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China Railway Signal & Communication Corporation Limited*

中國鐵路通信信號股份有限公司

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

(Stock Code: 3969)

**FINANCIAL INFORMATION IN RELATION TO
A SHARE PROSPECTUS**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong), and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the announcements of China Railway Signal & Communication Corporation Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 February 2019, 25 March 2019 and 16 April 2019 in relation to the proposed initial public offering and listing of A shares and related matters, the circular of the Company dated 26 March 2019 in relation to the Company’s 2019 first extraordinary general meeting and 2019 first H shareholders class meeting (the “**Circular**”), and the announcement dated 15 April 2019 in relation to, among other things, the poll results of the Company’s 2019 first extraordinary general meeting, the 2019 first domestic shareholders class meeting and the 2019 first H shareholders class meeting. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as defined in the aforesaid circular.

The full text of the Prospectus of China Railway Signal & Communication Corporation Limited* for the Initial Public Offering and Listing of Stocks on the Science and Technology Innovation Board (Submission Proof) (《中國鐵路通信信號股份有限公司首次公開發行股票並在科创板上市招股說明書(上會稿)》) (the “**Submission Proof A Share Prospectus**”) issued by the Company in respect of listing application for A Shares were published on the website of the Review and Approval of the Issuance and Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (<http://kcb.sse.com.cn/>) and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 12 June 2019.

The summary of the consolidated financial statements (the “**Consolidated Financial Statements**”) of the Group for the three months ended 31 March 2019 (the “**Relevant Period**”) and the major operating conditions of the Group are set out in “V. Key Financial Data and Operating Conditions after the Ending Date of the Audited Financial Report” under “Important Notice” and “XVII. Key Financial Data and Operating Conditions after the Ending Date of the Audited Financial Report” under “Section VIII — Financial Information and Management Analysis” in the Submission Proof A Share Prospectus. The Consolidated Financial Statements prepared in accordance with the Group’s accounting policies under the Chinese Accounting Standards for Business Enterprises is not audited, but have been reviewed by Ernst & Young Hua Ming LLP.

The key financial data of the Company’s consolidated statement of financial position as at 31 March 2019, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and statement of non-operating profit or loss for the three months ended 31 March 2019 prepared in accordance with the Chinese Accounting Standards for Business Enterprises, and the major operating conditions of the Group are as follows:

1. KEY DATA OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unit: RMB0’000

| Item | As at 31 March 2019 | As at 31 March 2018 | Change ratio % |
|--|------------------------------------|------------------------------------|-------------------------------|
| Total assets | 8,360,058.88 | 7,967,853.76 | 4.92% |
| Total liabilities | 5,261,467.15 | 4,940,645.61 | 6.49% |
| Total equity | 3,098,591.73 | 3,027,208.15 | 2.36% |
| Total equity attributable to owners of the parent company | 2,953,978.16 | 2,890,839.67 | 2.18% |

2. KEY DATA OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Unit: RMB0'000

| Item | For the three months ended 31 March 2019 | For the three months ended 31 March 2018 | Change ratio % |
|---|---|---|-------------------------------|
| Revenue | 788,535.85 | 686,560.57 | 14.85% |
| Operating profit | 89,498.20 | 79,478.56 | 12.61% |
| Profit before tax | 90,287.70 | 80,885.68 | 11.62% |
| Profit for the period | 74,409.02 | 67,953.43 | 9.50% |
| Profit attributable to owners of the parent company | 67,645.05 | 62,142.10 | 8.86% |

3. KEY DATA OF CONSOLIDATED STATEMENT OF CASH FLOWS

Unit: RMB0'000

| Item | For the three months ended 31 March 2019 | For the three months ended 31 March 2018 | Change amount |
|---|---|---|--|
| Net cash flow from operating activities | -110,708.24 | -37,095.00 | Year-on-year decrease of RMB73,613.23 |
| Net cash flow from investing activities | -206,611.92 | -191,333.01 | Year-on-year decrease of RMB15,278.91 |
| Net cash flow from financing activities | 240,940.79 | -16,015.21 | Year-on-year increase of RMB256,956.00 |
| Effect of exchange rate changes on cash | -1,538.92 | -4,299.87 | Year-on-year increase of RMB2,760.94 |
| Net increase in cash | -77,918.29 | -248,743.09 | Year-on-year increase of RMB170,824.80 |

4. KEY DATA OF STATEMENT OF NON-OPERATING PROFIT OR LOSS

Unit: RMB0'000

| Item | For the three months ended 31 March 2019 |
|--|---|
| Profit/loss from disposal of non-current assets | -34.87 |
| Government grants recorded in current profit or loss (except for continuous government grants in fixed amount or fixed quantity according to certain standards, in compliance with national policies and closely associated with the ordinary operating business of the Company) | 1,936.64 |
| Reversal of impairment of receivables individually impaired | 240.76 |
| Gains from debt restructuring | 54.79 |
| Net income/expenses of donations | -0.60 |
| Other non-operating income and expenses other than the above items | 388.90 |
| Income tax effect | -465.41 |
| Net effect of non-operating profit or loss | 2,120.20 |

5. MAJOR OPERATING CONDITIONS

As of 31 March 2019, total assets of the Company were RMB83,600.5888 million, increased by 4.92% as compared to the end of the previous year. Total liabilities of the Company were RMB52,614.6715 million, increased by 6.49% as compared to the end of the previous year. The size of assets of the Company remained stable; the Company's equity attributable to owners of the parent company was RMB29,539.7816 million, increased by 2.18% as compared to the end of the previous year, which was mainly due to the profit for the period realized for the three months ended 31 March 2019.

For the three months ended 31 March 2019, the principal business of the Company maintained steady growth as compared to the corresponding period of the previous year, and the Company recorded revenue of RMB7,885.3585 million, increased by 14.85% as compared to the corresponding period of the previous year; net profit attributable to owners of the parent company was RMB676.4505 million, increased by 8.86% as compared to the corresponding period of the previous year. The

increase in operating income and net profit of the Company for the three months ended 31 March 2019 was mainly due to the continuous growth of business volume in the railway transport control system business of the Company.

For the three months ended 31 March 2019, the Company's net cash flow from operating activities was RMB-1,107.0824 million, the negative cash flow from operating activities was mainly due to the increase in the investment in the construction of rail transportation control system projects of the Company; the net cash flow from investing activities and financing activities was RMB-2,066.1192 million and RMB2,409.4079 million respectively, the change of which was mainly due to the Company's cash management on funds according to its capital requirements.

For the three months ended 31 March 2019, the Company's non-operating net profit or loss attributable to owners of the parent company after deducting income tax effect was RMB21.2020 million, which was mainly due to inclusion of government grants recognized in current profit or loss. The non-operating profit or loss did not have material impact on operating results.

As at the date of the Submission Proof A Share Prospectus, except for the equity transfer of real estate business as disclosed in “(VI) The Real Estate Business and Alternative Financial Business of the Issuer” under “VIII. The Branch Companies, Controlled Subsidiaries and Investee Subsidiaries of the Issuer” of “Section V — Basic Information of the Issuer” in the Submission Proof A Share Prospectus, the major operating conditions of the Company are normal, and operating results are stable. No material change has occurred in any material matters that may affect the judgment of investors, including the Company's operation model, purchasing model and purchasing price, sales model and sales price, composition of major customers and suppliers, taxation policy and others.

The above English version of the summary of the Consolidated Financial Statements and the major operating conditions of the Group is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

For more details of the A Share Offering, please refer to the Submission Proof A Share Prospectus which was published on the website of the Review and Approval of the Issuance and Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (<http://kcb.sse.com.cn/>) by the Company on 12 June 2019.

As the A Share Offering is subject to approval or decision by the relevant regulatory authorities and may or may not proceed, Shareholders and investors should exercise caution when dealing in the H Shares. Further announcement(s) will be made to disclose any major updates and developments in respect of the A Share Offering in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate.

By Order of the Board
**China Railway Signal & Communication
Corporation Limited***
Zhou Zhiliang
Chairman

Beijing, the People's Republic of China
12 June 2019

As of the date of this announcement, the executive directors of the Company are Mr. ZHOU Zhiliang, Mr. YIN Gang and Mr. YANG Yongsheng, and the independent non-executive directors of the Company are Mr. WANG Jiajie, Mr. CHEN Jin'en, Mr. CHAN Ka Keung Peter and Mr. YAO Guiqing.

** For identification purpose only.*