment	After Amendment
<p>Article 56 The common shareholders of the Company shall be entitled to the following rights:</p> <p>.....</p> <p>(2) the right to request, convene, chair, attend or appoint a proxy to attend general meetings and to exercise the voting right thereat in accordance with the laws, regulations and provisions of these Articles of Association;</p> <p>.....</p>	<p>Article 56 The common shareholders of the Company shall be entitled to the following rights:</p> <p>.....</p> <p>(2) the right to request, convene, chair, attend or appoint a proxy to attend general meetings, and to exercise the voting right and to speak thereat in accordance with the laws, regulations and provisions of these Articles of Association;</p> <p>.....</p>
<p>Article 77 In the event the Company holds an annual general meeting, the Convener shall issue a written notice at least 20 working days before the annual general meeting is held, and in the event the Company holds an extraordinary general meeting, the Convener shall issue a written notice at least 15 days or 10 working days, whichever is earlier, before the extraordinary general meeting is held. The written notice shall inform all the registered shareholders of the matters to be considered at and the date and place of the meeting. Shareholders who intend to attend the general meeting shall, within the time specified in the notice, serve a written reply on the Company stating that they will attend the meeting.</p> <p>The “working days” referred to in the preceding paragraph refer to the days when the Stock Exchange of Hong Kong Limited opens for securities trading.</p>	<p>Article 77 In the event the Company holds an annual general meeting, the Convener shall issue a written notice at least 20 working days before the annual general meeting is held, and in the event the Company holds an extraordinary general meeting, the Convener shall issue a written notice at least 15 days or 10 working days, whichever is earlier, before the extraordinary general meeting is held. The written notice shall inform all the registered shareholders of the matters to be considered at and the date and place of the meeting. Shareholders who intend to attend the general meeting shall, within the time specified in the notice, serve a written reply on the Company stating that they will attend the meeting.</p> <p>The “working days” referred to in the preceding paragraph refer to the days when the Stock Exchange of Hong Kong Limited opens for securities trading.</p>

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Before Amendment	After Amendment
Article 231 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by a general meeting. The remuneration of a certified public accounting firm appointed by the Board shall be determined by the Board.	Article 231 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by a general meeting. The remuneration of a certified public accounting firm appointed by the Board shall be determined by the Board.

Comparison Table of the Amendments to the Rules of Procedures for the General Meetings

Before Amendment	After Amendment
<p>Article 21 In the event the Company holds an annual general meeting, the Convener shall issue a written notice at least 20 working days before the annual general meeting is held, and in the event the Company holds an extraordinary general meeting, the Convener shall issue a written notice at least 15 days or 10 working days, whichever is earlier, before the extraordinary general meeting is held. The written notice shall inform all the registered shareholders of the matters to be considered at and the date and place of the meeting. Shareholders who intend to attend the general meeting shall, within the time specified in the notice, serve a written reply on the Company stating that they will attend the meeting.</p> <p>The “working days” referred to in the preceding paragraph refer to the days when the Stock Exchange of Hong Kong Limited opens for securities trading.</p>	<p>Article 21 In the event the Company holds an annual general meeting, the Convener shall issue a written notice at least 20 working days before the annual general meeting is held, and in the event the Company holds an extraordinary general meeting, the Convener shall issue a written notice at least 15 days or 10 working days, whichever is earlier, before the extraordinary general meeting is held. The written notice shall inform all the registered shareholders of the matters to be considered at and the date and place of the meeting. Shareholders who intend to attend the general meeting shall, within the time specified in the notice, serve a written reply on the Company stating that they will attend the meeting.</p> <p>The “working days” referred to in the preceding paragraph refer to the days when the Stock Exchange of Hong Kong Limited opens for securities trading.</p>

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Before Amendment	After Amendment
<p>Article 31 All shareholders or their proxies registered on the record date are entitled to attend the general meetings and exercise voting rights in accordance with relevant laws and regulations, the Articles of Association and the provisions herein. The company and the convener shall not reject for any reason. Any shareholders entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as their proxies to attend and vote at the meeting on their behalves. The proxies so appointed by the shareholders may exercise the following rights:</p> <ol style="list-style-type: none">(1) the shareholder's right to speak at the meeting;(2) to demand at their own discretion or, jointly with others, a poll;(3) to vote by a poll.	<p>Article 31 All shareholders or their proxies registered on the record date are entitled to attend the general meetings and exercise voting rights in accordance with relevant laws and regulations, the Articles of Association and the provisions herein. The company and the convener shall not reject for any reason. Any shareholders entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as their proxies to attend, speak and vote at the meeting on their behalves. The proxies so appointed by the shareholders may exercise the following rights:</p> <ol style="list-style-type: none">(1) the shareholder's right to speak at the meeting;(2) to demand at their own discretion or, jointly with others, a poll;(3) to vote by a poll.

LETTER FROM THE BOARD

III. THE AGM AND VOTING METHOD

The AGM of the Company will be held at 10:00 a.m. on Friday, 9 June 2023 at Meeting Room, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC. The notice to convene the AGM has been dispatched on 10 May 2023 and is set out on pages 20 to 22 of this circular. The form of proxy for use at the AGM is also enclosed. The form of proxy for the AGM is also published on the HKEXnews website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.crsc.cn).

Whether or not you propose to attend the AGM, the Company's H Shareholders are requested to complete the form of proxy for the AGM in accordance with the instruction printed thereon and return them to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof, i.e. not later than 10:00 a.m. on Thursday, 8 June 2023. Completion and return of the form of proxy for the AGM will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish, in which case the form of proxy for the AGM will be deemed as having been revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions set out in the notice of the AGM shall be voted by poll. Votes may be given either personally or by proxy.

IV. CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of the Shareholders to attend the AGM, the register of members of the Company will be closed from Tuesday, 6 June 2023 to Friday, 9 June 2023 (both days inclusive), during which period no transfer of Shares of the Company will be effected. Holders of H Shares of the Company whose names appear on the register of H Shares of the Company kept at Computershare Hong Kong Investor Services Limited on Friday, 9 June 2023 are entitled to attend and vote at the AGM following completion of the registration procedures. To be eligible to attend and vote at the AGM, all transfer documents must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares of the Company no later than 4:30 p.m. on Monday, 5 June 2023.

In order to ascertain the entitlements of the Shareholders to receive a proposed cash dividend, the register of members of the Company will be closed from Friday, 16 June 2023 to Tuesday, 20 June 2023 (both days inclusive). To be eligible to receive the aforesaid cash dividend, the transfer documents must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for H Shareholders of the Company no later than 4:30 p.m. on Thursday, 15 June 2023. Those H Shareholders whose names appear on the register of Shareholders of the Company on Tuesday, 20 June 2023 will be entitled to a cash dividend (subject to approval by Shareholders at the AGM).

LETTER FROM THE BOARD

V. RECOMMENDATION

The Board considers that the above-mentioned resolutions are in the interests of the Company and the Shareholders as a whole, and thereby recommends the Shareholders to vote in favour of the resolutions at the AGM.

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

NOTICE OF 2022 ANNUAL GENERAL MEETING



中国通号

中國鐵路通信信號股份有限公司

China Railway Signal & Communication Corporation Limited*

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

(Stock Code: 3969)

NOTICE OF 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**AGM**”) for the year 2022 of China Railway Signal & Communication Corporation Limited* (the “**Company**”) will be held at 10:00 a.m. on Friday, 9 June 2023 at Meeting Room, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the People’s Republic of China (the “**PRC**”) for the purpose of considering, among others, and if thought fit, passing the following resolutions.

Ordinary Resolutions

1. Resolution on the Work Report of the Board of Directors for 2022 of China Railway Signal & Communication Corporation Limited*
2. Resolution on the Work Report of the Supervisory Committee for 2022 of China Railway Signal & Communication Corporation Limited*
3. Resolution on the 2022 Annual Report of China Railway Signal & Communication Corporation Limited*
4. Resolution on the Final Account Report for 2022 of China Railway Signal & Communication Corporation Limited*
5. Resolution on the Profits Distribution Plan for 2022 of China Railway Signal & Communication Corporation Limited*
6. Resolution on Appointment of Auditor for 2023
7. Resolution on Remunerations for Directors and Supervisors of the Company in 2022
8. Resolution on Estimations on Ordinary Related Party Transactions for 2023-2025 of China Railway Signal & Communication Corporation Limited*

* For identification purpose only.

NOTICE OF 2022 ANNUAL GENERAL MEETING

9. Resolution on Renewal of the Financial Services Framework Agreement between CRSC Group Finance Limited* and China Railway Signal and Communication (Group) Corporation Limited* and Its Related Party Transactions

Special Resolutions

10. Resolution on General Authorization for the Issuance of Debt Financing Instruments
11. Resolution on Amendments to the Articles of Association and the Rules of Procedure for the General Meetings

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

Beijing, the PRC, 10 May 2023

NOTICE OF 2022 ANNUAL GENERAL MEETING

Notes:

- (A) The register of members will be closed from Tuesday, 6 June 2023 to Friday, 9 June 2023 (both days inclusive), during which period no transfer of the H Shares will be effected. Holders of H Shares of the Company whose names appear on the register of H Shares of the Company kept at Computershare Hong Kong Investor Services Limited on Friday, 9 June 2023 are entitled to attend and vote at the AGM following completion of the registration procedures. To qualify for attendance and voting at the AGM, documents on transfers of H Shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares of the Company no later than 4:30 p.m. on Monday, 5 June 2023.

In order to ascertain the entitlements of a proposed cash dividend, register of members will be closed from Friday, 16 June 2023 to Tuesday, 20 June 2023 (both days inclusive), during which period no transfer of the H Shares will be effected. To be eligible to receive the aforesaid cash dividend, the transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares of the Company no later than 4:30 p.m. on Thursday, 15 June 2023. Those holders of H Shares whose names appear on the register of shareholders of the Company on Tuesday, 20 June 2023 will be entitled to a cash dividend (subject to adoption by shareholders at the AGM).

- (B) Each shareholder entitled to attend and vote at the AGM may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the AGM on his/her behalf. A proxy need not be a shareholder of the Company. With respect to any shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (C) A proxy shall be appointed by a shareholder by a written instrument signed by the appointor or his/her attorney duly authorized in writing. In case of a corporation, the same must be either under its common seal or under hand of its legal representative or duly authorized attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other documents of authorization of such attorney shall be notarized.
- (D) To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in Note (C) above must be delivered, in person or by post, to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) not less than 24 hours before the time appointed for the AGM or any adjournment thereof (as the case may be), i.e. not later than 10:00 a.m. on Thursday, 8 June 2023. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the meeting if he/she so desires.
- (E) A shareholder or his/her proxy should produce proof of identity when attending the AGM. Where a shareholder is a legal person, the legal representative of that shareholder or the person authorized by its board of directors or other governing body shall produce a copy of the authorization documents of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.
- (F) The AGM is expected to last for not more than half a day. Shareholders who attend the AGM shall bear their own travelling and accommodation expenses.

**APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS
FOR 2022 OF CHINA RAILWAY SIGNAL &
COMMUNICATION CORPORATION LIMITED***

**WORK REPORT OF THE BOARD OF DIRECTORS FOR 2022 OF CHINA
RAILWAY SIGNAL & COMMUNICATION CORPORATION LIMITED***

Dear Shareholders and Shareholder representatives,

In accordance with the Articles of Association of China Railway Signal & Communication Corporation Limited* (the “**Articles of Association**”) and the Rules of Procedure of the Board of Directors of China Railway Signal & Communication Corporation Limited*, the Work Report of the Board of Directors for 2022 of China Railway Signal & Communication Corporation Limited* is hereby reported to the general meeting.

In 2022, the Board of Directors of China Railway Signal & Communication Corporation Limited* (hereinafter referred to as the “**CRSC**” or “**Company**”) adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the spirit of the 20th National Congress of the CPC, grounded our efforts in the new development stage, completely, accurately and comprehensively applied the new development philosophy, implemented the requirements of the SASAC on the high-quality development of state-owned enterprises and the regulated construction of the Board of Directors, diligently performed all the duties of the Board of Directors, improved the corporate governance structure, continued to strengthen self-development, gave full play to the functions of the Board of Directors in “developing strategies, making decisions and preventing risks”, promoted the Company to become stronger, better and bigger, and effectively safeguarded the interests of the Company and the Shareholders.

**I. ADHERING TO STRATEGIC GUIDANCE AND MAKING NEW
BREAKTHROUGHS IN HIGH-QUALITY DEVELOPMENT**

2022 was an extremely important year in the history of the Communist Party of China (CPC) and China. The 20th National Congress of the CPC was successfully convened and the entire Party and the Chinese people of all ethnic groups embarked on a new journey to build China into a modern socialist country through a Chinese path to modernization. 2022 was also a year for CRSC to deeply implement the “14th Five-Year” strategic plan and speed up in reform and development. Facing the complicated domestic and international situation, the impact of multiple rounds of pandemics and the downward pressure of the economy, the Board of Directors of CRSC adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly studied and implemented the spirit of the 20th National Congress of the CPC, grounded our efforts in the new development stage, completely, accurately and comprehensively applied the new development philosophy, and implemented the instructions on “ensuring effective COVID-19 containment, economic stability and development security”. The Board promoted the Company to focus on its principal responsibilities and business activities, continuously propelled reform and breakthroughs, innovation and upgrading to enhance the competitiveness of the Company so as to achieve high-quality corporate development. In 2022, the external contracts entered into by the Company amounted to RMB73.009 billion in total, representing a year-on-year increase of 1.01%; the total revenue achieved amounted to RMB40.220 billion, representing a year-on-year increase of 4.85%; the total profit achieved amounted to RMB4.743 billion, representing a year-on-year increase of 10.97%; the net profit achieved amounted to RMB4.101 billion, representing a year-on-year increase of 11.04%. As of the end of the year, the total assets amounted to RMB116.807 billion, representing an increase of 7.22% comparing with the beginning of the year; the gearing ratio was 59.52%, representing an increase of 1.17 percentage points comparing with the beginning of the year.

CRSC pursued the development of high-end equipment manufacturing industry with hard-core science and technology, dared to shoulder the mission of the times, achieved self-reliance by adopting high-level science and technology, and built a national core strategic scientific and technological force in the field of rail transportation. **The Company made breakthroughs in developing key core technologies.** The Company attached importance to basic research, strengthened the breakthrough in innovative and leading science and technology. The breakthrough results were applied in Anqing-Jiujiang High-speed Railway and metro lines in Xi'an and Changsha. It carried out researches on key reserve technologies in the signaling and communications system of Sichuan-Tibet Railway, electromagnetic environmental effects of rail transportation, key 5G technology of rail transportation and other fundamental and forward-looking researches. **The Company further promoted the application of scientific and technological advances.** The high-speed maglev train operation control system was put into testing on-site in the Yanggao test line in Datong, Shanxi. The new train control system guaranteed the successful opening of Hetian-Ruoqiang Railway in Xinjiang. The collaborative transportation and service system of regional rail transportation conducted demonstration application in Jiangtiao Section. The high-density automatic operation control technology for ad-hoc network of heavy-haul train won the bidding for Baotou-Shenmu Railway of China Shenhua. The fully autonomous moving blocking system based on BeiDou Navigation Satellite System (BDS) completed joint commissioning and testing in Pingmei Group. The fully automatic coupling and uncoupling function was opened for application in Zhengzhou-Xuchang intercity railways. The research results of the “key technology for digital transformation in the operation and maintenance of the train control system of super-large metros and its application” have been applied in Shanghai and Kunming. **The Company enhanced its ability to develop global standards.** The Branch Technical Committee of the National Standardization Committee of Communication Signal for Railways was established in CRSC and it released the national standard system on communication signal for railways. Four standards formulated under the leadership of the Company have been officially established by the International Organization for Standardization and the International Electrotechnical Commission and two standards have been officially released by the International Electrotechnical Commission, representing breakthroughs in leading the releasing of the first international standard. **The Company steadily carried out the construction of high-level sci-tech innovation platforms.** The “Engineering Research Center for Intelligent Control on Train Autonomous Operation in Railway Industry” was unveiled for operation. It vigorously applied for recognition of national innovation platforms. The Company has built additional one state-accredited enterprise technology center, one innovation base for “Innovation China”, two national railway engineering research centers, and three provincial and ministerial innovation platforms.

**APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS
FOR 2022 OF CHINA RAILWAY SIGNAL &
COMMUNICATION CORPORATION LIMITED***

CRSC ensured that the channels, enthusiasm and efforts in reform remain unchanged and successfully completed the tasks on the three-year campaign for the reform of state-owned enterprises. **It sped up in implementing the rights and powers of the boards of directors of its subsidiaries.** Subsidiaries at all levels implemented the rights and powers of the boards of directors in different layers, categories and stages. 13 secondary enterprises and 11 tertiary enterprises carried out plans on the implementation of the rights and powers of the boards of directors and guaranteed the effective implementation. In combination with the appointment of management through competition and the tenure system and contractual management among managers, they prioritized the implementation of rights on the appointment of management members, the appraisal on their performance and the distribution of remuneration to them. **It advanced the pilot reform of the technological systems,** actively explored the implementation of mechanisms on “selecting the best candidates to undertake key research projects (揭榜掛帥)”, co-investment, risk mortgage and simulated legal person of business groups, implemented more flexible and efficient systems on total wage management and remuneration distribution, intensified and highlighted the results in the transformation of scientific research results and deeply propelled the special reform of “demonstration action on technological transformation”. **The Company increasingly improved the market-based operation mechanism,** studied and formulated the Notice on Promoting the High-quality Development of Tenure System and Contractual Management (《關於高質量推進任期和契約化管理的通知》), facilitated the full coverage of the tenure system and contractual management among mid-level management of enterprises of all level, emphasized the incentive mechanism and intensified rigid assessment and fulfillment. It expanded the scope for implementation to medium management of enterprises at all levels, encouraged and guided qualified branches and project departments to promote contractual management, directed and urged all enterprises to implement “one position for one person” and enter into “two letters and one agreement”. **The Company consolidated and deepened the results in the reform of three systems.** 35 enterprises conducted the appointment of management through competition and implemented adjustment for the bottom and exit of incompetent members on a normalized basis. It released the Guiding Opinions on Enhancing the Full Implementation of Market-based Employment and the Guiding Opinions on Enhancing the Appraisal on the Performance of All Employees, granting enterprises with more autonomous right in remuneration management.

CRSC implemented its ESG concept with practical efforts and adhered to green development, energy-saving and emission reduction, to fulfill its social responsibilities and serve the needs of social development. **The Company committed to disclose ESG special reports on a regular basis,** was awarded “Central Enterprise ESG Pioneer 50 Index” for two consecutive years with 13th ranking, selected as one of the ESG Excellent Enterprises of the PRC with 48th ranking in the list of Top 500 Enterprises, and A-rated by Morgan Stanley Capital International (MSCI), an international authoritative institution, for two consecutive years. **The Company accelerated activities for promoting “carbon peaking and carbon neutrality”,** formulated and implemented the work plan for carbon peaking and carbon neutrality and enhanced the study and application of new green energy-saving technologies and materials, so as to comprehensively improve the energy utilization ratio and percentage of use of clean energy and carry out clean production. **The Company further explored urban green solutions,** developed the fully automatic and interconnected ATP/ATO project in the urban rail transit in the PRC, enhanced its operational efficiency and reduced the carbon emission while

**APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS
FOR 2022 OF CHINA RAILWAY SIGNAL &
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ensuring the service standards. **The Company continuously consolidated the achievements of poverty alleviation**, carried out targeted assistance in Sheqi in Henan to develop the “Sheqi model” in rural revitalization, and established special funds on agricultural revitalization with technology in Sheqi of CRSC to promote agricultural science and technology research and technology development, technology promotion, application of research results and other scientific and technological activities. **The Company actively participated in social welfare undertakings**, provided assistance for earthquake relief in Luding, Sichuan and dispatched outstanding technical experts to provide technical supports to the Winter Olympic Village, the Analeptic Inspection Center and the National Speed Skating Oval. Moreover, CRSC donated RMB235 thousand to support the development of science, education and talent and sponsor underprivileged children’s education, etc.

II. ADHERING TO MODERN GOVERNANCE AND EFFECTIVELY PLAYING THE FUNCTIONS AND ROLES OF THE BOARD OF DIRECTORS

The Board of Directors thoroughly implemented the will of Shareholders at all times and diligently performed the duties conferred by the Company Law and the Articles of Association. It also established a concept of first-class corporate governance and gave full play to the role of the main body for operating decision-making, which including developing strategies, making decisions, preventing risks, and strengthening supervision duties, to accelerate the improvement of a modern corporate system with Chinese characteristics and promote the reform and development of the Company with increasing vitality.

- 1. Developing strategies.** The Board of Directors focused on main responsibilities and main business activities, adhered to innovation-driven development and paid great attention to execution and implementation, as well as formulation and supervision of strategies. **It made strategic arrangements** to study and judge the development trend of the industry and the Company in a scientific manner, and it prepared the detailed sub-plans of technology and science, market operation, overseas and security and quality by refining the tasks of “14th Five-Year” development plan, and decomposed the planned goals, key missions and major indicators in professional areas to confirmedly promote the Company to become stronger and more excellent. **It maintained its strategic focus**, established an effective connection mechanism covering strategy, plan, budget and performance, and effectively implemented and monitored the implementation of the strategies. In July 2022, it held external Director communication meetings to listen to the implementation of the “14th Five-Year” development plan, and stuck to strategic focus and strategic confidence requirements. **The Board of Directors guided the effective exercise of strategies** and held strategy seminars to carry out strategic evaluation and reflection. External Directors played their advantage of expertise and experience to expand the horizon of the enterprise, bring in new ideas, new perspectives and new thoughts, break its thinking inertia and limitations, and address the bottlenecks and issues that restrict development.

2. **Making decisions.** The Board of Directors followed statutorily-defined, transparent and unified rights and responsibilities, and made great efforts in improving the quality, scientificity, democracy and legality of decisions, to protect rights and interests of Shareholders and the Company with loyalty. **The Board of Directors made decisions according to laws and regulations**, implemented a decision-making system integrating collective consideration, independent voting and individual accountability, and performed procedures of inspection, consideration and voting in strict compliance with laws and regulations. All Directors fully discussed the proposals, expressed their opinions objectively, and strictly implemented the voting system. For matters subject to review by independent Directors, independent Directors reviewed the matters in accordance with the Listing Rules, the Working Rules for Independent Directors and other requirements, and fully expressed independent opinions. In 2022, the Company held 12 meetings of the Board of Directors which considered and approved 51 proposals on regular report, profit distribution, and related party transactions. **The Board of Directors made in-depth investigation and research**, and increased the efforts of investigation and research to carry out on-site investigation in the front line. In 2022, the external Directors have carried out 5 specific investigations, collective investigation on 5 subsidiaries, 29 personal physical investigation and interviews by dedicated external Directors to the headquarters and subsidiaries, and corporate information inquiries from time to time to strengthen research and demonstration and solidify the basis of decision-making. **The Board of Directors established multi-channels and usual communication**, the chairman of the Board attached great importance to communication with external Directors and communicated with them several times on significant matters such as corporate development strategy, deepening reform, innovation and development, and risk prevention and control. The production and operation information, financial data, progress of major projects and risk control situation were reported monthly, and the communication meetings with external Directors were held on a quarterly basis. We actively invited external Directors to participate in annual work meetings and other important meetings to keep them abreast of the Company's operation and development.
3. **Preventing risks.** The Board of Directors focused on strategic risks, decision-making risks and systematic risks, strengthened compliance management, improved risk prevention mechanism, carried out risk prevention in all sectors including strategy developing, decision making and implementation monitoring, and strengthened prior and in-process supervision to effectively identify, reveal and resolve major risks. **The Board of Directors consolidated its compliance system construction.** In 2022, it issued the Implementation Plan of the "14th Five-Year Plan" Legal Compliance and Risks Internal Control (《“十四五”法律合規與風險內控工作實施方案》), the Compliance Management Measures, the Compliance Management Manual, the Compliance Code of Conduct of Employees (《員工合規行為準則》) and the Comprehensive Risk Management and Internal Control

Management Manual (《全面風險管理與內部控制管理手冊》) and other systems, formed a special compliance management system consisting of four levels and 16 systems. It appointed a Chief Compliance Officer, and further clarified the compliance management duties and prescribed obligations, to actively promote the corporate compliance management. **The Board of Directors enhanced its risks control capability** by improving its management closed loop of major risks tracking, evaluation, early alerts, report and disposal and resolution, and extended its quantitative risk monitoring indicators, which increased from 64 to 72. It strengthened the major risks and events reporting mechanism to specify the responsibilities of material operating risks and events disposal, carried out annual major risks evaluation to formulate specific risks prevention measures, as well as improved outbound risks inspection and disposal mechanism to effectively prevent outbound operating risks. **The Audit and Risk Committee** communicated with external auditors on a regular basis, held special committee meetings every quarter to study and deploy risks management, internal control management and internal auditing and other work, listened to the dynamic management and control of risks and put forward requirements for strengthening risk prevention and control.

- 4. Strengthening supervision and effectiveness of accountability.** The Board of Directors exercised its decision-making power on corporate major issues according to legal procedures and the Articles of Association, and reinforced the management and supervision on the management. **It optimized the management of the Board's authorization**, clarified the matters and procedures authorized by the Board of Directors to the chairman and management, refined the list of authorized matters, established mechanisms for reporting on the exercise of authority, tracking and evaluation, and adjustment of the scope of authorization, to ensure that the authorization and decision-making of the Board of Directors were reasonable and controllable. **It supervised the effective implementation of the management**, reported the implementation of resolutions of the Board regularly, especially the implementation and progress of investment projects, so as to ensure the decisions and matters be implemented and promoted in an orderly manner. **It conducted special supervision** and tracked and understood the progress of the special rectification of “seriously finance and economics disciplines, operation compliance with laws” in a timely manner, the audit of financial revenues of the National Audit Office, to protect the interests of investors and enterprises in a loyal manner.

III. ADHERING TO STANDARDIZED AND EFFICIENT OPERATION, AND STRENGTHENING THE SELF-DEVELOPMENT OF THE BOARD

- 1. Efficient operation of the governance structure.** The Board fulfilled the procedures for and completed its change of session in a timely manner according to the Company Law and the Articles of Association and other requirements at the beginning of 2022. The fourth session of the Board of Directors of the Company consists of seven Directors with extensive experience, complementary expertise and diverse structure, including three executive Directors, three independent non-executive Directors and one non-executive Director. External Directors occupy a majority. The Company has established five special committees under the Board of Directors, including the Strategy and Investment Committee, the Remuneration and Evaluation Committee, the Nomination Committee, the Audit and Risk Management Committee, and the Quality and Safety Committee. Members of the Remuneration and Evaluation Committee and the Audit and Risk Management Committee were all held by external Directors, of which independent Directors accounted for the majority. Independent Directors accounted for the majority seats of the Nomination Committee and external Directors accounted for the majority seats of the Strategy and Investment Committee and the Quality and Safety Committee. Each special committee conducted in-depth and detailed advance research on matters in its respective field to assist the Board of Directors in improving decision-making efficiency and operation quality. A total of 13 meetings of the special committees were held during the year, at which 25 proposals were considered and approved.

- 2. Coordinated operation of the governance system.** The Board strictly performed its duties and exercised its powers in accordance with laws and regulations, state-owned asset and securities regulatory requirements, and constantly integrated into the corporate governance system with statutory and transparent rights and responsibilities, coordinated operation and effective check and balance. It safeguarded the statutory functions of the general meeting, proposed and organized a total of three general meetings in 2022, and submitted to the general meeting 13 proposals which all have been approved. It respected the requirements of strengthening the leadership of the Party, and earnestly implemented the requirements of giving precedence to the study and discussion by the Party Committee on significant operation and management matters. When making decisions, the Board fully understood and considered the comments of the Company's Party Committee in the preliminary study and discussion. The Board is voluntarily subject to supervision of the Supervisory Committee, and all Supervisors attended the Board meetings as nonvoting delegates and supervised the operation compliance of the Board. The management are accountable to and reported to the Board, took questions and enquiries from the Directors and conducted daily operation according to the relevant laws and regulations.

3. **Coherent and efficient governance.** The Board adhered to upper and lower linkage, imposed the requirements of standardizing the establishment of the board of directors of the central enterprise on its subsidiaries and provided them relevant practical experience, made solid progress in the establishment of the board of directors of its subsidiaries, and promoted the realization of “to ensure everyone establishes as needed, to ensure everyone knows as needed, to ensure delegation as needed and to ensure everyone is professional” in the establishment of the board of directors of its subsidiaries. The Board set up and dynamically adjusted a “to ensure everyone establishes as needed” system, and included the newly established finance company into the list of the board of directors that should be established in a timely manner. The focus of the standardized operation of the Board is “to ensure everyone knows as needed”, further improving the working system and standardizing the working process of the board of directors of the subsidiaries, and strengthening the business trainings for the members of and secretary to the board of directors and staff at the board office of the subsidiaries. The Board “ensured delegation as needed” of its functions and powers, and adhered to hierarchical control and differentiated authorization, promoted the orderly delegation of the functions and powers of the board of directors of the subsidiaries, and boosted the development vitality of the enterprise. The election of external Directors followed the principle of “to ensure everyone is professional”, and it strengthened the recruitment of external Directors, promoted the “full-time and professional employment”, and improved the performance appraisal system.

IV. PLACING EMPHASIS ON MARKET VALUE MANAGEMENT AND EFFECTIVELY SAFEGUARD SHAREHOLDERS’ INTERESTS

1. **Strengthening market value management.** The Board insisted on establishing scientific market values, strived to improve the performance in the capital market, and created a new situation for value realization. **Conducting special research on capital operation and market value management.** The Board continued to pay attention to the management of the Company’s market value, and based on the actual situation of the Company, conducted special research on making full use of the listed platform to improve the development quality, and formulated a special report entitled “Giving Full Play to the Role of the Central Enterprise as a Listed Platform and Accelerating the Development of a World-class Enterprise”. **Making efforts to improve the quality of the listed company.** It issued the Work Plan for Improving the Quality of the Central Enterprise as a Listed Company, adhered to the market-oriented, law-based and international-oriented principle, focused on “strengthening the internal quality and shaping the external image” and formulated and implemented specific measures in respect of 18 aspects, to strive to set an example on outstanding principal business, strong development, improved governance and honest management in the market, enabling investors to get closer to, understand, clearly see, and have confidence in the Company. It accelerated the

development of a world-class enterprise with excellent products, outstanding brands, leading innovation and modern governance, so as to promote high-quality development of the Company and support the healthy and vigorous development of the capital market. **Procuring the controlling Shareholders to voluntarily extend the lock-up period of restricted Shares of the listed company.** In July 2022, it procured CRSC Group, the controlling Shareholder, to voluntarily extend the lock-up period of restricted Shares held in CRSC, which recognized the investment value of the Company, stabilized market confidence, guided the value of the listed company to reasonably return to intrinsic value, and safeguarded the interests of public investors.

- 2. Improving information disclosure quality.** The Board earnestly performed the requirements of the Administrative Measures for Information Disclosure of Listed Companies issued by the CSRC and the listing rules of the stock exchange, and disclosed material events of the Company in a true, accurate and complete manner, with concise, clear and easy to understand statements, which gave a full disclosure of risks. It displayed the key contents of the Company’s annual report in various forms such as images, texts, animation videos, and others, to enable minority investors to obtain an understanding of important information of the Company in a quick and accurate manner. The Board of the Company has published 102 announcements and disclosure documents on the Shanghai Stock Exchange, and 116 announcements and disclosure documents (including 79 in traditional Chinese and 37 in English) on the Hong Kong Stock Exchange during the reporting period. Among them, the Board actively disclosed 6 voluntary announcements on successful bidding of major projects, disclosing successful bids with a total amount of RMB11.091 billion to positively circulate information and improve image of the Company.
- 3. Deepening investor relations management.** The Board has always upheld the philosophy of value creation based on communication and therefore, actively communicated with and listened to investors’ voice. **Establishing an investor relations feedback mechanism.** The mechanism takes investors as “mirrors”, reports investors’ opinions and suggestions to the Board and the management in a timely manner, and effectively transforms them into decision-making basis and focus of concern, becoming an important way of self-regulation, self-enhancement and self-improvement. **Orderly carrying out investor relations activities.** The Company has totally organized three press conferences for earnings release and over 20 on-site receptions and teleconferences during the year. Two investor communication record sheets were issued, and 10 Q&As of E-interactive platform were organized. The Company answered the phone calls and replied emails from minority investors in time, in response to the questions from them patiently. The Company held the general meetings by a combination of on-site meeting and online voting, which facilitated the active engagement of investors. **Constructing sound**

**APPENDIX I WORK REPORT OF THE BOARD OF DIRECTORS
FOR 2022 OF CHINA RAILWAY SIGNAL &
COMMUNICATION CORPORATION LIMITED***

communication channels. It promoted communication between state-owned Shareholders and minority Shareholders of the listed company, and substantial Shareholders should actively respond to the reasonable demand of minority Shareholders. It safeguarded the legitimate rights and interests of all Shareholders according to law in line with the principle of equality and mutual benefit. The Company participated in various activities organized by the CSRC, CSRC Beijing Bureau and Securities Association of China. The Company established favorable interaction relationship with CCTV News (央視新聞), People’s Daily, China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, Sina Finance and other media, to increase the publicity of the Company, improve its popularity and recognition in the capital market, and maintain its good brand image in the capital market. In 2022, the Company was awarded “Golden Bull Science and Technology Innovation Award” for listed companies by China Securities Journal, “Leading Award of Golden Quality STAR Market Industries” for listed companies by Shanghai Securities News and others. **Actively increasing investors’ sense of gain.** The Company has maintained a high cash dividend rate since its listing. The total cash dividends distributed in 2021 were RMB1.8 billion (inclusive of tax), accounting for 54.98% of the net profit attributable to shareholders of the listed company in 2021, which provided solid boost for the increase in shareholder returns and market value, protected the rights and interests of state-owned Shareholders and public investors, and promoted the Company’s long-term and healthy development in the capital market.

V. OUTLOOK FOR 2023

In 2023, the Board of CRSC will earnestly study and implement the spirit of the 20th National Congress of the CPC, further study and implement the spirit of General Secretary Xi Jinping’s important expositions on the reform and development of state-owned enterprises and the quality improvement of listed companies, continuously improve the understanding of and focus on the core requirements of the Central Committee of the CPC, the State Council and the SASAC on focusing on the principal business, scientific and technological innovation, deepening reform, improving the development quality, strengthening, optimizing, expanding state-owned enterprises, and develop proper strategies, make correct decisions and prevent risks, focusing on governance efficiency improvement. **Firstly, adhering to strategic orientation and promote high-quality development of the enterprise.** Focusing on the basis of new development stage, the implementation of new development concepts, and the integration of new development patterns, the Board will follow the trend, plan holistically, discuss major matters, have insight into the development trend of the industry at home and abroad and drive the enterprise to constantly adapt to changes. It will strengthen strategic development research, scientifically develop and evaluate development strategy planning of the enterprise, promote the effective implementation of the strategies, carry out regular strategies assessment and reflection, seize market opportunities and accelerate independent innovation. **Secondly, faithfully performing its duties and ensuring scientific and efficient**

decision-making. The Board will enhance communication before meeting, and provide decision-making support for the Directors to perform their duties in compliance with the laws and fully exercise their functions and powers. It will adopt a variety of effective measures to actively create conditions for external Directors, carefully formulate research plans and programs, increase the breadth and depth of research of external Directors, comprehensively, deeply and accurately understand the situation of the enterprise, have its finger on the pulse of the enterprise, target at the main contradictions, and further improve the quality of decision-making. **Thirdly, promoting the system concept and preventing and resolving risks.** The Board will lift risk prevention and control from the source, accurately target at the key areas and objects, enhance the predictability and agility of governance, and resolve risks as early as possible when identifying them. It will strengthen supervision and effectiveness, focusing on the supervision over key areas such as the implementation by the enterprise, the execution by the management, the operation authorization by the Board and the operation and management by senior management of the decisions and arrangements of the Central Committee of the CPC and the State Council. **Fourthly, increasing capital operation and improving the quality of the listed company.** It will lead and guide the Company to continuously optimize fundamentals, increase intrinsic value, and promote market value realization. It will strengthen and optimize the listed platform, accelerate the development and improvement of the capital operation system and capacity building, effectively give play to the promoting and leveraging role of the capital market, study and adopt various incentive policies, promote core technology breakthrough, promote industrial transformation and upgrading, and promote the reform deepening of the corporate governance mechanism, the innovation mechanism, the distribution mechanism and other fields. **Fifthly, adhering to the principle of “pursuing shared growth through discussion and collaboration” and protecting the rights and interests of Shareholders.** It will fully respect the equal rights of Shareholders of all classes, build a community of shared interests with mutual respect, mutual benefit and win-win results, establish a positive interaction mechanism for multi-level investor relations, disclose the Company’s information in compliance with laws, and listen to the voice of investors carefully, be subject to supervision by market participants, and equally protect the income right, right to know, voting right and right of supervision of Shareholders, especially minority Shareholders, and safeguard the legitimate rights and interests of all Shareholders.

**WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2022 OF CHINA
RAILWAY SIGNAL & COMMUNICATION CORPORATION LIMITED***

Pursuant to the Articles of Association and the Rules of Procedure of the Supervisory Committee of China Railway Signal & Communication Corporation Limited, the Supervisory Committee of China Railway Signal & Communication Corporation Limited is committed to performing supervisory responsibilities and attends the general meetings and the Board meetings, supervises the Company's production and operation, major affairs and financial status and the performance of duties by the Directors and senior management and promotes the Company's standardized operation, from the standpoint of protecting the interests of the Company and its Shareholders. The Work Report of the Supervisory Committee for 2022 of China Railway Signal & Communication Corporation Limited is hereby presented to the general meeting.

I. WORK OF THE SUPERVISORY COMMITTEE**(I) Convening Meetings**

In 2022, six meetings were held by the Supervisory Committee of the Company:

1. On 25 February 2022, the Supervisory Committee of the Company held the 1st meeting of the fourth session of the Supervisory Committee, which should be presented by three persons and actually was attended by three persons. The meeting considered and approved the proposal regarding the election of Mr. KONG Ning as the chairman of the fourth session of the Supervisory Committee of the Company.
2. On 25 March 2022, the Supervisory Committee of the Company held the 2nd meeting of the fourth session of the Supervisory Committee, which should be presented by three persons and actually was attended by three persons. The meeting considered and approved the following proposals regarding: 2021 Annual Report of China Railway Signal & Communication Corporation Limited; Profits Distribution Plan for 2021 of China Railway Signal & Communication Corporation Limited; Payment of Audit Fees for 2021 and Plan of Appointment of External Auditor for 2022; Special Report on Deposit and Use of Proceeds for 2021; 2021 ESG Report of China Railway Signal & Communication Corporation Limited; Remuneration for Supervisors in 2021 of China Railway Signal & Communication Corporation Limited; Internal Control Evaluation Report for 2021 of China Railway Signal & Communication Corporation Limited; Work Report of the Supervisory Committee for 2021 of China Railway Signal & Communication Corporation Limited.

3. On 28 April 2022, the Supervisory Committee of the Company held the 3rd meeting of the fourth session of the Supervisory Committee, which should be presented by three persons and actually was attended by three persons. The meeting considered and approved the following proposals regarding: 2022 First Quarterly Report of China Railway Signal & Communication Corporation Limited; Authorization to Deal with Matters regarding the Purchase of Liability Insurance of Directors, Supervisors and Senior Management of the Company.
4. On 8 August 2022, the Supervisory Committee of the Company held the 4th meeting of the fourth session of the Supervisory Committee, which should be presented by three persons and actually was attended by three persons. The meeting considered and approved the proposal regarding the Utilization of Unused Raised Funds for Cash Management.
5. On 29 August 2022, the Supervisory Committee of the Company held the 5th meeting of the fourth session of the Supervisory Committee, which should be presented by three persons and actually was attended by three persons. The meeting considered and approved the following proposals regarding: 2022 Interim Report of China Railway Signal & Communication Corporation Limited; Special Report on the Deposit and Actual Usage of Proceeds in the First Half of 2022.
6. On 28 October 2022, the Supervisory Committee of the Company held the 6th meeting of the fourth session of the Supervisory Committee, which should be presented by three persons and actually was attended by three persons. The meeting considered and approved the following proposals regarding: 2022 Third Quarterly Report of China Railway Signal & Communication Corporation Limited; External Guarantee Plan for 2023 of China Railway Signal & Communication Corporation Limited; Entering into of the Financial Services Framework Agreement between CRSC Group Finance Limited and China Railway Signal and Communication (Group) Corporation Limited* and Its Related Party Transactions.

(II) Attendance at Important Meetings

In 2022, the Supervisors attended 3 general meetings and 8 Board meetings as required. In addition, the members of the Supervisory Committee presented meetings involving the management on a regular basis. By attending the above meetings, the Supervisors were updated on the operation and management of the Company, and effectively supervised procedures and proposals of the meetings.

(III) Daily Supervision

In 2022, the Supervisory Committee was able to combine the tasks with the work of the Supervisory Committee by participating in the supervision of internal audit, the supervision of legal matters, the internal control and compliance review, etc., to focus on the development and risk control of subsidiaries, promptly alert the problems that arise in the production and operation, financial management and internal control of the enterprises, analyse the causes of these problems and response measures, and put forward reasonable suggestions, in order to prompt the Company to strengthen the management and control over its subsidiaries.

**II. SPECIFIC SUGGESTIONS OF THE SUPERVISORY COMMITTEE ON
RELEVANT MATTERS DURING THE REPORTING PERIOD OF THE
COMPANY****(I) Legitimate Operation of the Company**

During the reporting period, by evaluating and supervising the performance of duties by the Directors and senior management of the Company as well as the legitimate operation of the Company, the Supervisory Committee was of the view that, in 2022, the Board and all Directors adhered to the general tone of making progress while maintaining stability, earnestly performed various duties conferred by the Company Law and the Articles of Association, conducted concentrated research, made decisions and arranged the major matters involved in the reform and development of the Company in strict compliance with relevant regulations, and went through legal and effective decision-making procedures, which played a positive role in maintaining the momentum of rapid and healthy development of the Company. In 2022, the management of the Company earnestly implemented the decisions and arrangements of the Board, actively explored the market, and successfully accomplished the target for 2022. The Directors and senior management of the Company were able to comply with prudently and thoroughly the relevant laws and regulations, the Articles of Association and the resolutions of the general meetings and the Board meetings during the performance of their duties to the Company, fulfilling their duties in a faithful, diligent and responsible manner. No Directors or senior management of the Company were found to have acted in violation of laws, regulations or the Articles of Association or causing prejudice to the interests of the Company and the rights and interests of Shareholders during the performance of their duties. In addition, the Board strictly regulated the disclosure of information to external parties and timely disclosed significant information of the Company pursuant to the securities regulatory requirements, such that the information was disclosed in a regulated manner and the insider-related securities trading system was conducted well.

(II) Review on the Financial Conditions of the Company

During the reporting period, the Supervisory Committee of the Company implemented effective supervision and inspection on the financial management and operation of the Company by reviewing the financial statements and external audit reports of the Company, considering the regular reports of the Company and communicating with the financial staff to understand the situation. Through supervision and inspection, the Supervisory Committee was of the view that in 2022, the Company had sound financial system and standardized management and the financial operation was normal. BDO China Shu Lun Pan Certified Public Accountants has audited the Company's 2022 financial report and issued a standard unqualified audit report, and considered that the financial report for 2022 prepared by the Company fairly reflected the financial position, operating results and cash flows of the Company.

(III) Use of Proceeds

During the reporting period, the Supervisory Committee supervised the use, management and deposit of the Company's proceeds. The Supervisory Committee was of the view that, in 2022, the Company was able to manage and use the proceeds in accordance with national laws and regulations as well as the undertakings made by the Company in the prospectus. The Company's use and deposit of proceeds met the requirements of the Guidelines of Shanghai Stock Exchange for the Self-Regulation Rules for the Listed Companies on the SSE STAR Market No. 1 – Regulated Operation (《上海證券交易所科創板上市公司自律監管規則適用指引第1號-規範運作》), the Articles of Association, and the Management Measures for the Use of Proceeds. The use and deposit of proceeds did not violate laws and regulations and change the investment in disguised form or cause damage to the interests of investors.

(IV) Related Party Transactions and External Guarantee by the Company

In 2022, the Supervisory Committee considered and approved the Resolution on Entering into of the Financial Services Framework Agreement between CRSC Group Finance Limited and China Railway Signal and Communication (Group) Corporation Limited* and Its Related Party Transactions. The Supervisory Committee supervised the related party transactions of the Company during the reporting period, and was of the opinion that, the related party transactions of the Company were conducted in accordance with the provisions of the Company Law, the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and the Articles of Association and the Rules Governing Related Party Transactions of the Company. The pricing policy of the related party transactions of the Company followed the market principles and the principles of openness, fairness and impartiality, and no behaviors detrimental to the interests of the Company and minority Shareholders were found. The Supervisory Committee of the Company considered the proposal regarding the Company's external guarantee plan, and was of the opinion that the approval procedure of the proposal regarding the Company's external guarantee was in compliance with regulations, and complied with the relevant provisions of the Articles of Association, the Administrative Measures for External Guarantees of China Railway Signal & Communication Corporation Limited and the Implementation Rules for Guarantees of China Railway Signal & Communication Corporation Limited. The Company's external guarantees do not impair the interests of the Company and minority Shareholders.

(V) INTERNAL CONTROL OF THE COMPANY

In 2022, the Company sorted out, revised and improved the rules and systems, formulated or revised the management rules such as the Compliance Management Measures of CRSC, the Comprehensive Risk Management and Internal Control Manual of CRSC, the Negative List of Compliance Responsibilities for Key Business Positions of CRSC, and the Compliance Management Manual of CRSC. The Company also prepared and issued the Comprehensive Risk Management Report and the Internal Control Evaluation Report for the year in accordance with the requirements of the State-owned Assets Supervision and Administration Commission.

During the reporting period, the Company's internal control system continued to improve and the internal control system was able to cover all aspects of the Company's operation, production and management, which further enhanced the operability and execution of the system. The overall level of internal control has been continuously improved, which can reasonably ensure the achievement of internal control objectives.

(VI) ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES OF THE COMPANY

In 2022, the Supervisory Committee supervised the environmental, social and governance issues of the Company during the reporting period and considered the Environmental, Social and Governance Report for 2021 of China Railway Signal & Communication Corporation Limited. The Supervisory Committee was of the view that the report was prepared in line with the Guidelines to Chinese State-owned Enterprises on Fulfilling Corporate Social Responsibilities issued by the State-owned Assets Supervision and Administration Commission of the State Council, and the China CSR Reporting Guidelines (CASS-CSR4.0) issued by the Chinese Academy of Social Sciences. The disclosure was in line with the Environmental, Social and Governance Reporting Guide in Appendix 27 to the Main Board Listing Rules of the Hong Kong Stock Exchange, and the Guidelines on Environmental Information Disclosure of Listed Companies of the Shanghai Stock Exchange. There was no situation that harmed the environment and society in the Company, and the control measures were effective.

**III. WORK PLAN FOR 2023 OF THE SUPERVISORY COMMITTEE OF THE
COMPANY**

In 2023, the Supervisory Committee of the Company will continue to be accountable to all Shareholders of the Company, strictly in accordance with the Company Law, the Articles of Association and the Rules of Procedure of the Supervisory Committee and other relevant provisions, faithfully perform its duties and effectively safeguard the legitimate rights and interests of the Company, Shareholders and employees. It plays a positive role in promoting the steady development of the Company's business, strengthening risk control and improving the corporate governance structure. In 2023, the Supervisory Committee of the Company intends to focus on the following tasks:

- (I) Attending important meetings. Attending the general meetings as required, attending the Board meetings and related important meetings, keeping abreast of the Company's major decision-making matters and the legality of various decision-making procedures, and earnestly performing supervisory duties.
- (II) Understanding the supervision work carried out by the internal and external supervision department by convening regular and interim meetings. Focusing on the supervision of matters such as the use of the Company's proceeds, external investment, external guarantees, and related party transactions to ensure that the Company effectively implements the internal control system and actively prevents contingent risks.
- (III) Supervising the Company's Directors and senior management personnel to perform their duties diligently, preventing behaviors that damage the Company's interests, earnestly safeguarding the rights and interests of the Company and Shareholders, and ensuring the sustainable and high-quality development of the Company.
- (IV) Actively participating in the trainings organized by regulators, strengthening the study of relevant laws and regulations, improving its professional business ability and the supervision ability and level of the Supervisory Committee.

APPENDIX III

TABLE OF REMUNERATIONS AND BENEFITS
FOR DIRECTORS AND SUPERVISORS IN 2022TABLE OF REMUNERATIONS AND BENEFITS FOR DIRECTORS AND
SUPERVISORS IN 2022*Unit: Yuan Currency: RMB*

Name	Position	(I) Total Pre-tax Remuneration	(II) Social Insurance	(III) Annuity	Total Remuneration and Benefits (Pre-tax)= (I)+(II)+(III)
ZHOU Zhiliang	Executive Director and Chairman of the Board	1,300,736.00	139,277.76	55,356.96	1,495,370.72
XU Zongxiang	Executive Director and President	1,188,283.00	139,277.76	55,356.96	1,382,917.72
ZHANG Quan	Executive Director	144,120.00	49,254.08	17,054.08	210,428.16
YAO Guiqing	Independent Non- executive Director	100,000.00	–	–	100,000.00
GUO Yonghong	Non-executive Director	–	–	–	–
YAO Cho Fai Andrew	Independent Non- executive Director	125,340.00	–	–	125,340.00
FU Junyuan	Independent Non- executive Director	50,000.00	–	–	50,000.00
KONG Ning	Chairman of the Supervisory Committee	419,760.00	139,277.76	32,813.76	591,851.52
YANG Yang	Employee Representative Supervisor	220,000.00	128,378.32	32,915.03	381,293.35
LI Tienan	Shareholder Representative Supervisor	–	–	–	–
YANG Yongsheng	Former Executive Director	860,660.00	65,396.64	23,458.96	949,515.60
CHEN Jin'en	Former Independent Non- executive Director	30,000.00	–	–	30,000.00
CHAN Ka Keung Peter	Former Independent Non- executive Director	62,668.00	–	–	62,668.00
HU Shaofeng	Former Chief Accountant and Board Secretary	889,120.00	32,698.32	12,438.48	934,256.80
CHEN Shikui	Former Employee Representative Supervisor	24,000.00	10,899.44	2,045.85	36,945.29

Notes:

1. *The remunerations for 2022 include term incentive income from 2019 to 2021 (XU Zongxiang served for 26 months during the term of office from 2019 to 2021, less than three years);*
2. *ZHANG Quan was appointed as an executive Director in August 2022, and the above-mentioned remuneration and benefits are the total amount for his term of office from September to December;*
3. *Non-executive Director GUO Yonghong did not receive remuneration or benefits from the Company;*
4. *YAO Cho Fai Andrew and FU Junyuan were appointed as independent non-executive Directors in February 2022, and the above-mentioned remuneration and benefits are the total amount for their term of office from March to December;*
5. *Supervisor LI Tienan did not receive remuneration or benefits from the Company;*
6. *YANG Yang was appointed as an employee representative Supervisor in February 2022, and the above-mentioned remuneration and benefits are the total amount for her term of office from February to December;*
7. *YANG Yongsheng ceased to serve as an executive Director since July 2022;*
8. *CHEN Jin'en and CHAN Ka Keung Peter ceased to serve as independent non-executive Directors since February 2022;*
9. *CHEN Shikui ceased to serve as an employee representative Supervisor since February 2022.*

APPENDIX IV ESTIMATIONS ON ORDINARY RELATED PARTY TRANSACTIONS FOR 2023-2025

In 2023-2025, in light of the needs of the daily operation, the Company expects to have ordinary related party transactions with related parties, including purchases and sales of commodities, receiving and provision of services, leases and other services. According to the requirements of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited, in order to facilitate the normal development and review of ordinary related party transactions, the Company intends to make an estimation on the amount of ordinary related party transactions for 2023-2025. Details are as follows:

(I) ESTIMATIONS AND IMPLEMENTATION OF PREVIOUS ORDINARY RELATED PARTY TRANSACTIONS

Unit: RMB ten thousand

Category of Related Party Transactions	Related Parties	Estimated Amount in 2022	Actual Amount in 2022	Percentage of Similar Businesses	Reasons for the Significant Difference between the Estimated Amount and the Actual Amount
Purchasing products/materials from related parties	China Railway Signal and Communication (Group) Corporation Limited and its subsidiaries	14,000.00	3,638.61	1.06%	–
Selling products/materials to related parties		2,000.00	76.88	0.01%	–
Receiving services from related parties		5,000.00	890.92	0.03%	–
Provision of services to related parties		55,000.00	12,791.08	0.37%	The actual work quantities were less than expected due to the market environment.
Lease of houses/fixed assets from related parties		50.00	18.53	0.28%	–
Rental of houses/fixed assets to related parties		1,500.00	17.58	0.77%	–

Note: The denominator of the formula for calculating the percentage of the actual amount in 2022 to similar businesses in the above table is the operating income of similar businesses in 2022.

APPENDIX IV ESTIMATIONS ON ORDINARY RELATED PARTY TRANSACTIONS FOR 2023-2025

(II) ESTIMATED AMOUNT AND CATEGORY OF THE ORDINARY RELATED PARTY TRANSACTIONS

Unit: RMB ten thousand

Category of Related Party Transactions	Related Parties	Estimated Amount in 2023	Percentage of Similar Businesses	Accumulated Amount from the Beginning of the Year to the Date of Disclosure	Actual Amount in the Previous Year	Percentage of Similar Businesses	Reasons for the Significant Difference between the Estimated Amount and the Actual Amount in the Previous Year	Estimated Amount in 2024	Estimated Amount in 2025
Purchasing products/materials from related parties	China Railway Signal and Communication (Group) Corporation Limited and its subsidiaries	7,000.00	2.05%	626.63	3,638.60	1.06%	-	7,000.00	7,000.00
Selling products/materials to related parties		200.00	0.04%	-	76.88	0.01%	-	200.00	200.00
Receiving services from related parties		2,000.00	0.07%	43.81	890.92	0.03%	-	2,000.00	2,000.00
Provision of services to related parties		45,000.00	1.30%	928.91	12,791.08	0.37%	According to the business plan and project schedule, the work quantities are expected to increase in 2023.	40,000.00	20,000.00
Lease of houses/fixed assets from related parties		350.00	5.30%	30.98	18.53	0.28%	-	350.00	350.00
Rental of houses/fixed assets to related parties		100.00	4.35%	-	17.58	0.77%	-	100.00	100.00

Note: The denominator of the formula for calculating the percentage of the estimated amount to similar businesses in the above table is the operating income of similar businesses in 2022.

The Company maintains normal business dealings with related parties under the principle of voluntary, equal and fair transactions, and enters into contracts with them based on the market pricing method. So far, all the transaction contracts have been well performed, and the risk of losses caused by the failure of related parties to perform is low.

The aforesaid related party transactions are conducted in the course of the daily operation and business of the Company, taking the market price as the pricing standard. The pricing is fair without prejudice to the interests of the Company and its minority Shareholders. The Company remains independent from its related parties in terms of business, personnel, assets, organization, finance, etc., and makes completely independent decisions in daily transactions without control by related parties. There is no adverse effect on the Company's current and future financial position and operating results. The Company will not rely heavily on related parties, and the ordinary related party transactions will not adversely affect the Company's ability to continue as a going concern.