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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: 03969)

2023 FIRST QUARTERLY REPORT

The Board of Directors of China Railway Signal & Communication Corporation Limited* (the “**Company**”) is pleased to announce the unaudited financial information of the Company and its subsidiaries for the first quarter ended 31 March 2023, prepared in accordance with China Accounting Standards for Business Enterprises. This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

This announcement contains the Chinese original version and English translation version of the “2023 First Quarterly Report of China Railway Signal & Communication Corporation Limited*” as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. If there is any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

DEFINITIONS

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

“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	China Railway Signal & Communication Corporation Limited* (中國鐵路通信信號股份有限公司)
“Director(s)”	director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Reporting Period”	the period from 1 January 2023 to 31 March 2023
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

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

Beijing, PRC
28 April 2023

As of the date of this announcement, the executive Directors of the Company are Mr. ZHOU Zhiliang, Mr. XU Zongxiang and Mr. ZHANG Quan, the non-executive Director of the Company is Mr. GUO Yonghong, and the independent non-executive Directors of the Company are Mr. YAO Guiqing, Mr. YAO Cho Fai Andrew and Mr. FU Junyuan.

* *For identification purpose only*

China Railway Signal & Communication Corporation Limited*

2023 First Quarterly Report

The Board of Directors of the Company and all members thereof hereby warrant that there are no false representations or misleading statements contained in, or material omissions from, this announcement and accept legal responsibility for the truthfulness, accuracy and completeness of this announcement in accordance with the laws.

IMPORTANT NOTICE

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

ZHOU Zhiliang, person-in-charge of the Company, LI Lianqing, Chief Financial Officer, and ZHANG Shihu, head of accounting department (person in charge of accounting), hereby guarantee that the financial information contained in this quarterly report is true, accurate and complete.

Whether the first quarterly financial statements have been audited

Yes No

I. KEY FINANCIAL DATA

(1) Key accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	The Reporting Period	Change in the Reporting Period compared with the same period last year (%)
Revenue	7,490,656,914.61	7.92
Net profit attributable to shareholders of listed company	677,962,651.12	4.62
Net profit attributable to the shareholders of listed company deducting non-recurring profit or loss	662,574,796.18	2.97
Net cash flows generated from operating activities	-1,307,374,461.57	Not applicable
Basic earnings per share (in RMB per share)	0.06	0.00
Diluted earnings per share (in RMB per share)	0.06	0.00
Weighted average return on net assets (%)	1.49	Increased by 0.01 percentage point
Total research and development investment	349,614,211.82	0.53
Percentage of research and development investment to revenue (%)	4.66	Decreased by 0.35 percentage point

	As at the end of the Reporting Period	As at the end of the previous year	Change as at the end of the Reporting Period compared with the end of the previous year (%)
Total assets	116,596,426,639.41	116,806,544,483.88	-0.18
Ownership interests attributable to shareholders of listed company	45,988,616,162.22	45,323,917,197.95	1.47

(2) Non-recurring profit or loss items and amounts

Unit: Yuan Currency: RMB

Items	Amount for the Period
Gains or losses from disposal of non-current assets	-37,402.61
Government grants recognized through profit or loss for the period (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity according to a certain standard)	14,731,401.13
Other non-operating income and expenses other than the above items	3,845,585.74
Less: Effect on income tax	3,151,729.32
Effect on minority interests (after tax)	—
Total	15,387,854.94

Explanation for determination of the recurring profit or loss items that are in conformity with the definition of “extraordinary profit or loss items” as set out in the Explanatory Announcement No. 1 on Information Disclosure by Companies that Issue Securities to the Public — Extraordinary Profit or Loss Items

Applicable Not applicable

(3) Circumstances and reasons for changes in the key accounting data and financial indicators

Applicable Not applicable

II. INFORMATION ON SHAREHOLDERS

(1) Total number of ordinary shareholders and number of shareholders of preference shares with restored voting rights and particulars of shareholdings of the top ten shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period		82,396	Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (if any)		-		
Particulars of shareholdings of the top ten Shareholders							
Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of shares held subject to trading moratorium	Number of restricted shares including lending shares for securities financing	Shares pledged, marked or frozen	
						Status of shares	Number of shares
China Railway Signal and Communication (Group) Corporation Limited	State-owned corporation	6,604,426,424	62.37	-	-	No	-
HKSCC NOMINEES LIMITED	Overseas corporation	1,967,688,950	18.58	-	-	Unknown	-
Hong Kong Securities Clearing Company Limited	Overseas corporation	151,857,595	1.43	-	-	Unknown	-
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Exchange Traded Fund	Others	142,600,282	1.35	-	-	Unknown	-
China National Machinery Industry Corporation	State-owned corporation	63,507,192	0.60	-	-	Unknown	-
Industrial and Commercial Bank of China Limited-E Fund SSE STAR 50 Exchange Traded Fund	Others	51,427,001	0.49	-	-	Unknown	-
China Railway Investment Co., Ltd.	State-owned corporation	34,188,000	0.32	-	-	Unknown	-
Guangdong Hengjian Capital Management Co., Ltd.	State-owned corporation	23,677,500	0.22	-	-	Unknown	-
CETC Fund Management Co., Ltd. – Zhongdian Electronics Information Industry Investment Fund (Tianjin) Partnership (Limited Partnership)	Others	23,677,500	0.22	-	-	Unknown	-
Hunan Rail Transit Holding Group Co., Ltd.	State-owned corporation	23,677,500	0.22	-	-	Unknown	-

Particulars of shareholdings of the top ten shareholders not subject to trading moratorium			
Name of shareholder	Number of circulating shares held not subject to trading moratorium	Type and number of shares	
		Type	Number
China Railway Signal and Communication (Group) Corporation Limited	6,604,426,424	RMB ordinary shares	6,604,426,424
HKSCC NOMINEES LIMITED	1,967,688,950	Overseas listed foreign shares	1,967,688,950
Hong Kong Securities Clearing Company Limited	151,857,595	RMB ordinary shares	151,857,595
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Exchange Traded Fund	142,600,282	RMB ordinary shares	142,600,282
China National Machinery Industry Corporation	63,507,192	RMB ordinary shares	63,507,192
Industrial and Commercial Bank of China Limited – E Fund SSE STAR 50 Exchange Traded Fund	51,427,001	RMB ordinary shares	51,427,001
China Railway Investment Co., Ltd.	34,188,000	RMB ordinary shares	34,188,000
Guangdong Hengjian Capital Management Co., Ltd.	23,677,500	RMB ordinary shares	23,677,500
CETC Fund Management Co., Ltd. – Zhongdian Electronics Information Industry Investment Fund (Tianjin) Partnership (Limited Partnership)	23,677,500	RMB ordinary shares	23,677,500
Hunan Rail Transit Holding Group Co., Ltd.	23,677,500	RMB ordinary shares	23,677,500
Explanation on the related party relationship or acting-in-concert arrangement among the above shareholders	China Railway Signal and Communication (Group) Corporation Limited, the largest shareholder, does not have any related party relationship with the other shareholders nor is it a person acting in concert with them. The Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.		
Business description on margin financing and securities lending conducted by the top 10 shareholders and the top ten shareholders not subject to trading moratorium (if any)	Not applicable.		

Note 1: At the end of the Reporting Period, the number of A share shareholders of the Company was 82,396, and the number of H share registered shareholders was 226.

Note 2: At the end of the Reporting Period, apart from 6,604,426,424 A shares, China Railway Signal and Communication (Group) Corporation Limited also holds 34,302,000 H shares of the Company, totaling 6,638,728,424 shares, representing 62.69% of its total capital.

Note 3: H shares held by HKSCC NOMINEES LIMITED are held on behalf of various clients.

Note 4: Apart from note 2 and note 3, the remaining shares held by the top ten shareholders are all A shares of the Company.

III. OTHER REMINDERS

Other important information that needs to be brought to the attention of investors concerning the operation of the Company during the Reporting Period

Applicable Not applicable

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

Unit: 0'000 Currency: RMB

Business lines	Revenue			
	From January to March 2023	Corresponding period of the previous year	Increase/decrease in amount	Increase/decrease in ratio (%)
Railway	393,912.97	338,249.43	55,663.54	16.46
Urban transit	174,060.64	150,258.67	23,801.97	15.84
Overseas businesses	27,542.74	18,043.01	9,499.73	52.65
Construction contracting	151,766.60	185,739.88	-33,973.28	-18.29
Other	1,782.75	1,814.17	-31.42	-1.73
Total	749,065.70	694,105.16	54,960.54	7.92

From January to March 2023, the aggregate amount of newly-signed external contracts amounted to RMB13.7 billion, representing an increase of 35.78% as compared with the corresponding period of the previous year. The value of newly-signed contracts in railway sector amounted to RMB3.618 billion, representing an increase of 51.27% as compared with the corresponding period of last year; the value of newly-signed contracts in urban transit sector amounted to RMB3.417 billion, representing an increase of 83.84% as compared with the corresponding period of the previous year; the value of newly-signed contracts in overseas sector amounted to RMB1.329 billion, representing an increase of 40,339.40% as compared with the corresponding period of the previous year; the value of newly-signed contracts in construction contracting and other sectors amounted to RMB5.336 billion, representing a decrease of 8.57% as compared with the corresponding period of the previous year.

IV. QUARTERLY FINANCIAL STATEMENTS

(1) Status of Audit Opinions

Applicable Not applicable

(2) Financial Statements

Consolidated Balance Sheet

31 March 2023

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	31 March 2023	31 December 2022
Current assets:		
Cash and bank balances	21,849,631,118.83	22,215,371,337.81
Bills receivable	1,520,802,506.14	1,714,371,393.60
Accounts receivable	22,703,373,193.33	22,672,081,197.55
Receivables for financing	870,201,186.41	1,048,965,771.85
Prepayments	1,046,709,439.25	1,135,530,595.29
Other receivables	1,635,538,192.70	1,579,389,304.96
Including: Interest receivable	–	3,628,769.52
Dividends receivable	7,575,000.00	6,075,000.00
Inventories	2,836,838,152.08	2,378,763,660.23
Contract assets	39,028,181,582.59	38,617,088,327.03
Non-current assets due within one year	124,647,464.63	104,252,537.37
Other current assets	922,485,930.41	954,216,216.16
Total current assets	92,538,408,766.37	92,420,030,341.85

Items	31 March 2023	31 December 2022
Non-current assets:		
Debt investment	273,172,183.50	273,172,183.50
Long-term receivables	6,548,729,275.91	5,909,956,266.76
Long-term equity investments	1,523,203,736.65	1,505,010,167.68
Other equity instrument investment	1,136,990,828.00	1,124,819,159.20
Investment properties	346,031,079.71	360,225,551.83
Fixed assets	4,542,557,573.53	4,580,968,030.17
Construction in progress	874,254,456.56	891,536,403.93
Right-of-use-assets	165,457,783.39	173,961,270.40
Intangible assets	2,550,501,708.99	2,563,747,410.22
Development expenditure	202,926,948.84	188,000,541.82
Goodwill	305,324,128.58	305,324,128.58
Long-term prepaid expenses	53,266,200.96	58,177,965.51
Deferred tax assets	475,156,213.61	474,086,180.50
Other non-current assets	5,060,445,754.81	5,977,528,881.93
Total non-current assets	24,058,017,873.04	24,386,514,142.03
Total assets	116,596,426,639.41	116,806,544,483.88

Items	31 March 2023	31 December 2022
Current liabilities:		
Short-term borrowings	2,136,570,507.02	261,169,967.41
Bills payable	2,111,056,765.44	2,260,154,270.80
Accounts payable	47,436,866,388.00	49,888,119,903.73
Contract liabilities	8,343,028,768.58	7,704,721,222.25
Employee benefits payable	707,387,644.11	690,620,818.93
Tax payable	613,473,998.59	899,902,868.80
Other payables	1,803,818,760.62	1,485,075,980.09
Including: Interest payable	–	–
Dividends payable	97,032,086.30	118,347,201.50
Non-current liabilities due within one year	369,795,263.86	1,237,094,658.03
Other current liabilities	644,716,160.34	815,521,607.44
Total current liabilities	64,166,714,256.56	65,242,381,297.48
Non-current liabilities:		
Long-term borrowings	3,294,962,562.36	3,290,786,172.77
Lease liabilities	143,313,136.66	118,073,535.41
Long-term payables	56,772,189.06	58,629,829.67
Long-term employee benefits payable	500,394,052.72	503,607,000.00
Provisions	27,651,888.55	28,711,970.11
Deferred income	191,360,370.78	215,017,593.46
Deferred tax liabilities	74,129,537.09	71,602,084.41
Total non-current liabilities	4,288,583,737.22	4,286,428,185.83
Total liabilities	68,455,297,993.78	69,528,809,483.31

Items	31 March 2023	31 December 2022
Shareholders' equity:		
Share capital	10,589,819,000.00	10,589,819,000.00
Other equity instruments	2,796,935,660.38	2,796,935,660.38
Including: Preference shares	–	–
Perpetual bonds	2,796,935,660.38	2,796,935,660.38
Capital reserve	15,963,864,687.13	15,964,068,097.89
Other comprehensive income	-195,638,167.81	-198,844,477.42
Special reserve	323,087,045.15	343,494,199.17
Surplus reserve	2,042,968,810.17	2,042,968,810.17
Retained earnings	14,467,579,127.20	13,785,475,907.76
Total equity attributable to Shareholders of the parent company	45,988,616,162.22	45,323,917,197.95
Non-controlling interests	2,152,512,483.41	1,953,817,802.62
Total Shareholders' equity	48,141,128,645.63	47,277,735,000.57
Total liabilities and Shareholders' equity	116,596,426,639.41	116,806,544,483.88

Person-in-charge of the Company: ZHOU Zhiliang Chief Financial Officer: LI Lianqing
Head of Accounting Department: ZHANG Shihu

Consolidated Statement of Profit or Loss

January to March 2023

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Total revenue	7,503,134,045.50	6,941,051,579.25
Including: Revenue	7,490,656,914.61	6,941,051,579.25
Interest income	12,477,130.89	–
II. Total cost of sales	6,715,041,882.01	6,171,609,409.51
Including: Cost of sales	5,791,952,937.98	5,273,367,055.90
Taxes and surcharges	40,070,112.75	49,117,790.53
Selling and distribution expenses	170,425,555.98	162,059,558.37
General and administrative expenses	463,259,987.56	440,055,198.83
Research and development expenses	305,948,866.89	288,255,422.20
Finance costs	-56,615,579.15	-41,245,616.32
Including: Interest expenses	23,165,414.38	25,910,452.76
Interest income	93,349,958.88	91,204,897.92
Add: Other income	102,350,267.47	134,928,885.56
Investment income (with “-” for losses)	18,843,784.91	19,845,652.98
Including: Share of profits of associates and joint ventures	10,272,979.73	12,544,148.08
Credit impairment losses (with “-” for losses)	25,685,067.18	-42,162,619.61
Asset impairment losses (with “-” for losses)	918,291.93	513,100.65
Gains from disposal of assets (with “-” for losses)	-37,402.61	-125,161.42

Items	First quarter of 2023	First quarter of 2022
III. Operating profit (with “-” for losses)	935,852,172.37	882,442,027.90
Add: Non-operating income	6,680,508.77	4,728,091.14
Less: Non-operating expenses	2,136,711.67	1,090,776.60
IV. Total profit (with “-” for total losses)	940,395,969.47	886,079,342.44
Less: Income tax expenses	163,738,637.56	147,124,508.97
V. Net profit (with “-” for net losses)	776,657,331.91	738,954,833.47
(I) Classified by continuity of operation		
1. Net profit from continuing operation (with “-” for net losses)	776,657,331.91	738,954,833.47
2. Net profits from discontinued operations (with “-” for net loss)	–	–
(II) Classified by the ownership		
1. Net profit attributable to shareholders of the parent company (with “-” for net loss)	677,962,651.12	648,016,868.11
2. Profit or loss attributable to non-controlling interests (with “-” for net loss)	98,694,680.79	90,937,965.36
VI. Other comprehensive income, net of tax	3,206,309.61	5,499,061.57
(I) Other comprehensive income attributable to owners of the parent company, net of tax	3,206,309.61	5,499,061.57
1. Other comprehensive income that may not be reclassified into profit or loss	–	–
2. Other comprehensive income that will be reclassified into profit or loss	3,206,309.61	5,499,061.57
(1) Other comprehensive income that can be transferred to profit or loss under equity method	–	–

Items	First quarter of 2023	First quarter of 2022
(2) Changes in fair value of other debt investments	–	–
(3) Amount of financial assets reclassified into other comprehensive income	–	–
(4) Credit impairment provisions for other debt investments	–	–
(5) Hedging reserve arising from cash flows	3,768,031.58	5,511,159.60
(6) Exchange differences on translation of foreign operations	-376,375.52	-80,359.71
(7) Others	-185,346.45	68,261.68
(II) Other comprehensive income attributable to non-controlling interests, net of tax	–	–
VII. Total comprehensive income	779,863,641.52	744,453,895.04
(I) Total comprehensive income attributable to Shareholders of the parent company	681,168,960.73	653,515,929.68
(II) Total comprehensive income attributable to non-controlling interests	98,694,680.79	90,937,965.36
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.06	0.06
(II) Diluted earnings per share (RMB/share)	0.06	0.06

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

Person-in-charge of the Company: ZHOU Zhiliang Chief Financial Officer: LI Lianqing
Head of Accounting Department: ZHANG Shihu

Consolidated Statement of Cash Flows

January to March 2023

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

Items	First quarter of 2023	First quarter of 2022
I. Cash flows generated from operating activities:		
Cash received from the sale of goods or rendering of services	7,665,601,435.18	8,338,664,629.89
Refunds of taxes	66,576,957.57	174,678,116.83
Cash received relating to other operating activities	614,403,880.05	1,023,698,640.88
Sub-total of cash inflows from operating activities	8,346,582,272.80	9,537,041,387.60
Cash paid on purchase of goods or services received	6,908,995,324.66	7,894,008,011.85
Cash paid to and on behalf of employees	1,247,930,122.82	1,249,963,593.46
Cash paid for all types of taxes	562,552,577.18	604,869,606.37
Cash paid relating to other operating activities	934,478,709.71	803,120,848.53
Sub-total of cash outflows from operating activities	9,653,956,734.37	10,551,962,060.21
Net cash flows generated from operating activities	-1,307,374,461.57	-1,014,920,672.61
II. Cash flows generated from investing activities:		
Cash received from return on investments	10,847,592.57	-
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	121,353.70	553,706.98
Cash received relating to other investing activities	152,973,614.27	-
Sub-total of cash inflows from investing activities	163,942,560.54	553,706.98

Items	First quarter of 2023	First quarter of 2022
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	90,851,157.39	78,880,431.52
Cash paid for investments	250,000.00	64,275,000.00
Cash paid relating to other investing activities	–	1,818,973,953.62
Sub-total of cash outflows from investing activities	91,101,157.39	1,962,129,385.14
Net cash flows generated from investing activities	72,841,403.15	-1,961,575,678.16
III. Cash flows generated from financing activities:		
Cash received as capital contributions	–	10,745,000.00
Including: Cash received by subsidiaries from minority shareholders' investment		
Cash received from borrowings	2,000,000,000.00	189,930,000.00
Subtotal of cash inflows from financing activities	2,000,000,000.00	200,675,000.00
Cash paid on repayments for borrowings	926,651,301.04	33,287,473.95
Cash paid for distribution of dividends or profits and for interest expenses	23,165,414.38	25,910,452.76
Including: Dividend and profit of minority shareholder paid by subsidiaries	–	–
Cash paid relating to other financing activities	26,563,679.63	–
Subtotal of cash outflows from financing activities	976,380,395.05	59,197,926.71
Net cash flows generated from financing activities	1,023,619,604.95	141,477,073.29
IV. Effect of fluctuations in exchange rate on cash and cash equivalents	-2,292,066.77	-10,122,091.40

Items	First quarter of 2023	First quarter of 2022
V. Net increase in cash and cash equivalents	-213,205,520.24	-2,845,141,368.88
Add: Balance of cash and cash equivalents at the beginning of the period	17,241,658,431.27	17,648,572,772.77
VI. Balance of cash and cash equivalents at the end of the period	17,028,452,911.03	14,803,431,403.89

Person-in-charge of the Company: ZHOU Zhiliang Chief Financial Officer: LI Lianqing
Head of Accounting Department: ZHANG Shihu

Adjustments made to the financial statements as at the beginning of the year of the initial adoption due to the initial adoption of new accounting standards or interpretation of accounting standards since 2023

Applicable Not applicable

In this report (or in the data), figures shown as totals may not be an arithmetic aggregation of the figures preceding them, which is due to rounding adjustments.

It is hereby announced as above.

Board of China Railway Signal & Communication Corporation Limited*
28 April 2023

* For identification purpose only