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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 2023**
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023**
- (3) 2023 ANNUAL REPORT**
- (4) FINAL ACCOUNT REPORT FOR 2023**
- (5) PROFITS DISTRIBUTION PLAN FOR 2023**
- (6) APPOINTMENT OF AUDITOR FOR 2024**
- (7) REMUNERATIONS FOR DIRECTORS AND SUPERVISORS  
OF THE COMPANY IN 2023**
- (8) AMENDMENTS TO THE WORKING RULES OF  
THE INDEPENDENT NON-EXECUTIVE DIRECTORS**
- (9) GENERAL AUTHORIZATION FOR THE ISSUANCE OF  
DEBT FINANCING INSTRUMENTS**
- AND**
- (10) NOTICE OF 2023 ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 1 to 16 of this circular.

The AGM will be held by the Company at 10:00 a.m. on Thursday, 13 June 2024 physically at Meeting Room, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC. The notice to convene the AGM is set out on pages 17 to 19 of this circular. The circular and the accompanying form of proxy for the AGM are also published on the HKEXnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.crsc.cn](http://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 Wednesday, 12 June 2024. 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.

23 May 2024

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\* *For identification purpose only.*

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## DEFINITIONS

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*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 2023 to be convened and held physically at 10:00 a.m. on Thursday, 13 June 2024 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)

\* For identification purpose only.

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## DEFINITIONS

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“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

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LETTER FROM THE BOARD

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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: 3969)

*Chairman of the Board and Executive Director:*

Mr. LOU Qiliang

*Executive Director:*

Mr. ZHANG Quan

*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

23 May 2024

*To the Shareholders*

Dear Sir/Madam,

- (1) WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023**
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023**
- (3) 2023 ANNUAL REPORT**
- (4) FINAL ACCOUNT REPORT FOR 2023**
- (5) PROFITS DISTRIBUTION PLAN FOR 2023**
- (6) APPOINTMENT OF AUDITOR FOR 2024**
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DEBT FINANCING INSTRUMENTS  
AND**
- (10) NOTICE OF 2023 ANNUAL GENERAL MEETING**

\* For identification purpose only.

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The AGM will be held by the Company at 10:00 a.m. on Thursday, 13 June 2024 physically at Meeting Room, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC. The notice to convene the AGM is set out on pages 17 to 19 of this circular.

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 resolution, 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 2023***

An ordinary resolution will be proposed at the AGM to approve the work report of the Board of Directors for 2023, the full text of which is set out in Appendix I to this circular.

#### **2. *Work Report of the Supervisory Committee for 2023***

An ordinary resolution will be proposed at the AGM to approve the work report of the Supervisory Committee for 2023, the full text of which is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### **3. 2023 Annual Report**

An ordinary resolution will be proposed at the AGM to approve the 2023 annual report, the full text of which was published on the HKEXnews website of the Stock Exchange and the Company's website on 24 April 2024.

### **4. Final Account Report for 2023**

An ordinary resolution will be proposed at the AGM to approve the final account report for 2023.

The Company has prepared the 2023 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 2023. 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 2023, and the consolidated operating results and cash flows, and the Company's operating results and cash flows of 2023. Details of the above statements are set out in the Company's 2023 annual report published on the HKEXnews website of the Stock Exchange and the website of the Company on 24 April 2024.



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## LETTER FROM THE BOARD

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### **5. Profits Distribution Plan for 2023**

An ordinary resolution will be proposed at the AGM to approve the profits distribution plan for 2023 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 RMB2,380.2928 million for 2023. After withdrawing 10% of the statutory surplus reserve and distribution of dividend, the profit available for distribution at the end of 2023 was RMB2,265.1847 million.

The Board of Directors reviewed and approved the Profits Distribution Plan for 2023 of the Company on 26 March 2024. According to the Profits Distribution Plan of the Company, the dividend for 2023 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: A 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 51.77% of the net profit attributable to the owners of the parent company in the consolidated statements of the Company of RMB3,477.3266 million for 2023. 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 Friday, 30 August 2024 to H Shareholders whose names appear on the Company's register of members on Monday, 24 June 2024.

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## LETTER FROM THE BOARD

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In order to ascertain the entitlements of the Shareholders to receive a proposed cash dividend, transfer of Shares will be closed from Thursday, 20 June 2024 to Monday, 24 June 2024 (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 Wednesday, 19 June 2024.

### **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 Shareholders 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).

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## LETTER FROM THE BOARD

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### *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 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.

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## LETTER FROM THE BOARD

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### **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.
- 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.

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## LETTER FROM THE BOARD

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*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.

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.

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## LETTER FROM THE BOARD

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### **6. *Appointment of Auditor for 2024***

An ordinary resolution will be proposed at the AGM to approve the appointment of auditor for 2024.

In accordance with the Company Law, the Securities Law, the Basic Standards for Corporate Internal Control and the information disclosure requirements for companies listed on the STAR Market, as well as the Articles of Association, the Company is required to engage an accounting firm to conduct an audit for the Company's annual financial statements and internal control and to issue an audit report accordingly.

BDO China Shu Lun Pan Certified Public Accountants LLP, in the course of its audit services for the year 2023, has performed its duties diligently, followed the practice standards of independence, objectivity and impartiality, and completed the audit-related work in a timely manner. After consideration by the audit and risk management committee of the Board, it is proposed to re-appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's financial statements auditor and internal control auditor for 2024, with a term of one year (commencing from the conclusion of the AGM of the Company to the conclusion of the next annual general meeting of the Company).

It is also proposed to the Shareholders' general meeting to authorize the Board to determine the 2024 annual audit fee according to the specific workload of the auditor and the market price level in 2024.

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## LETTER FROM THE BOARD

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### **7. *Remunerations for Directors and Supervisors of the Company in 2023***

An ordinary resolution will be proposed at the AGM to approve the remuneration plan for the Directors and Supervisors of the Company in 2023, 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 2023 are reported according to laws and regulations such as the Company Law of the People's Republic of China, the Governance Standards of Listed Companies and securities regulatory requirements of mainland China and Hong Kong as follows:

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 under the Board 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 under the Board are RMB3,000/time and RMB2,000/time, respectively.

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## LETTER FROM THE BOARD

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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 2023 formulated on an annual-term basis. Relevant 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.



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## LETTER FROM THE BOARD

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### **8. *Amendments to the Working Rules of the Independent Non-executive Directors***

An ordinary resolution will be proposed at the AGM to amend the Working Rules of the Independent Non-executive Directors.

Recently, as a result of the amendments to the Administrative Measures for Independent Directors of Listed Companies of the CSRC, the Company intends to make adaptive changes to the existing working rules of the independent non-executive Directors, so as to better leverage the important role of the independent directors' system in perfecting the modern enterprise system with Chinese characteristics, sounding the corporate supervisory system and promoting the healthy and stable development of the capital market. Please refer to Appendix IV to this circular for details of the amendments.

### **Special Resolution**

### **9. *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
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## LETTER FROM THE BOARD

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- 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)
- 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)

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## LETTER FROM THE BOARD

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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;
- (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;

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## LETTER FROM THE BOARD

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- (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.

In order to improve the efficiency of the issuance of debt financing instruments, the Board, while obtaining the aforementioned authorization from the Shareholders' general meeting, will further delegate the authority to the Company's chief accountant to formulate a plan for the aforesaid matters.

### III. THE AGM AND VOTING METHOD

The AGM will be held by the Company at 10:00 a.m. on Thursday, 13 June 2024 physically at Meeting Room, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the PRC. The notice to convene the AGM is set out on pages 17 to 19 of this circular. The circular and the accompanying form of proxy for the AGM are also published on the HKEXnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.crsc.cn](http://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 Wednesday, 12 June 2024. 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.

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## LETTER FROM THE BOARD

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### 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 Friday, 7 June 2024 to Thursday, 13 June 2024 (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 Thursday, 13 June 2024 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 Thursday, 6 June 2024.

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 Thursday, 20 June 2024 to Monday, 24 June 2024 (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 Wednesday, 19 June 2024. Those H Shareholders whose names appear on the register of Shareholders of the Company on Monday, 24 June 2024 will be entitled to a cash dividend (subject to approval by Shareholders at the AGM).

### 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\***

**LOU Qiliang**

*Chairman*

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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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: 3969)

### NOTICE OF 2023 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “AGM”) for the year 2023 of China Railway Signal & Communication Corporation Limited\* (the “Company”) will be held at 10:00 a.m. on Thursday, 13 June 2024 physically 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 2023 of China Railway Signal & Communication Corporation Limited\*
2. Resolution on the Work Report of the Supervisory Committee for 2023 of China Railway Signal & Communication Corporation Limited\*
3. Resolution on the 2023 Annual Report of China Railway Signal & Communication Corporation Limited\*
4. Resolution on the Final Account Report for 2023 of China Railway Signal & Communication Corporation Limited\*
5. Resolution on the Profits Distribution Plan for 2023 of China Railway Signal & Communication Corporation Limited\*
6. Resolution on Appointment of Auditor for 2024
7. Resolution on Remunerations for Directors and Supervisors of the Company in 2023
8. Resolution on Amendments to the Working Rules of the Independent Non-executive Directors

\* For identification purpose only.

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# NOTICE OF 2023 ANNUAL GENERAL MEETING

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## Special Resolution

9. Resolution on General Authorization for the Issuance of Debt Financing Instruments

By order of the Board

**China Railway Signal & Communication Corporation Limited\***

**LOU Qiliang**

*Chairman*

Beijing, the PRC, 23 May 2024

*Notes:*

- (A) The register of members will be closed from Friday, 7 June 2024 to Thursday, 13 June 2024 (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 Thursday, 13 June 2024 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 Thursday, 6 June 2024.

In order to ascertain the entitlements of a proposed cash dividend, register of members will be closed from Thursday, 20 June 2024 to Monday, 24 June 2024 (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 Wednesday, 19 June 2024. Those holders of H Shares whose names appear on the register of shareholders of the Company on Monday, 24 June 2024 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.

\* For identification purpose only.

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## NOTICE OF 2023 ANNUAL GENERAL MEETING

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- (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 Wednesday, 12 June 2024. 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.



**WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023 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 2023 of China Railway Signal & Communication Corporation Limited\* is hereby reported to the general meeting.

In 2023, the Board of Directors of CRSC adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the spirits of the 20th National Congress of the CPC and the Central Economic Work Conference, thoroughly carried out the requirements of SASAC on high-quality development, corporate governance improvement and strengthening the construction of the Board of Directors, diligently performed the duties of the Board of Directors in “developing strategies, making decisions and preventing risks”, focusing on improving core competitiveness and enhancing core functions, and strived to improve the innovative ability and value creation capacity of the Company, and continuously promoted the Company to become stronger, better and bigger. The main work of the Board of Directors for 2023 is reported as follows:

**I. STRENGTHENING VALUE CREATION AND ENSURING HIGH-QUALITY DEVELOPMENT WITH FAST AND STEADY STEPS**

2023 is the year to embark on the entire plan set at the 20th National Congress of the CPC, and to carry on and further its implementation of the ‘14th Five-Year Plan’ of CRSC. The Board of Directors of CRSC completely, accurately and comprehensively applied the new development philosophy, firmly served the major national strategies to promote the Company to focus on its principal responsibilities and business activities, expand the market by all means, promote production with high quality and quantity, stabilise growth with better quality and higher efficiency, and vigorously promote business-finance integration and the development of the financial sharing centre. The total operating revenue for the year amounted to RMB37.087 billion, representing a year-on-year decrease of 7.79%; the total profit achieved was RMB4.690 billion, representing a year-on-year decrease of 1.11%; the operating cash ratio was 5.55%, representing a year-on-year increase of 0.37 percentage points; the weighted average return on net assets was 7.54%, which is 0.63 percentage points lower than the previous year; the asset liability ratio was 58.93%, which is 0.59 percentage points lower than the end of the previous year; the R&D investment intensity reached 5.51%, representing a year-on-year increase of 0.85 percentage points.

**Firstly, led industrial development with scientific and technological innovation.** CRSC firmly took the road of high-level scientific and technological self-reliance, accelerated the key core technology research and development, achieved effective results of the innovation consortium cooperation projects. CRSC continued to develop a reliable national strategic scientific and technological force. Major national research projects were implemented steadily, and fundamental and forward-looking research was carried out solidly. CRSC completed the technical solution for the control system applicable to the Sichuan-Tibet Railway, the CR450 Science and Technology Innovation Project, and the requirements for carrying 30,000 tons of heavy load, and conducted research on cloud computing-based secure computing platforms, massive Internet of Things (IoT) technology, basic materials components, and more. The innovative achievements have led the progress of the industry, and the transformation of scientific and technological achievements has been accelerated. These achievements have found wide applications in various fields, including high-speed rail, conventional rail, urban rail, subway systems, heavy freight transportation, and railway dispatching systems. The comprehensive strength of scientific research has received high recognition, leading to the establishment of several high-level innovation platforms such as national-level public service platforms and the national railway industry engineering research center.

**Secondly, created a new quality productive force with a brand-new industry layout.** CRSC adhered to a strategy of high-end, intelligent, and green development. Leveraging its advantages in control technology research and development, equipment manufacturing, system integration, and the entire industry chain, CRSC made significant progress in the strategic development of emerging industries. CRSC narrowed the gaps in the integrated circuit industry chain for rail transit and accelerated the development of rail transit-specific integrated circuits. CRSC also accelerated the complete independent development of train control technology for rail transit, steadily carried out inspection, testing and certification access work for core equipment of the C2 and C3 fully-independent train control systems for high-speed railways. Additionally, CRSC conducted solid research and development on fully-independent urban rail transit train control systems. CRSC promoted the development of artificial intelligence in rail transit, driving the research and development of next-generation train operation control systems, new-generation networked intelligent train control systems, autonomous train perception systems, intelligent operation and control products, intelligent operation and maintenance products, and intelligent equipment, strengthened its technological strategic reserves, led the way in upgrades and updates, and accelerated the development of the “control system + AI” industry in order to achieve all-round intelligent development in rail transit control technology.

**Thirdly, deepened reforms to drive and stimulate development.** CRSC effectively promoted the reform of state-owned enterprises and received an A rating in the SASAC's appraisal of the performance in key tasks for the three-year action on the reform of central enterprises. Among its subsidiaries, 1 was newly included in the list of state-owned demonstration enterprises for technological reform, and 1 was newly included in the list of 100 large-scale enterprises and 100 rapidly-growing enterprises. The 5 demonstration enterprises all received a rating above "Good" in their respective appraisal, and 2 of them received a rating of "Excellent". The Company solidly promoted the implementation of the next round of actions on deepening and improving reforms by proposing the task scheme, schedule, and roadmap of reforms in the next three years based on the demands of the country, the industry and itself, the characteristics of its development, and the requirements of high-quality development. Furthermore, all actions to build the Company into a world-class enterprise were coordinated, as all benchmarking-based improvement actions, value creation actions, actions on building itself and its subsidiaries into leading and demonstration enterprises in respective professional areas, and actions on enhancing the guiding role of brands were carried out in a systematic manner. Meanwhile, it strove to develop a new responsibility system for business operations by promoting the quality and coverage improvement of the 2.0 version of the tenure system and contractual management, so as to normalise and institutionalise the mechanism of competition-based position occupation for management members, the mechanism of position adjustment for management members with the least satisfactory performance, and the mechanism of position deprivation for incompetent management members, to make the differentiated remuneration schemes and performance appraisal schemes more precise, and to put the medium- and long-term incentive mechanisms into operation.

**Fourthly, promoted sustainable development with ESG concepts.** CRSC disclosed ESG special reports on a regular basis, and was awarded the "Central Enterprise ESG Pioneer 100 Index" ranking 6th and being the top company in the transportation equipment manufacturing industry. CRSC accelerated activities for promoting "carbon peaking and carbon neutrality", enhanced the study and application of new green energy-saving technologies and materials, so as to improve the energy utilization ratio and percentage of use of clean energy, and enhanced supervision, inspection, and assessment of energy conservation and environmental protection. CRSC 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. CRSC continuously consolidated the achievements of poverty alleviation, driven the enhancement of the whole chain of local rural industries with the special fund for scientific and technological development of the agriculture, and vigorously carried out the activity of "Week for Supporting and Vitalising Agriculture through Consumption by Central Enterprises".

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

The Board of Directors successfully managed the three relationships between the present and the future, risk prevention and development promotion, and strategic emerging industries and traditional industries. It placed greater emphasis on long-term considerations, strategic development, and support for emerging industries, thereby promoting the reform and development of the Company with increasing vitality.

**Firstly, developing strategies in a scientific manner.** 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 strategies and seeking development. It implemented national development strategies by understanding the requirements of technological and industrial transformation. It made scientific assessments of industry development trends and effectively utilized the technological advantages and R&D strengths of CRSC to firmly serve the building of national strength in transportation, national strength in manufacturing, national strength in network and digital China for actively integrating the national strategy of coordinated development in the region. It insisted on the implementation of strategic planning, and carried out the mid-term evaluation of the “14th Five-Year” development plan, reviewed the implementation of major projects to carry out strategic evaluation and reflection and guide the effective exercise of strategies. External Directors played their advantage of rich 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. It strengthened the planning of the second half of the strategy, highlighted the improvement of core competitiveness and enhancement of core functions, focused on the development of strategic emerging industries and the transformation and upgrading of traditional industries, accelerated innovations in technology, market and management, and clarified the investment focuses, mission objectives and implementation paths, so as to boost the construction of the modernised industrial system with a high-quality industrial layout.

**Secondly, making decisions with high-quality.** The Board of Directors gave full play to the role of the main body for operating decision-making, and adhered to 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 requirements, and fully expressed independent and prior approval opinions. In 2023, the Company held 6 meetings of the Board of Directors which considered and approved 32 proposals on regular reports, profit distribution, and related party transactions. The Board of Directors focused on improving the quality of decision-making, increased the efforts of investigation and research to carry out on-site investigation in the front line, including Shanghai, Zhengzhou, Jiaozuo, Jinan and Jakarta-Bandung High-speed Railway project. In 2023, the external Directors have carried out 6 collective investigations covering 8 subsidiaries and branch offices, 16 physical investigation and interviews by dedicated external Directors to the headquarters and subsidiaries to strengthen research and demonstration and solidify the basis of decision-making. It actively participated in training in the performance of duties organized by the SASAC and the stock exchanges to improve its business quality. 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 to make decisions, improved the efficiency of decision-making, established a dynamic adjustment mechanism, and reported on the implementation of authorized decision-making matters on a quarterly basis, to ensure that the authorization and decision-making of the Board of Directors were reasonable and controllable. It guided and supervised the effective implementation of the management, strengthened the decomposition and supervision of the opinions and recommendations of external Directors, reported the implementation of resolutions to 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 and form a closed loop of decision-making.

**Thirdly, systematically preventing risks.** The Board of Directors conscientiously implemented its responsibility for risk prevention and mitigation, carried out risk prevention in all sectors including strategy developing, decision making and implementation supervising. The Board of Directors enhanced its risks control capability by extending its quantitative risk monitoring indicators, which increased from 72 to 114, and setting up special differentiated risk monitoring indicators for finance companies and international holdings. It strengthened the major risks and events reporting mechanism to formulate specific risks prevention measures. It continuously strengthened the construction of special systems for compliance management to promote the rectification of internal control issues. The Audit and Risk Management Committee performed its duties diligently, communicated with internal and external auditors and the risk control department on a regular basis, reviewed the Company's financial information, listened to reports on risk management and control, legal compliance, internal control, internal audit and other work, and put forward professional opinions such as strengthening the tracking frequency of major risks control, and special monitoring and controlling of major risk events, so as to increase the attention paid to the risk management and control of the municipal engineering segment. By resolutely guarding the bottom line of safety risks, the Quality and Safety Committee held regular meetings to study quality and safety work, strengthened communication with management and business departments, and put forward proposals on the establishment of a big data management system, ensuring safety through science and technology, and making quality and safety an important core competitiveness. It strengthened supervision and effectiveness, followed up on the regulatory requirements of state-owned assets in a timely manner, understood and kept abreast of the progress of various special rectification work such as rectification of national review issues and participation in the operation and investment, to protect rights and interests of Shareholders and the Company with loyalty.

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

**Firstly, efficient operation of the governance structure.** The members of the Board of Directors of the Company have extensive experience, complementary expertise and diverse structure. External Directors occupy a majority. The Company has established 5 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 9 meetings of the special committees were held during the year, at which 19 proposals were considered and approved, and 3 reports were heard.

**Secondly, 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, improved the governance system, and continuously improved the corporate governance system with statutory and transparent rights and responsibilities, coordinated operation and effective check and balance. In 2023, the Company revised its Articles of Association, Rules of Procedures of the General Meeting, and working rules of special committees to ensure clear delineation of responsibilities and standardised meeting procedures. 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. It safeguarded the statutory functions of the general meeting, proposed and organized a total of 2 general meetings in 2023, and submitted to the general meeting 12 proposals which all have been approved. The Board is voluntarily subject to supervision of the Supervisory Committee, and all Supervisors attended the Board meetings as non-voting 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.



**Thirdly, solid and strong support of the fulfillment of duties.** The Board of Directors did detail and practical work to protect the performance of duties of external Directors, established multi-channels and usual communication mechanism. The chairman of the Board of Directors and president communicated with external Directors 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 to the external Directors monthly, and the communication meetings with external Directors were held on a quarterly basis. It 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. It meticulously planned and organized research, focusing on the implementation of corporate strategy, resolution execution, scientific and technological innovation, combined with the experience of external Directors in performing their duties, adopting the combining form of specific investigations and subsidiaries research, so as to achieve the full coverage of research of external Directors in each business segment, and ensure that the external Directors have a clear understanding of the decision-making process.

**Fourthly, coherent and efficient governance.** The Board made solid progress in the establishment of the board of directors of its subsidiaries, maintained the dynamical adjustment and setting up a "to ensure everyone establishes as needed" system of boards of directors at all levels, strived to broaden the sources of external Directors of subsidiaries, scientifically match and differentiate the serviced units, to achieve the majority of external Directors within the scope of the Board of Directors to be built. It continuously improved the corporate governance system of the board of directors of the subsidiaries, dynamically optimized in a hierarchical manner of the decision-making on major events, appointment and dismissal of important cadres, investment decisions on major projects, and use of large amounts of funds ("Three Importance and One Large") and the list of pre-study matters, guided the amendments of the rules of procedure of the Board of Directors, and strengthened the business trainings for the members of and secretary to the board of directors and staff at the board office of the subsidiaries, so as to ensure that the focus of the standardized operation of the Board is "to ensure everyone knows as needed". It adhered to hierarchical control and differentiated authorization, increased power authorization and delegation to subsidiaries included in the list of state-owned demonstration enterprises for technological reform, studied and dynamically adjusted the functions and powers of the board of directors of the subsidiaries, optimized the control content and methods, and accelerated the transformation to governance-based control, to create a board of directors of the subsidiaries, both in form and essence.



**IV. MAKING EFFORTS TO IMPROVE THE QUALITY OF THE LISTED COMPANY AND EFFECTIVELY SAFEGUARD SHAREHOLDERS' INTERESTS**

**Firstly, 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, 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 94 announcements and disclosure documents on the Shanghai Stock Exchange (the “SSE”), and 109 announcements and disclosure documents (including 69 in traditional Chinese and 40 in English) on the Hong Kong Stock Exchange during the reporting period. Among them, the Board actively disclosed 7 voluntary announcements on successful bidding of major projects and scientific research results for continuous enriching the content of information disclosure, and disclosed successful bids with a total amount of RMB15.904 billion. In the information disclosure valuation for the STAR Market held for the first time by the SSE in 2022–2023, CSRC received an “A-level” valuation result.

**Secondly, enhancing the effectiveness of investor communications.** The Board has always upheld the philosophy of value creation based on communication and therefore, actively communicated with and listened to investors' voice. It orderly carried out investor relations activities, holding three press conferences for earnings release and investor reverse roadshows such as “Entering Listed Companies”, analyzing the Company's highlights and exploring investment value, which have fully demonstrated the scientific and technological hard power and sustained value-creation capability of CRSC. The special live program “Let's Research Together – About CRSC”, jointly produced with CCTV Finance and the SSE for about 90 minutes, was broadcast simultaneously on six platforms including CCTV Finance APP, Weibo, WeChat Channels, Kuaishou, and Eastmoney, with 885,600 views. More than 100 investor exchanges were conducted with domestic and overseas leading brokerages, large funds and famous institutional investors, promoting the increase of market makers of CRSC from 2 last year to 6. The Board participated in various activities organized by the CSRC, CSRC Beijing Bureau, stock exchanges and Securities Association of China, established favorable interaction relationship with CCTV News (央視新聞), People's Daily, China Securities Journal, Shanghai Securities News and other media, to maintain the Company's good brand image in the capital market.

**Thirdly, promoting the realization of corporate value.** 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. It conducted special actions to improve the quality of the Company, focused on the shortcomings and weaknesses affecting high-quality development, applying classified policy implementation, making precise efforts, strengthening the internal quality and shaping the external image, to strive to set an example on outstanding principal business, strong development, improved governance and honest management in the capital market, enabling investors to get closer to, clearly see, and have confidence in the Company. It enhanced Shareholders' sense of gain as usual, endeavored to improve the return on assets of the Company, enhanced the Company's operating level and profitability for a sustained and stable development. During the period of capital market turbulence, the implementation of the increase in shareholdings by major Shareholders contributed to boosting investor confidence and maintaining market stability. The Company implemented a sound dividend policy and actively provided Shareholders with long-term and stable returns by implementing an annual cash dividend of RMB1.8 billion and maintaining a high ratio of cash dividends of around 50%.

## V. OUTLOOK

As the 75th anniversary of the founding of the People's Republic of China, 2024 will be a pivotal year for implementing the "14th Five-Year Plan" and a crucial year for CRSC to enter a new phase of its high-quality development. The Board of Directors of CRSC will earnestly study and implement the important statements and instructions made by General Secretary Xi Jinping regarding the "two-consistency", deepening the reform of state-owned enterprises, and improving the quality of listed companies, as well as the spirit of the important instructions on February 26. By adhering to the main theme of "enhancing supply-side structural reform and pursuing high-quality development," the Board will prioritize technological innovation, market innovation, and management innovation, aiming to further enhance governance effectiveness. Firstly, adhering to strategic orientation and enhancing core capabilities and competitiveness. The Board will grasp the trends of technological and industrial transformation, implement actions to deepen and enhance the reform of state-owned enterprises, and complete the mid-term adjustments of the "14th Five-Year Plan" strategic plan. The Board will accelerate the optimization and upgrading of traditional industries, increase the strategic layout in emerging industries, and optimize the industrial structure

and layout. Secondly, faithfully performing its duties and ensuring scientific and efficient decision-making. The Board will enhance communication before meeting, establish a dedicated meeting mechanism for independent Directors, further enhance the depth and breadth of investigations and research, and effectively improve the level of service provided to external Directors for performing their duties. Thirdly, effectively preventing and resolving risks to support the high-quality development of the enterprise. The Board will lift risk prevention and control from the source, strengthen the evaluation, monitoring, and early warning of risk information to 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 rectification of the problems found by the audit and other external supervision of the decisions and arrangements of the Central Committee of the CPC and the State Council. Fourthly, improving the development quality of the Company and actively rewarding Shareholders. The Board will leverage the advantages of the A+H capital market platform, strengthen capital operation system, and enhance capabilities to diversify the ways in which the enterprise develops. The Board will conduct information disclosure in compliance with laws and regulations, positively circulate investment value information, listen to the voices of investors carefully, be subject to supervision by market participants, and safeguard the legitimate rights and interests of all Shareholders, especially minority Shareholders. Fifthly, enhancing governance effectiveness by strengthening boards of directors of subsidiaries. The Board will highlight the governance characteristics of technology and innovation-oriented enterprises and guide the establishment of special board committees responsible for technology innovation in the subsidiaries included in the list of state-owned demonstration enterprises for technological reform, and increase the power authorization and delegation to subsidiaries included in the list of state-owned demonstration enterprises for technological reform and empower them to play a leading role in innovation.

**WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023 OF CHINA  
RAILWAY SIGNAL & COMMUNICATION CORPORATION LIMITED\***

Dear Shareholders and Shareholder representatives:

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 2023 of China Railway Signal & Communication Corporation Limited\* is hereby reported to the general meeting.

**I. WORK OF THE SUPERVISORY COMMITTEE**

**(I) Convening Meetings**

In 2023, 5 meetings were held by the Supervisory Committee of the Company:

1. On 23 March 2023, the Supervisory Committee of the Company held the 7th meeting of the fourth session of the Supervisory Committee, which should be presented by 3 persons and actually was attended by 3 persons. The meeting considered and approved the following proposals regarding: 2022 Annual Report of China Railway Signal & Communication Corporation Limited\*; 2022 Final Account Report of China Railway Signal & Communication Corporation Limited\*; profits distribution plan for 2022 of China Railway Signal & Communication Corporation Limited\*; payment of audit fees for 2022 and plan of appointment of external auditor for 2023; special report on deposit and use of proceeds for 2022; Internal Control Evaluation Report for 2022 of China Railway Signal & Communication Corporation Limited\*; 2022 ESG Report of China Railway Signal & Communication Corporation Limited\*; Work Report of the Supervisory Committee for 2022 of China Railway Signal & Communication Corporation Limited\*; remuneration for Supervisors in 2022 of China Railway Signal & Communication Corporation Limited\*.

2. On 28 April 2023, the Supervisory Committee of the Company held the 8th meeting of the fourth session of the Supervisory Committee, which should be presented by 3 persons and actually was attended by 3 persons. The meeting considered and approved the proposal regarding the 2023 First Quarterly Report of China Railway Signal & Communication Corporation Limited\*.
3. On 4 August 2023, the Supervisory Committee of the Company held the 9th meeting of the fourth session of the Supervisory Committee, which should be presented by 3 persons and actually was attended by 3 persons. The meeting considered and approved the proposal regarding the Using Temporarily Idle Proceeds for Cash Management.
4. On 24 August 2023, the Supervisory Committee of the Company held the 10th meeting of the fourth session of the Supervisory Committee, which should be presented by 3 persons and actually was attended by 3 persons. The meeting considered and approved the following proposals regarding: 2023 Interim Report of China Railway Signal & Communication Corporation Limited\*; Special Report on Deposit and Actual Use of Proceeds in the First Half of 2023.
5. On 27 October 2023, the Supervisory Committee of the Company held the 11th meeting of the fourth session of the Supervisory Committee, which should be presented by 3 persons and actually was attended by 3 persons. The meeting considered and approved the following proposals regarding: 2023 Third Quarterly Report of China Railway Signal & Communication Corporation Limited\*; External Guarantee Plan for 2024 of China Railway Signal & Communication Corporation Limited\*.

**(II) Attendance at Important Meetings**

In 2023, the Supervisors attended 2 general meetings and 4 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 2023, 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 OPINIONS 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 attending relevant meetings of the Board and the management, the Supervisory Committee has supervised and inspected the Company's decision-making process, resolution matters, implementation on resolutions of general meetings by the Board, and performance of Directors and senior management personnel. The Supervisory Committee was of the view that: in 2023, the Board and all Directors had fully implemented the spirit of the 20th National Congress of the Communist Party of China and the deployment of the Central Economic Work Conference, deeply implemented the requirements of the State-owned Assets Supervision and Administration Commission for high-quality development, conscientiously fulfilled various responsibilities assigned by the Company Law, the Articles of Association, and the Rules of Procedure of the Board, strictly and prudently studied and made decisions on major issues related to the Company's reform and development, and the decision-making process was legal and effective. The Board and senior management of the Company were able to carry out their work in accordance with relevant laws and regulations and the requirements of the Articles of Association. 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 Shareholders during the performance of their duties. In addition, the Board strictly regulated the disclosure of information to external parties, and the content disclosed to the external parties complied with the requirements of the Securities Law, No. 2 Standards for the Content and Format of Information Disclosure by Companies Issuing Securities to the Public – Content and Format of Annual Reports, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**(II) Review on the Financial Conditions of the Company**

During the reporting period, the Supervisory Committee implemented effective supervision and inspection on the financial management and financial accounting of the Company by reviewing the financial statements of the Company and audit reports issued by accounting firms, as well as the communications with financial personnel. The Supervisory Committee was of the view that: in 2023, the Company had sound financial system and standardized management, the financial operation was normal, and the financial reports truthfully, accurately, and objectively reflected the financial condition and operating results of the Company. The preparation and review procedures of financial reports complied with laws, administrative regulations, and regulatory provisions, and no false, distorted, or significant defects were found in the reports.

**(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 2023, 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. In accordance with the requirements of the Regulatory Guidelines No. 2 for Listed Companies – Regulatory Requirements for the Management and Use of Proceeds of Listed Companies (CSRC Announcement [2022] No. 15) (《上市公司監管指引第2號—上市公司募集資金管理和使用的監管要求》(證監會公告[2022]15號)), the Guidelines of Shanghai Stock Exchange for the Self-Regulation 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 Company deposited, used, managed, and supervised the proceeds in a dedicated account to ensure the safe deposit, management, and standardized use of the proceeds. The relevant decision-making process complied with relevant laws and regulations as well as the Company's relevant provisions, and there was no situation of changing or changing in disguised form the purpose of the proceeds or harming the interests of Shareholders.

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

In 2023, the Supervisory Committee supervised the related party transactions of the Company that occurred, and was of the view that the related party transactions of the Company were conducted in compliance with the provisions of the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, followed the pricing principle of equivalent compensation and fair market value without

violation of the principles of openness, fairness and impartiality, and there were no situations detrimental to the interests of the Company and minority Shareholders. 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\* (CRSC Board Office [2019] No. 207) and the Implementation Rules for Guarantees of China Railway Signal & Communication Corporation Limited\* (CRSC Capital [2019] No. 285). The Company's external guarantees did not impair the interests of the Company and minority Shareholders.

**(V) Internal Control of the Company**

In 2023, the Supervisory Committee reviewed the continuous construction and operation of the Company's internal control system, and was of the view that during the reporting period, the Company had established a relatively complete internal control system and had been optimizing it on an ongoing basis; the internal control system covered various aspects of the Company's operation, production, management, etc., effectively improving the Company's management level and risk prevention ability; the self-evaluation report on the Company's internal control was in line with the current situation of the Company's internal control, and objectively and truthfully reflected the implementation of the Company's internal control system.

**(VI) Environmental, Social and Governance Issues of the Company**

In 2023, 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 2022 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 C2 (former 27) to the Main Board Listing Rules of the Hong Kong Stock Exchange, and other requirements. There was no situation that harmed the environment and society in the Company, and the control measures were effective.



**(VII) Establishment and Implementation of Insider Information Management System**

During the reporting period, the Supervisory Committee reviewed the establishment and implementation of the insider information management system by the Company. The Supervisory Committee was of the view that the Company had established an insider information management system in accordance with relevant laws and regulations; during the reporting period, the Company strictly implemented the insider information confidentiality system and standardized the information transmission process; the Company's Directors, Supervisors, senior management, and other relevant insiders strictly complied with the insider information management system. As verified, during the reporting period, there were no violations by relevant personnel using insider information for stock dealing in the Company.

**III. WORK PLAN FOR 2024 OF THE SUPERVISORY COMMITTEE OF THE COMPANY**

In 2024, 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 will play a positive role in promoting the steady development of the Company's business, strengthening risk control and improving the corporate governance structure. In 2024, the Supervisory Committee of the Company intends to focus on the following tasks:

- (I) Attending important meetings. Attending the shareholders' 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.

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**APPENDIX II    WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2023 OF CHINA  
RAILWAY SIGNAL & COMMUNICATION CORPORATION LIMITED\***

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- (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.

TABLE OF REMUNERATIONS AND BENEFITS FOR DIRECTORS  
AND SUPERVISORS IN 2023*Unit: Yuan Currency: RMB*

Name	Position	(I) Total Pretax Remuneration	(II) Social Insurance	(III) Annuity	Total Remuneration and Benefits (Pre-tax)= (I)+(II)+(III)
LOU Qiliang	Executive Director, Chairman of the Board and President	120,102.00	39,266.37	15,298.32	174,666.69
ZHANG Quan	Executive Director	526,340.00	152,413.86	53,118.24	731,872.10
YAO Guiqing	Independent Non- executive Director	100,000.00	–	–	100,000.00
YAO Cho Fai Andrew	Independent Non- executive Director	117,000.00	–	–	117,000.00
FU Junyuan	Independent Non- executive Director	76,667.00	–	–	76,667.00
KONG Ning	Chairman of the Supervisory Committee	516,700.00	152,413.86	34,484.16	703,598.02
YANG Yang	Employee Representative Supervisor	554,370.00	104,050.42	35,286.24	693,706.66
LI Tienan	Shareholder Representative Supervisor	–	–	–	–
ZHOU Zhiliang	Former Executive Director and Chairman of the Board	793,800.00	152,413.86	60,444.00	1,006,657.86
XU Zongxiang	Former Executive Director and President	633,664.00	100,058.70	40,046.24	773,768.94
GUO Yonghong	Former Non-executive Director	–	–	–	–

*Notes:*

1. Total pre-tax remuneration includes ordinary compensation paid in the Company for 2023 and prior year encashment for the term of office, and excludes prior year encashment paid by other entities;
2. LOU Qiliang was appointed as a president in September 2023, an executive Director in October 2023, and the chairman of the Board in February 2024, and the above-mentioned remuneration and benefits are the total amount for his term of office from October to December 2023;
3. ZHOU Zhiliang ceased to serve as an executive Director and the chairman of the Board since January 2024, and the above-mentioned remuneration and benefits are the total amount for his term of office from January to December 2023;
4. XU Zongxiang ceased to serve as an executive Director and the president since August 2023, and the above-mentioned remuneration and benefits are the total amount for his term of office from January to August 2023;
5. GUO Yonghong ceased to serve as a non-executive Director since January 2024, and he did not receive remuneration or benefits from the Company;
6. Supervisor LI Tienan did not receive remuneration or benefits from the Company.

**APPENDIX IV      COMPARISON TABLE OF AMENDMENTS TO THE WORKING RULES OF  
THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF CHINA RAILWAY  
SIGNAL & COMMUNICATION CORPORATION LIMITED\***

**COMPARISON TABLE OF AMENDMENTS TO THE WORKING RULES OF THE  
INDEPENDENT NON-EXECUTIVE DIRECTORS OF CHINA RAILWAY SIGNAL &  
COMMUNICATION CORPORATION LIMITED\***

Before	After
<b>Chapter 1    General Provisions</b>	<b>Chapter 1    General Provisions</b>
<p><b>Article 1</b> In order to further improve the governance structure of China Railway Signal &amp; Communication Corporation Limited* (the “<b>Company</b>”), promote the standardized operation of the Company, better protect the interests of the Company and shareholders, and ensure the performance of duties by the independent non-executive directors, these Rules are formulated in accordance with the relevant provisions of the Company Law of the People’s Republic of China (the “<b>Company Law</b>”), the Securities Law of the People’s Republic of China (the “<del>Securities Law</del>”), the Governance Standards of Listed Companies, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “<del>HKEX Listing Rules</del>”) (the aforementioned listing rules are hereinafter collectively referred to as the “Listing Rules of the Place of Listing”), <del>the Guiding Opinion on Establishment of Independent Director Systems by Listed Companies (the “Guiding Opinion”)</del>, and the articles of association of China Railway Signal &amp; Communication Corporation Limited* (the “<b>Articles of Association</b>”) based on the actual circumstances of the Company.</p>	<p><b>Article 1</b> In order to further improve the governance structure of China Railway Signal &amp; Communication Corporation Limited* (the “<b>Company</b>”), promote the standardized operation of the Company, better protect the interests of the Company and shareholders, and ensure the performance of duties by the independent non-executive directors, these Rules are formulated in accordance with the relevant provisions of the Company Law of the People’s Republic of China (the “<b>Company Law</b>”), the Securities Law of the People’s Republic of China, the Governance Standards of Listed Companies, <b>the Administrative Measures for Independent Directors of Listed Companies (the “Administrative Measures for Independent Directors”)</b>, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the aforementioned listing rules are hereinafter collectively referred to as the “Listing Rules of the Place of Listing”), and the articles of association of China Railway Signal &amp; Communication Corporation Limited* (the “<b>Articles of Association</b>”) based on the actual circumstances of the Company.</p>

**APPENDIX IV      COMPARISON TABLE OF AMENDMENTS TO THE WORKING RULES OF  
THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF CHINA RAILWAY  
SIGNAL & COMMUNICATION CORPORATION LIMITED\***

Before	After
<p><b>Article 2</b> The term “independent non-executive director of the Company” means a director who does not hold any position in the Company other than director (including members of special committees of the Board of Directors) and who has no <del>relationship with</del> the Company <del>or</del> its major shareholder (s) (meaning a shareholder who alone holds or shareholders who together hold at least 5% of the total voting shares of the Company) <del>or their respective related persons that could hinder</del> his or her making independent and objective judgments, and who is in compliance with independence provisions of the securities supervision and administration rules in the places where shares of the Company are listed.</p>	<p><b>Article 2</b> The term “independent non-executive director of the Company” means a director who does not hold any position in the Company other than director (including members of special committees of the Board of Directors) and who has no <b>direct or indirect interest in</b> the Company <b>and</b> its major shareholder (s) (meaning a shareholder who alone holds or shareholders who together hold at least 5% of the total voting shares of the Company, <b>or shareholders holding less than 5% of the shares of the Company but who have a significant influence over the Company), or its de facto controllers, or any other relationship that may affect</b> his or her making independent and objective judgments, and who is in compliance with independence provisions of the securities supervision and administration rules in the places where shares of the Company are listed.</p>
<p><b>Article 3</b> The independent non-executive director has a <del>fiduciary duty and an obligation of diligence</del> toward the Company and all its shareholders to safeguard the Company’s overall interests, in particular, to ensure the legal rights and interests of the small and medium shareholders are not harmed. The provisions of the Articles of Association regarding directors shall apply to independent non-executive directors, except as otherwise provided in the Articles of Association and these Rules.</p>	<p><b>Article 3</b> The independent non-executive director has <b>the obligation of loyalty and diligence</b> toward the Company and all its shareholders to <b>conscientiously perform their duties, play the roles of participating in the decision-making, supervising, checking and balancing, and professional consulting in the Board,</b> safeguard the Company’s overall interests, in particular, to ensure the legal rights and interests of the small and medium shareholders are not harmed. The provisions of the Articles of Association regarding directors shall apply to independent non-executive directors, except as otherwise provided in the Articles of Association and these Rules.</p>

**APPENDIX IV      COMPARISON TABLE OF AMENDMENTS TO THE WORKING RULES OF  
THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF CHINA RAILWAY  
SIGNAL & COMMUNICATION CORPORATION LIMITED\***

<b>Before</b>	<b>After</b>
<p><b>Article 4</b> Independent non- executive directors shall perform their duties independently and shall not be influenced by substantial shareholders and de facto controllers of the Company or other entities or individuals having interests in the Company.</p>	<p><b>Article 4</b> Independent non- executive directors shall perform their duties independently and shall not be influenced by <b>the Company and</b> substantial shareholders and de facto controllers of the Company or other entities or individuals having interests in the Company.</p>
<p><b>Article 5</b> The independent non-executive directors of the Company and the person intending to serve as an independent non-executive director shall, in accordance with the requirements of the securities regulatory authorities of the places where the Company’s shares are listed, such as the China Securities Regulatory Commission (hereinafter referred to as the “<b>CSRC</b>”), participate in the training organized by the securities regulatory authorities and their authorized agencies of the places where the Company’s shares are listed. Independent non-executive directors shall, in principle, serve as independent non-executive directors in up to <del>five listed companies</del> and ensure that they have sufficient time and energy to effectively perform the duties of independent non-executive directors.</p>	<p><b>Article 5</b> The independent non-executive directors of the Company and the person intending to serve as an independent non-executive director shall, in accordance with the requirements of the securities regulatory authorities of the places where the Company’s shares are listed, such as the China Securities Regulatory Commission (hereinafter referred to as the “<b>CSRC</b>”), participate in the training organized by the securities regulatory authorities and their authorized agencies of the places where the Company’s shares are listed. Independent non-executive directors shall, in principle, serve as independent non-executive directors in up to <b>three domestic listed companies</b> and ensure that they have sufficient time and energy to effectively perform the duties of independent non-executive directors.</p>

**APPENDIX IV      COMPARISON TABLE OF AMENDMENTS TO THE WORKING RULES OF  
THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF CHINA RAILWAY  
SIGNAL & COMMUNICATION CORPORATION LIMITED\***

<b>Before</b>	<b>After</b>
<p><b>Article 6</b> At least one-third of the Company's Board of Directors and no less than three members are independent non-executive directors, at least one of whom is an accounting professional and at least one resident in Hong Kong. A candidate who is nominated as an independent non-executive director in the capacity of an accounting professional should have extensive accounting expertise and experience and meet at least one of the following conditions:</p> <p>(1) qualified as a certified public accountant;</p> <p>(2) having a senior professional title, associate professor title or doctoral degree in accounting, auditing or financial management;</p> <p>(3) having senior professional titles in economic management, and having more than five years of full-time work experience in professional positions such as accounting, auditing or financial management.</p>	<p><b>Article 6</b> At least one-third of the Company's Board of Directors and no less than three members are independent non-executive directors, at least one of whom is an accounting professional and at least one resident in Hong Kong. A candidate who is nominated as an independent non-executive director in the capacity of an accounting professional should have extensive accounting expertise and experience and meet at least one of the following conditions:</p> <p><b>1.</b> qualified as a certified public accountant;</p> <p><b>2.</b> having a senior professional title, associate professor title or doctoral degree in accounting, auditing or financial management;</p> <p><b>3.</b> having senior professional titles in economic management, and having more than five years of full-time work experience in professional positions such as accounting, auditing or financial management.</p>



**APPENDIX IV      COMPARISON TABLE OF AMENDMENTS TO THE WORKING RULES OF  
THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF CHINA RAILWAY  
SIGNAL & COMMUNICATION CORPORATION LIMITED\***

Before	After
<b>Chapter 2    Qualifications for Appointment</b>	<b>Chapter 2    Qualifications for Appointment</b>
<p><b>Article 7</b> Independent non-executive directors shall satisfy the following basic conditions:</p> <ol style="list-style-type: none"> <li>1. being qualified as a director of a listed company in accordance with laws, regulations, the listing rules of the places where the Company's shares are listed and other relevant regulations;</li> <li>2. being independent as required under the laws, regulations, the listing rules of the places where the Company's shares are listed and relevant regulations;</li> <li>3. having the basic knowledge of the operation of listed companies, being familiar with relevant laws, administrative regulations, rules and regulations;</li> <li>4. <del>having more than five years of legal, economic or other work experience necessary to perform the duties of an independent non-executive director;</del></li> <li>5. ensuring that he or she will devote sufficient time and effort to effectively perform the duties of an independent non-executive director;</li> <li>6. other conditions required by laws, regulations, the listing rules of the places where the Company's shares are listed and related regulations and the Articles of Association.</li> </ol>	<p><b>Article 7</b> Independent non-executive directors shall satisfy the following basic conditions:</p> <ol style="list-style-type: none"> <li>1. being qualified as a director of a listed company in accordance with laws, regulations, the listing rules of the places where the Company's shares are listed and other relevant regulations;</li> <li>2. being independent as required under the laws, regulations, the listing rules of the places where the Company's shares are listed and relevant regulations;</li> <li>3. having the basic knowledge of the operation of listed companies, being familiar with relevant laws, administrative regulations, rules and regulations;</li> <li>4. <b>having at least five years of working experience in law, accounting or economics necessary for performing the duties of an independent non-executive director;</b></li> <li>5. <b>having good personal integrity and no major breach of trust or other adverse records;</b></li> <li>6. ensuring that he or she will devote sufficient time and effort to effectively perform the duties of an independent non-executive director;</li> <li>7. other conditions required by laws, regulations, the listing rules of the places where the Company's shares are listed and related regulations and the Articles of Association.</li> </ol>

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<p><b>Article 8</b> Independent non-executive directors must be independent, and the following persons shall not serve as independent non-executive directors:</p> <ol style="list-style-type: none"> <li>1. persons serving in the Company or the Company's subsidiaries (<del>excluding independent non-executive directors</del>) and their immediate family members, major social relations (<del>immediate family members refer to spouses, parents, children, etc.; major social relations refer to siblings, parent-in-law, daughter-in-law, son-in-law, spouses of brothers and sisters, spouse's brothers and sisters, etc., the same below</del>);</li> <li>2. nature person shareholders directly or indirectly holding more than 1% of the Company's issued shares or natural person shareholders among the Company's top ten shareholders and their immediate family members;</li> <li>3. shareholder entities which directly or indirectly hold more than 5% of the issued shares of the Company or persons who are employed by the top five shareholder entities of the Company and their immediate family members;</li> <li>4. persons serving who fall into the preceding three circumstances in the de facto controller and the subsidiaries of the Company past year;</li> </ol>	<p><b>Article 8</b> Independent non-executive directors must be independent, and the following persons shall not serve as independent non-executive directors:</p> <ol style="list-style-type: none"> <li>1. persons serving in the Company or the Company's subsidiaries and their immediate family members, major social relations;</li> <li>2. nature person shareholders directly or indirectly holding more than 1% of the Company's issued shares or natural person shareholders among the Company's top ten shareholders and their immediate family members; ;</li> <li>3. shareholder entities which directly or indirectly hold more than 5% of the issued shares of the Company or persons who are employed by the top five shareholder entities of the Company and their immediate family members;</li> <li>4. persons serving who fall into the preceding three circumstances in <b>the controlling shareholders</b>, the de facto controller and the subsidiaries of the Company past year <b>and their immediate family members</b>;</li> <li>5. <b>persons who have significant business dealings with the Company, its controlling shareholders, de facto controllers or their respective subsidiaries, or who serve in entities with which they have significant business dealings and their controlling shareholders or de facto controllers</b>;</li> </ol>

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<p>5. <del>persons acting as directors, supervisors or senior management in any entity which has substantial business relationship with the Company and its controlling shareholders or their respective subsidiaries, or acting as directors, supervisors or senior management in any controlling shareholder entity of such entity with which there is any business relationship providing financial, legal, consulting and other services to the Company or its subsidiaries;</del></p>	<p>6. persons having a material interest in any of the major business activities of the Company, its holding company or their respective subsidiaries; or being revolved in the major commercial transactions between the Company, its holding company or their respective subsidiaries or between any of the core connected persons of the Company;</p>
<p>6. persons having a material interest in any of the major business activities of the Company, its holding company or their respective subsidiaries; or being revolved in the major commercial transactions between the Company, its holding company or their respective subsidiaries or between any of the core connected persons of the Company;</p>	<p>7. persons who have fall within the first six cases as listed above in the past year;</p>
<p>7. persons who have fall within the first six cases as listed above in the past year;</p>	<p>8. persons who, within <b>twelve months</b> of being or being recommended to be an independent non-executive director, provide financial, legal, consulting, <b>sponsorship</b> and other services to the Company and its controlling shareholders, <b>de facto controllers</b> or their respective subsidiaries or their directors, supervisors, chief executive, substantial shareholders or any close associates of such persons, including all project team members of the intermediary providing services, review personnel at all levels, personnel signing the report, partners, <b>directors, senior management and principal responsible persons;</b></p>
<p>8. persons who, within <del>two years</del> of being or being recommended to be an independent non-executive director, provide financial, legal, consulting and other services to the Company and its controlling shareholders or their respective subsidiaries or their directors, supervisors, chief executive, substantial shareholders or any close associates of such persons, including all project team members of the intermediary providing services, review personnel at all levels, personnel signing the report, partners, <del>principal responsible persons and directors;</del></p>	

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9. the person acting as a member of the Board of Directors for the purpose of safeguarding an entity whose interests are different from those of the shareholders as a whole;	9. the person acting as a member of the Board of Directors for the purpose of safeguarding an entity whose interests are different from those of the shareholders as a whole;
10. the person was related to the Company's directors, chief executive or substantial shareholders within two years from the date of the appointment or proposed appointment as an independent non-executive director;	10. the person was related to the Company's directors, chief executive or substantial shareholders within two years from the date of the appointment or proposed appointment as an independent non-executive director;
11. the person being the executive officer or director (other than the independent non-executive director) of the Company, its holding companies or any of their respective subsidiaries or any of the core related persons of the Company at the time of the appointment of director (or within two years prior to the date of the proposed appointment of director);	11. the person being the executive officer or director (other than the independent non-executive director) of the Company, its holding companies or any of their respective subsidiaries or any of the core related persons of the Company at the time of the appointment of director (or within two years prior to the date of the proposed appointment of director);
12. the person financially relying on the Company, its holding companies or any of their respective subsidiaries or core related persons of the Company;	12. the person financially relying on the Company, its holding companies or any of their respective subsidiaries or core related persons of the Company;
13. other persons as provided under the laws, regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.	13. other persons as provided under the laws, regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

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<p>Candidates for independent non-executive directors should be free from the following bad records:</p> <p>1. <del>In the past three years, he was administratively punished by the CSRC;</del></p> <p>2. <del>determined by the stock exchanges as unsuitable for serving as a director of the listed company;</del></p> <p>3. <del>In the past three years, he has been publicly condemned by the stock exchanges or more than twice notified and criticized;</del></p> <p>4. <del>During the period of serving as an independent non-executive director, the number of times that he did not attend two consecutive meetings of the Board of Directors, or did not attend the board meetings in person, and the number of such absence accounted for more than one third of the number of meetings of the Board of Directors in that year;</del></p> <p>5. <del>During the period of serving as an independent non-executive director, the independent opinions expressed were obviously inconsistent with the facts.</del></p>	<p><b>The subsidiaries of the controlling shareholders and de facto controllers of the Company mentioned in preceding paragraph do not include the enterprises controlled by the same state-owned assets management institution as the Company and not forming a related party relationship with the Company according to relevant regulations. The term “serve” in the preceding paragraph refers to directors, supervisors, senior management and other personnel; “significant business dealings” refers to matters that are required to be reviewed and discussed by the shareholders’ general meeting by the listing rules of the place where the Company’s shares are listed and the Articles of Association, or other material matters as determined by the securities regulatory authority of the place where the Company’s shares are listed; “immediate family members” refers to spouses, parents, and children; and “major social relations” refers to siblings, spouses of siblings, parents of spouses, spouses’ siblings, spouses of children, parents of children’s spouses, and etc.</b></p> <p><b>Independent non-executive directors shall conduct an annual self-examination of independence and submit the self-examination to the Board. The Board shall evaluate and issue a special opinion on the independence of the incumbent independent non-executive directors on an annual basis, which shall be disclosed at the same time as the annual report.</b></p>

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	<p>Candidates for independent non-executive directors should <b>have good personal integrity, and</b> be free from the following bad records:</p> <ol style="list-style-type: none"> <li>1.     <b>being imposed any administrative penalties by the CSRC or criminal penalties from judicial authorities due to violations of securities and futures laws in the recent 36 months;</b></li> <li>2.     <b>investigated by the CSRC or the judicial authorities for suspected securities and futures offenses, with no clear conclusion yet;</b></li> <li>3.     <b>publicly condemned by the stock exchanges or criticized for more than three times in the recent 36 months;</b></li> <li>4.     <b>bad records such as major dishonesty;</b></li> <li>5.     <b>within twelve months from the time the Board of Directors proposes to convene a meeting to remove his/her directorship due to his/her failure to attend two consecutive meetings of the Board of Directors in person and delegate other independent non-executive directors to attend on his/her behalf during the period of serving as an independent non-executive director;</b></li> <li>6.     <b>other circumstances stipulated by the securities regulatory authorities of the place of listing, the stock exchanges or the Articles of Association.</b></li> </ol>

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<b>Before</b>	<b>After</b>
<b>Chapter 3    Nomination, Election, Tenure and Replacement</b>	<b>Chapter 3    Nomination, Election, Tenure and Replacement</b>
<p><b>Article 9</b> A candidate for independent non-executive director may be nominated by the Board of Directors, the Supervisory Committee, or shareholder(s) individually or collectively holding 1% or more of the issued shares of the Company (the “<b>Nominator</b>”), and shall be elected at the shareholders’ general meeting.</p>	<p><b>Article 9</b> A candidate for independent non-executive director may be nominated by the Board of Directors, the Supervisory Committee, or shareholder(s) individually or collectively holding 1% or more of the issued shares of the Company (the “<b>Nominator</b>”), and shall be elected at the shareholders’ general meeting.</p> <p><b>An investor protection agency established in accordance with the law may publicly request shareholders to entrust it with exercise of the right to nominate the independent non-executive directors on their behalf.</b></p> <p><b>The Nominator specified in paragraph 1 of this Article shall not nominate a person who has interest in the Nominator or any other close relationship that may affect the independent performance of duties as a candidate for the independent non-executive director.</b></p>

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<p><b>Article 10</b> The Nominator of an independent non-executive director shall obtain the consent of the nominee prior to nomination. The Nominator shall fully understand the nominee’s occupation, academic qualifications, job title, detailed work experience, all part-time jobs, etc., and express opinions <del>on the nominee’s qualifications and independence as an independent non-executive director</del>, and the nominee shall make a public statement <del>on the non-existence of any relationship between himself/herself and the Company that would affect his/her independent and objective judgment. Prior to the shareholders’ general meeting for the election of independent non-executive directors, the Board of the Company shall make disclosure the above as required.</del></p>	<p><b>Article 10</b> The Nominator of an independent non-executive director shall obtain the consent of the nominee prior to nomination. The Nominator shall fully understand the nominee’s occupation, academic qualifications, job title, detailed work experience, all part-time jobs, <b>any major breach of trust and other adverse records</b>, etc., and express opinions <b>that the nominee meets the independence and other conditions for serving as an independent non-executive director</b>, and the nominee shall make a public statement <b>that he/she meets the independence and other conditions for serving as an independent non-executive director.</b></p> <p><b>The Nomination Committee under the Board shall examine the qualifications of nominees for office and form a clear opinion on the examination.</b></p>



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<p><b>Article 11</b> <del>If the Board of Directors, the supervisory committee of the Company or a shareholder of the Company who has the power to nominate independent non-executive directors proposes to nominate candidates for independent non-executive directors, the Company shall, in accordance with the relevant provisions of the stock exchanges, within two trading days from the date of nomination submit relevant materials for candidates for independent non-executive directors. If the Board of Directors of the Company disagrees with the relevant circumstances of the nominee, it shall submit the written opinion of the Board of Directors at the same time. A nominee who was objected by a stock exchange may not be a candidate for an independent non-executive director, but may be elected as a director.</del></p> <p>When convening a shareholders' general meeting to elect independent non-executive directors, the Board of Directors of the Company shall explain whether the candidates for the independent non-executive director are challenged by the stock exchanges.</p>	<p><b>Article 11</b> The Company shall, in accordance with the relevant provisions of the stock exchanges, <b>at the latest when it publishes the notice of the shareholders' general meeting for the election of independent non-executive directors, submit to the stock exchanges the relevant materials for candidates for independent non-executive directors, disclose the relevant declarations and undertakings as well as the opinions on the examination of the Nomination Committee or the special meeting of independent non-executive directors, and ensure that the contents of the announcement are true, accurate and complete. The Nominator(s) shall undertake in the declarations and undertakings that the nominee(s) have no interest in them or other circumstances that may affect the nominee's independent performance of his/her duties.</b></p> <p>If the Board of Directors of the Company disagrees with the relevant circumstances of the nominee, it shall submit the written opinion of the Board of Directors at the same time.</p> <p><b>In the event that the stock exchanges raise objections to the qualifications and independence of the candidates for independent non-executive directors, the Company shall disclose such objections in a timely manner. For candidates for independent non-executive directors who have been objected to by the stock exchanges, the Company shall not submit the proposal to the shareholders' general meeting for election. If the proposal has already been submitted to the shareholders' general meeting for consideration, the proposal shall be canceled.</b></p>

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	<p>When convening a shareholders' general meeting to elect independent non-executive directors, the Board of Directors of the Company shall explain whether the candidates for the independent non-executive director are challenged by the stock exchanges. <b>In case that two or more independent non-executive directors are elected at the shareholders' general meeting, the cumulative voting system shall be adopted. A separated vote-taking shall be conducted for the minority shareholders and the poll results shall be disclosed.</b></p>
<p><b>Article 12</b> The term of office of each independent non-executive director shall be the same as that of the other directors of the Company, and upon expiration of the term of office, he/she may be re-elected, but the period of consecutive terms shall not exceed six years.</p>	<p><b>Article 12</b> The term of office of each independent non-executive director shall be the same as that of the other directors of the Company, and upon expiration of the term of office, he/she may be re-elected, but the period of consecutive terms shall not exceed six years.</p> <p><b>If a person has served as an independent non-executive director of the Company for six consecutive years, the person shall not be nominated as a candidate for independent non-executive director of the Company for a period of thirty-six months from the date of occurrence of such fact.</b></p>

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<p><del>Article 13 In case that an independent non-executive director fails to attend the Board meetings in person for three times in succession, the Board of Directors shall file an application to the shareholders' general meeting for replacement. Except for the above circumstances and the circumstances stipulated in the Company Law and the listing rules of the place where the Company's shares are listed, an independent non-executive director may not be removed from office without cause before the expiration of his/her term of office. In the event of early removal, the Company shall disclose it as a special disclosure matter, and the removed independent non-executive director may make a public statement if he/she believes that the Company's reasons for removal are improper.</del></p>	<p><b>Article 13 Before the expiration of the term of office of an independent non-executive director, the Company may terminate his/her office in accordance with legal procedures. In case of early dismissal of an independent non-executive director, the Company shall promptly disclose the specific reasons and basis. If the independent non-executive director has objections, the Company shall disclose such matter in a timely manner.</b></p>

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<p><b>Article 14</b> An independent non-executive director may resign before the expiration of his term of office. The resignation of an independent non-executive director shall submit a written resignation report to the Board of Directors stating any circumstances relating to his resignation or whether he deems it necessary to draw the attention of the Company's shareholders and creditors.</p> <p>If an independent non-executive director of the Company fails to meet the qualifications of an independent non-executive director after his appointment, <del>he shall resign as an independent non-executive director within 30 days from the date of occurrence of such circumstances. If such person fails to resign as required, the Board of Directors of the Company shall initiate the decision-making process within 2 days to remove his/her independent non-executive directorship.</del></p> <p>If the number of independent non-executive directors is less than three or less than one-third of all members of the Board of Directors due to the resignation of the independent non-executive director, <del>the independent non-executive director should continue to perform his duties to the date when the new independent non-executive director is elected, and the resignation report of such independent non-executive director shall be effective after the new independent non-executive director fills the vacancy. The original nominee of the independent non-executive director or the Board of Directors of the Company shall nominate a new independent non-executive director candidate within 90 days from the date of the resignation of the independent non-executive director.</del></p>	<p><b>Article 14</b> An independent non-executive director may resign before the expiration of his term of office. The resignation of an independent non-executive director shall submit a written resignation report to the Board of Directors stating any circumstances relating to his resignation or whether he deems it necessary to draw the attention of the Company's shareholders and creditors. <b>The Company shall disclose the reasons and concerns for the resignation of the independent non-executive director.</b></p> <p>If an independent non-executive director of the Company fails to meet the qualifications of an independent non-executive director after his appointment, <b>he/she shall immediately cease to perform his/her duties and resign from his/her position. If the resignation is not tendered, the Board shall, as soon as it knows or ought to have known of the occurrence of such fact, remove such independent non-executive director from office in accordance with the regulations.</b></p> <p>If the number of independent non-executive directors is less than three or less than one-third of all members of the Board of Directors due to the resignation of the independent non-executive director.</p>

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<p><del>Article 15 When the independent non-executive directors are not eligible for independence or other circumstances that are not suitable for the performance of the duties of independent non-executive directors., as a result of which, the Company's independent non-executive directors fail to meet the number as required by the listing rules of the places where the Company's shares are listed, the Company should make up the number of independent non-executive directors, make announcements and engage independent non-executive directors.</del></p>	<p><b>Article 15 If the number of independent non-executive directors is less than three or less than one-third of all members of the Board of Directors due to the resignation or dismissal of the independent non-executive director, or if there is a lack of professional accountants among the independent non-executive directors, the Company shall complete the by-election of such independent non-executive directors within 60 days from the date of the occurrence of the aforesaid fact.</b></p>

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<b>Chapter 4   Duties and Powers</b>	<b>Chapter 4   Duties and Modalities of Performance</b>
<p><b>Article 19</b> Independent non-executive directors shall maintain their independence, ensure that they have sufficient time and energy to perform their duties conscientiously and effectively, pay continuous attention to the Company’s situations, carefully scrutinize all documents and objectively express their independent opinions.</p>	<p><b>Article 16</b> Independent non-executive directors shall <b>perform the following duties:</b></p> <ol style="list-style-type: none"> <li><b>1.      To maintain their independence, ensure that they have sufficient time and energy to perform their duties conscientiously and effectively, pay continuous attention to the Company’s situations, carefully scrutinize all documents and objectively express their independent opinions;</b></li> <li><b>2.      To participate in the decision-making of the Board and express clear opinions on the matters under consideration;</b></li> <li><b>3.      To supervise potential material conflicts of interest between the Company and its controlling shareholders, de facto controllers, directors and senior management specified in Article 22 of these Rules and Articles 26, 27 and 28 of the Administrative Measures for Independent Directors, so as to urge the Board to make decisions in line with the interests of the Company as a whole and to protect the legitimate rights and interests of minority shareholders;</b></li> <li><b>4.      To provide professional and objective advice on the Company’s operation and development, and promote the enhancement of the Board’s decision-making level;</b></li> <li><b>5.      To perform other duties prescribed by laws, administrative regulations, regulatory requirements of the listing place, business rules of the stock exchanges and the Articles of Association.</b></li> </ol>

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<p><b>Article 16 (Part)</b> In addition to the duties of directors conferred by relevant laws and regulations such as the Company Law and the Articles of Association, independent non-executive directors also exercise the following special powers:</p> <p>1. <del>According to the A-share regulatory rules, the major related party transactions that need to be submitted to the shareholders' general meeting for approval shall not submit to the board meetings for discussion until the recognition opinions are issued by the independent non-executive directors. According to the securities regulatory rules where the Company's shares are listed, the related party transactions that need to be submitted to the shareholders' general meeting for approval shall be made by the independent non-executive directors who have no significant interest in the relevant transactions. The independent non-executive directors need to confirm the terms of the transactions are considered to be fair and reasonable, and the transactions are on normal commercial terms or the terms are in compliance with the Company and the interests of the shareholders as a whole and are submitted to the meetings of the Board of Directors for discussion. An independent non-executive director may, before making a judgment, appoint an independent financial adviser to issue a report as the basis for the judgment of the independent non-executive director;</del></p> <p>2. <del>Proposing to appoint or dismiss an accounting firm to the Board of Directors;</del></p>	<p><b>Article 17</b> In addition to the duties of directors conferred by relevant laws and regulations such as the Company Law and the Articles of Association, independent non-executive directors also exercise the following special powers:</p> <ol style="list-style-type: none"> <li>1. Proposing to the Board of Directors to convene an extraordinary general meeting;</li> <li>2. Proposing to convene a meeting of Board of Directors;</li> <li>3. <b>Independently engaging intermediaries to provide audit, consulting or verification services for specific matters of the Company;</b></li> <li>4. <b>Publicly soliciting shareholders' rights from shareholders in accordance with the law;</b></li> <li>5. <b>Expressing independent opinions on matters that may damage the rights and interests of the Company or minority shareholders;</b></li> <li>6. <b>Performing other functions and powers as stipulated in laws, administrative regulations, regulatory requirements of the listing place, business rules of the stock exchanges and the Articles of Association.</b></li> </ol> <p>The independent non-executive directors shall obtain consent of <b>a majority</b> of all independent non-executive directors in performing the duties set out in the above <b>1 to 3</b>.</p>

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<p>3. Proposing to the Board of Directors to convene an extraordinary general meeting;</p> <p>4. Proposing to convene a meeting of Board of Directors;</p> <p><del>5. Independently engaging external audit institutions and consulting agencies;</del></p> <p><del>6. Soliciting voting rights from shareholders before the general meeting.</del></p> <p>The independent non-executive directors shall obtain consent of <del>more than one-half</del> of all independent non-executive directors in performing the duties set out in the above <del>4 to 6</del>. The expenses incurred by independent non-executive directors in hiring intermediaries and other expenses incurred in performing their duties shall be borne by the Company.</p> <p>If the above proposal is not adopted or the above duties cannot be exercised normally, the Company shall disclose the relevant information.</p>	<p><b>The Company shall disclose in a timely manner any exercise of the powers and functions set out in the above Item 3 by independent non-executive directors.</b> The expenses incurred by independent non-executive directors in hiring intermediaries and other expenses incurred in performing their duties shall be borne by the Company.</p> <p>If the above proposal is not adopted or the above duties cannot be exercised normally, the Company shall disclose the relevant information.</p>



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<b>Before</b>	<b>After</b>
<p><b>Article 16 (Part)</b> Independent non-executive directors shall attend the meeting of the Board of Directors on time to get information on the Company’s production and operation, actively investigate and obtain the information and materials needed for decision-making.</p>	<p><b>Article 18</b> Independent non-executive directors shall attend the meeting of the Board of Directors on time to get information on the Company’s production and operation, actively investigate and obtain the information and materials needed for decision-making. <b>Prior to the convening of a meeting of the Board, the independent non-executive directors may communicate with the secretary to the Board to inquire about the matters to be considered, request for additional materials, and offer opinions and suggestions. The Board and relevant personnel shall carefully study the questions, requests and opinions raised by the independent non-executive directors and provide timely feedback to the independent non-executive directors on the implementation of proposals for amendments and other matters.</b></p>
<p><b>Article 13 (Part)</b> <del>In case that an independent non-executive director fails to attend the Board meetings in person for three times in succession, the Board of Directors shall file an application to the shareholders’ general meeting for replacement.</del></p>	<p><b>Article 19</b> Independent non-executive directors shall attend Board meetings in person. <b>If they are unable to attend the meeting in person for any reason, they shall review the meeting materials in advance, form a clear opinion and entrust other independent non-executive directors in writing to attend the meeting on their behalf.</b></p> <p>In case that an independent non-executive director fails to attend the Board meeting in person for two times in succession and does not appoint another independent non-executive director to attend the meeting on his/her behalf, the Board of Directors shall propose to convene a shareholders’ general meeting to remove such independent non-executive director within 30 days from the date of the occurrence of such fact.</p>

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	<p><b>Article 20</b> An independent non-executive director who votes against or abstains from voting on a proposal of the Board shall state the specific reasons and grounds, the legality and compliance of the matter involved in the proposal, the possible risks and the impact on the rights and interests of the Company and minority shareholders. The Company shall disclose the dissenting opinions of the independent non-executive directors at the same time when disclosing the Board resolutions, which shall be set out in the Board resolutions and minutes of meetings.</p>
<p><b>Article 17</b> Independent non-executive directors shall also perform the duties of the members of the special committee of the Company’s Board of Directors. Independent non-executive directors shall take up a majority of the members of the Audit and Risk Management Committee, the Nomination Committee, and the Remuneration and Appraisal Committee under the Board of Directors of the Company.</p>	<p><b>Article 21</b> Independent non-executive directors shall also perform the duties of the members of the special committee of the Company’s Board of Directors. Independent non-executive directors shall take up a majority of the members of the Audit and Risk Management Committee, the Nomination Committee, and the Remuneration and Appraisal Committee under the Board of Directors of the Company. <b>The independent non-executive directors shall attend the meetings of the special committees in person, and if they are unable to attend the meetings in person for any reason, they shall review the materials of the meetings in advance, form a clear opinion, and entrust other independent non-executive directors in writing to attend the meetings on their behalf. If an independent non-executive director is concerned about a material matter of the Company within the scope of the duties of the special committees in the performance of his/her duties, he/she may bring the matter to the special committees for discussion and consideration in a timely manner in accordance with the procedures.</b></p>

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<p><b>Article 18</b> <del>In addition to performing the above duties, independent non-executive directors shall also express independent opinions or make recommendations to the Board of Directors or general meeting on the following matters:</del></p> <ol style="list-style-type: none"> <li><del>1. nomination, appointment and removal of directors;</del></li> <li><del>2. appointment or dismissal of senior management members;</del></li> <li><del>3. determining or adjusting the remuneration of the Company's directors and senior management members;</del></li> <li><del>4. matters that the independent non-executive directors believe may damage the interests of minority shareholders;</del></li> <li><del>5. The Company's shareholders, actual controllers and their affiliates have borrowed from the Company of more than RMB3 million or more than 5% of the Company's most recent audited net asset value or other funds, and whether the Company has taken effective measures to recover defaulted amount;</del></li> <li><del>6. other matters as stipulated in laws and regulations or the Articles of Association and the provisions of the securities supervision and administration rules of the places where the Company's shares are listed or as designated by the regulatory authorities.</del></li> </ol>	Delete

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	<p><b>Article 22    The following matters shall be submitted to the Board for consideration after being approved by a majority of all independent non-executive directors of the Company:</b></p> <ol style="list-style-type: none"> <li><b>1.    related transactions that shall be disclosed;</b></li> <li><b>2.    programs of the Company and related parties to change or waive commitments;</b></li> <li><b>3.    decisions made and measures taken by the Board of the Company in response to the acquisition at the time of the occurrence of the acquisition;</b></li> <li><b>4.    other matters as prescribed by laws, administrative regulations, CSRC regulations and the Articles of Association.</b></li> </ol>

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<p><del><b>Article 20</b>—When formulating a specific plan for cash dividends, the Board of Directors shall carefully study and demonstrate the timing, conditions and minimum proportion of the Company’s cash dividends, the conditions for adjustment and the requirements for decision-making procedures. Independent non-executive directors shall issue clear opinions. Independent non-executive directors may collect opinions from minority shareholders, propose dividends distribution proposal, and submit them directly to the Board of Directors for consideration.</del></p> <p><del>If the Company needs to adjust or change the profit distribution policy and shareholder dividend return plan according to the needs of production and operation, investment planning and long-term development, it shall take the protection of shareholders’ rights as the starting point and fully listen to the opinions of independent non-executive directors. Independent non-executive directors shall express their opinions on whether the profit distribution policy, especially the cash dividend policy adjustment or change proposal, will be detrimental to the legitimate rights and interests of minority shareholders.</del></p>	Delete
<p><del><b>Article 21</b>—Independent non-executive directors shall give one of the following types of opinions on the above matters: consent; reservations and reasons; objections and reasons; failure to express opinions and obstacles.</del></p>	Delete

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<b>Before</b>	<b>After</b>
<p><b>Article 22</b> If the matters concerned required to be disclosed, the Company shall publicly disclose the opinions of the independent non-executive directors. When the independent non-executive directors cannot reach a consensus, the Company shall publicly disclose the opinions of each of the independent non-executive directors.</p>	<p><b>Article 23</b> If the matters concerned required to be disclosed, the Company shall publicly disclose the opinions of the independent non-executive directors. When the independent non-executive directors cannot reach a consensus, the Company shall publicly disclose the opinions of each of the independent non-executive directors, <b>which shall be set out in the resolutions of the Board of Directors and minutes of the meetings.</b></p>
<p><b>Article 23</b> In performing their duties, the independent non-executive directors shall pay particular attention to whether the relevant review content and procedures are in compliance with the requirements of the relevant filings issued by the securities regulatory authorities of the places where the Company's shares are listed.</p>	<p><b>Article 24</b> In performing their duties, the independent non-executive directors shall pay particular attention to whether the relevant review content and procedures are in compliance with the requirements of the relevant filings issued by the securities regulatory authorities of the places where the Company's shares are listed.</p>

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<b>Before</b>	<b>After</b>
<p><b>Article 24</b> Independent non-executive directors shall verify the contents of the Board of Directors resolutions and pay attention to the relevant reports and information of the Company. When it is found that the Company may have failed to submit major matters to the Board of Directors or the general meeting for consideration in accordance with the regulations, failed to fulfill its obligations of disclosure of information in a timely or an appropriate manner, there may be false records, misleading statements or material omissions in the information released by the Company, the production and operation of the Company may be in violation of the laws, regulations or the Articles of Association, the requirements of the listing rules of the place where the Company’s shares are listed, or any other matters as designated by the securities regulatory authorities, or there is any other suspected violation of laws or regulations or damage to the interests of public shareholders, the independent non-executive directors shall proactively seek to understand the situation, make written inquiries to the Company in a timely manner, and urge the Company to make effective rectification or public clarification.</p>	<p><b>Article 25</b> Independent non-executive directors shall verify the contents of the Board of Directors resolutions and pay attention to the relevant reports and information of the Company. When it is found that the Company may have failed to submit major matters to the Board of Directors or the general meeting for consideration in accordance with the regulations, failed to fulfill its obligations of disclosure of information in a timely or an appropriate manner, there may be false records, misleading statements or material omissions in the information released by the Company, the production and operation of the Company may be in violation of the laws, regulations or the Articles of Association, the requirements of the listing rules of the place where the Company’s shares are listed, or any other matters as designated by the securities regulatory authorities, or there is any other suspected violation of laws or regulations or damage to the interests of public shareholders, the independent non-executive directors shall proactively seek to understand the situation, make written inquiries to the Company in a timely manner, and urge the Company to make effective rectification or public clarification.</p>

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	<p><b>Article 26</b> The Company holds a meeting attended by all independent non-executive directors (the “Special Meeting of Independent Non-executive Directors”) on a regular or irregular basis. Matters listed in items (I) to (III) for the exercise of special powers of Article 17, and Article 22 of these Rules shall be considered at a Special Meeting of Independent Non-executive Directors.</p> <p>The Special Meeting of Independent Non-executive Directors may study and discuss other matters of the Company as needed.</p> <p>The Special Meeting of Independent Non-executive Directors shall be convened and presided over by an independent non-executive director jointly elected by more than half of the independent non-executive directors; in the event that the convener fails to or is unable to perform his/her duties, two or more independent non-executive directors may convene and elect a representative to preside over the meeting on their own.</p> <p>The minutes of the Special Meeting of Independent Non-executive Directors shall be made according to the relevant provisions, in which the opinions of independent non-executive directors shall be recorded. Independent non-executive directors shall sign the meeting minutes for confirmation. The Company shall facilitate and support the convening of the Special Meeting of Independent Non-executive Directors.</p>



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	<p><b>Article 27</b> An independent non-executive director shall work on-site at the Company for not less than 15 days each year. In addition to attending shareholders' general meetings, meetings of the Board of Directors and its special committees, and special meetings of independent non-executive directors according to the relevant provisions, independent non-executive directors may perform their duties by various means such as obtaining information on the operation of the Company on a periodical basis, hearing the reports of the management, communicating with the person in charge of the internal auditor, the accounting firm providing audit services for the Company, and other intermediaries, conducting field visits, and communicating with minority shareholders.</p>

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<p><b>Article 16 (Part)</b> <del>Independent non-executive directors shall report their performance of their duties at the Company's annual general meeting.</del></p>	<p><b>Article 28</b> <b>The independent non-executive directors shall submit an annual work report on their duties to the annual shareholders' meeting of the Company to explain their performance of duties. The annual work report shall include the following contents:</b></p> <ol style="list-style-type: none"> <li><b>1. Number of times, ways and votes of attending the Board meetings, and the number of times attending the shareholders' meeting;</b></li> <li><b>2. Participation in the work of special committees of the Board and special meetings of independent non-executive directors;</b></li> <li><b>3. Consideration of the matters set out in Article 22 of these Rules, Articles 26, 27 and 28 of the Administrative Measures for Independent Directors and exercise of the special powers and functions of the independent non-executive directors as set out in paragraph 3 of Article 17 of these Rules;</b></li> <li><b>4. Information on significant matters, methods and results of communication with the internal auditor and the accounting firm that undertakes the Company's auditing business regarding the Company's financial and business status;</b></li> <li><b>5. Communication with minority shareholders;</b></li> </ol>

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<b>Before</b>	<b>After</b>
	<p data-bbox="810 342 1390 412"><b>6. Time and content of on-site work at the Company;</b></p> <p data-bbox="810 470 1390 540"><b>7. Other circumstances of the performance of duties.</b></p> <p data-bbox="810 597 1390 753"><b>The annual work report of the independent non-executive directors shall be disclosed no later than when the Company publishes notice of its annual general meeting.</b></p>

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<b>Chapter 5 Provision of Necessary Conditions by the Company for Independent Non-executive Directors</b>	<b>Chapter 5 Duty Performance Guarantee for Independent Non-executive Directors</b>
<p><b>Article 25</b> The Company shall provide the necessary conditions for the independent non-executive directors to exercise their powers:</p> <p>1. Independent non-executive directors have the same right to know as other directors. The Company shall promptly provide relevant materials and information to independent non-executive directors, regularly report the operation of the Company, and organise on-site inspections of independent non-executive directors when necessary. In respect of any material matter subject to the decision of the Board of Directors, the Company must notify the independent non-executive directors in advance of the statutory period of time and provide sufficient information, and if the independent non-executive directors believe that the relevant contents of the matters for consideration are not clear, specific or the relevant information is insufficient, the independent non-executive directors may demand the Company to give supplementary information or make further explanations. When two or more independent non-executive directors believe that the information on the matters for consideration is insufficient or the argument is not clear, they may adjourn the meeting or defer the consideration of the subject matters by jointly proposing to the Board of Directors in writing. In this case, the Board shall accept. <del>The Company and independent non-executive directors shall keep the information provided by the Company and related parties to independent non-executive directors for at least 5 years;</del></p>	<p><b>Article 29</b> The Company shall provide the necessary conditions for the independent non-executive directors to perform their duties:</p> <p>1. Independent non-executive directors have the same right to know as other directors. The Company shall promptly provide relevant materials and information to independent non-executive directors, regularly report the operation of the Company, <b>and organise or cooperate with the independent non-executive directors to carry out on-site inspections.</b> In respect of any material matter subject to the decision of the Board of Directors, the Company must notify the independent non-executive directors in advance of the statutory period of time and provide sufficient information, and if the independent non-executive directors believe that the relevant contents of the matters for consideration are not clear, specific or the relevant information is insufficient, the independent non-executive directors may demand the Company to give supplementary information or make further explanations. When two or more independent non-executive directors believe that the information on the matters for consideration is insufficient or the argument is not clear, they may adjourn the meeting or defer the consideration of the subject matters by jointly proposing to the Board of Directors in writing. In this case, the Board shall accept. <b>Work records of independent non-executive directors and information provided by the Company to independent non-executive directors shall be kept for at least ten years;</b></p>

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<p>2. The Company shall provide the working conditions necessary for the independent non-executive directors to perform their duties and provide assistance to the independent non-executive directors in performing their duties. If the independent opinions, proposals and written explanations issued by the independent non-executive directors should be announced, the Company shall make a timely announcement and the secretary to the Board of Directors shall deal with the matters related to the announcement. Independent non-executive directors have the right to request the Company to disclose the details of the proposal it has made and the reasons why it's not adopted;</p> <p>3. When an independent non-executive director performs his duties, the relevant personnel of the Company shall actively cooperate with him/her, and shall not refuse, prevent or conceal, and shall not interfere in the independent performance of his/her duties. When an independent non-executive director encounters difficulty in performing his duties, he/she may explain the situation to the Company's Board of Directors and request <del>the secretary to the Board of Directors or other senior management</del> to cooperate. <del>The secretary to the Board of Directors and other senior management members shall actively cooperate with the independent non-executive director in performing his/her duties;</del></p>	<p>2. The Company shall provide the working conditions necessary <b>and personnel support</b> for the independent non-executive directors to perform their duties and provide assistance to the independent non-executive directors in performing their duties. <b>The secretary to the Board of Directors shall ensure that there is a smooth flow of information between the independent non-executive directors and other directors, senior management and other relevant persons, and that the independent non-executive directors have access to adequate resources and necessary professional advice in the performance of their duties.</b> If the independent opinions, proposals and written explanations issued by the independent non-executive directors should be announced, the Company shall make a timely announcement and the secretary to the Board of Directors shall deal with the matters related to the announcement. Independent non-executive directors have the right to request the Company to disclose the details of the proposal it has made and the reasons why it's not adopted;</p>

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<b>Before</b>	<b>After</b>
<p>4. When an independent non-executive director needs to engage an intermediary agency to issue professional opinions when considering major related party transactions and considering special matters, the Company may provide a list of independent intermediaries for the independent non-executive director. The expenses incurred by an independent non-executive director in hiring an intermediary agency and other expenses incurred in performing his duties shall be borne by the Company;</p> <p>5. The Company grants appropriate allowances to independent non-executive directors. The standard of allowances shall be formulated by the Board of Directors, reviewed and approved by the general meeting, and disclosed in the Company's annual report;</p> <p style="padding-left: 2em;">Apart from the above allowances, independent non-executive directors should not obtain other <del>additional and undisclosed benefits</del> from the Company and its major shareholders or interested <del>institutions and personnel</del>;</p> <p>6. The Company may purchase liability insurance for independent non-executive directors to mitigate the risks that may arise from the normal performance of duties by the independent non-executive directors.</p>	<p>3. When an independent non-executive director performs his duties, the relevant personnel of the Company shall actively cooperate with him, and shall not refuse, prevent or conceal, and shall not interfere in the independent performance of his duties. When an independent non-executive director encounters difficulty in performing his duties, he may explain the situation to the Company's Board of Directors and request <b>directors, senior management and other relevant persons</b> to cooperate, <b>and record the specific circumstances of the obstruction and the solution in his/her work records</b>;</p> <p>4. When an independent non-executive director needs to engage an intermediary agency to issue professional opinions when considering major related party transactions and considering special matters, the Company may provide a list of independent intermediaries for the independent non-executive director. The expenses incurred by an independent non-executive director in hiring an intermediary agency and other expenses incurred in performing his duties shall be borne by the Company;</p>

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<p>7. The transportation expenses paid by the independent non-executive directors due to attending the board meeting (from the place where the independent non-executive directors are located to the meeting place) and the room and board expenses during the meeting will be paid by the Company, and other expenses will be paid by the person himself/herself.</p>	<p>5. The Company grants appropriate allowances to independent non-executive directors. The standard of allowances shall be formulated by the Board of Directors, reviewed and approved by the general meeting, and disclosed in the Company’s annual report;</p> <p style="padding-left: 40px;">Apart from the above allowances, independent non-executive directors should not <b>obtain other benefits</b> from the Company and its major shareholders, <b>de facto controllers</b> or interested <b>entities and personnel</b>;</p> <p>6. The Company may purchase liability insurance for independent non-executive directors to mitigate the risks that may arise from the normal performance of duties by the independent non-executive directors.</p> <p>7. The transportation expenses paid by the independent non-executive directors due to attending the board meeting (from the place where the independent non-executive directors are located to the meeting place) and the room and board expenses during the meeting will be paid by the Company, and other expenses will be paid by the person himself/herself.</p>

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Before	After
<b>Chapter 6 Responsibilities and Duties</b>	<b>Chapter 6 Responsibilities and Duties</b>
<p><b>Article 26</b> When the interests of an independent non-executive director conflict with the interests of the Company and the interests of the shareholders, the independent non-executive director shall use the best interests of the Company and all shareholders as the code of conduct, especially the legitimate rights and interests of the minority shareholders.</p>	<p><b>Article 30</b> When the interests of an independent non-executive director conflict with the interests of the Company and the interests of the shareholders, the independent non-executive director shall use the best interests of the Company and all shareholders as the code of conduct, especially the legitimate rights and interests of the minority shareholders.</p>
<p><del><b>Article 27</b> Independent non-executive directors shall independently exercise their powers and perform their duties, and shall not be affected by the Company's major shareholders, actual controllers, other members of the Board of Directors, senior management members and other institutions and personnel that have an interest in the Company.</del></p>	Delete
<p><del><b>Article 28</b> Independent non-executive directors shall be faithful to the Company and shareholders. Independent non-executive directors shall faithfully perform their duties in accordance with the provisions of laws, administrative regulations and the Company's Articles of Association.</del></p>	Delete
<p><b>Article 29</b> If an independent non-executive director fails to perform his/her duties conscientiously and causes damage to the interests of the Company's shareholders, the Company's interests and the employees' legitimate rights and interests, he/she shall be investigated for his/her liability according to his/her fault degree; the shareholders' meeting may remove him/her from office according to the prescribed procedures.</p>	<p><b>Article 31</b> If an independent non-executive director fails to perform his/her duties conscientiously and causes damage to the interests of the Company's shareholders, the Company's interests and the employees' legitimate rights and interests, he/she shall be investigated for his/her liability according to his/her fault degree; the shareholders' meeting may remove him/her from office according to the prescribed procedures.</p>



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<b>Before</b>	<b>After</b>
<p><b>Article 30</b> When an independent non-executive director violates laws, administrative regulations, the provisions of the Articles of Association and the contract of employment in the performance of his duties, the Company will require the independent non-executive director to bear the corresponding legal and economic liabilities based on the circumstances and the degree of harm to the Company.</p>	<p><b>Article 32</b> When an independent non-executive director violates laws, administrative regulations, the provisions of the Articles of Association and the contract of employment in the performance of his duties, the Company will require the independent non-executive director to bear the corresponding legal and economic liabilities based on the circumstances and the degree of harm to the Company.</p>
<p><b>Article 31</b> An independent non-executive director who has not completed his term of office shall be liable for compensation for losses caused by his/her arbitrarily leaving the Company.</p>	<p><b>Article 33</b> An independent non-executive director who has not completed his term of office shall be liable for compensation for losses caused by his/her arbitrarily leaving the Company.</p>
<p><b>Article 32</b> If an independent non-executive director resigns or the term of office expires, his/her obligations to the Company and the shareholders shall not be discharged before the resignation report becomes effective or within a reasonable period after it has become effective, and within a reasonable period after the end of the term of office. The obligation to keep the Company's trade secrets confidential remains valid after the end of their employment until the secret becomes public information. The duration of other obligations shall be determined on the basis of fairness, depending on the length of time between the occurrence of the event and departure and the circumstances and conditions under which the relationship with the Company ends.</p>	<p><b>Article 34</b> If an independent non-executive director resigns or the term of office expires, his/her obligations to the Company and the shareholders shall not be discharged before the resignation report becomes effective or within a reasonable period after it has become effective, and within a reasonable period after the end of the term of office. The obligation to keep the Company's trade secrets confidential remains valid after the end of their employment until the secret becomes public information. The duration of other obligations shall be determined on the basis of fairness, depending on the length of time between the occurrence of the event and departure and the circumstances and conditions under which the relationship with the Company ends.</p>

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Before	After
	<p><b>Article 35    The performance of duties and administrative responsibilities of independent non-executive directors of the Company can be determined based on the degree of connection between the performance of duties by independent non-executive directors and relevant violations of laws and regulations, taking into account their director status and external identity characteristics, and comprehensively evaluate the following aspects:</b></p> <p><b>(1)    The role played in information formation and related decision-making processes;</b></p> <p><b>(2)    The sources and contents of information on relevant matters, and the channels for understanding the information;</b></p> <p><b>(3)    The degree of knowledge and the attitude after knowledge;</b></p> <p><b>(4)    The degree of attention paid to relevant anomalies and the measures taken to verify the information;</b></p> <p><b>(5)    Participation in relevant meetings of the Board and its special committees and special meetings of independent non-executive directors;</b></p> <p><b>(6)    Professional or industry background;</b></p> <p><b>(7)    Other aspects related to relevant illegal conduct.</b></p>

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	<p><b>Article 36</b> Where an independent non-executive director is able to prove that he/she has fulfilled his/her basic duties and one of the following circumstances exists, he/she may be deemed not to be subjectively at fault and shall not be subject to administrative penalties in accordance with the Administrative Punishment Law of the People’s Republic of China:</p> <p>(1) Before reviewing or signing the information disclosure document, if he/she is still unable to find out the problems with the help of accounting, legal and other specialized professions on specific issues that do not belong to his/her own field of expertise;</p> <p>(2) Raising specific objections to the violation of laws and regulations, which are clearly recorded in the minutes of meetings of the Board of Directors, special committees of the Board of Directors or special meetings of independent non-executive directors, and voting against or abstaining from voting at the meetings of the Board of Directors;</p> <p>(3) Where the Company or related parties have intentionally withheld information and there is no indication that the independent non-executive directors are aware of, or are able to discover, clues of the violation of laws and regulations;</p>

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Before	After
	<p>(4)    <b>The refusal or obstruction by the Company to allow the independent non-executive directors to perform their duties has made it impossible for them to make a judgment as to whether the relevant information disclosure documents are true, accurate and complete, and the independent non-executive directors report in writing to the CSRC and the stock exchange in a timely manner;</b></p> <p>(5)    <b>Other circumstances that can prove due diligence.</b></p> <p><b>If, prior to the date of disclosure or correction of the violation, an independent non-executive director discovers the violation and raises objection to the Company in a timely manner and supervises the rectification of the violation and makes a written report to the CSRC and stock exchanges, he/she may be exempted from the administrative punishment.</b></p> <p><b>If an independent non-executive director provides evidence to prove that he/she performed his/her duties in accordance with the laws, administrative regulations, departmental rules, normative documents and the Articles of Association in the course of his/her performance duties, or if he/she urges the Company to make rectification in a timely manner after the disclosure of the violation of laws and regulations and the results are relatively obvious, the CSRC can make a comprehensive judgment on his/her administrative responsibility by taking into account the facts and nature of the violations of laws and regulations, and the daily performance of duties by such independent non-executive director.</b></p>

**APPENDIX IV      COMPARISON TABLE OF AMENDMENTS TO THE WORKING RULES OF  
THE INDEPENDENT NON-EXECUTIVE DIRECTORS OF CHINA RAILWAY  
SIGNAL & COMMUNICATION CORPORATION LIMITED\***

<b>Before</b>	<b>After</b>
<b>Chapter 7   Supplementary Provisions</b>	<b>Chapter 7   Supplementary Provisions</b>
<b>Article 33</b> Unless otherwise specified, term used in these Rules shall have the same meaning as those in the Articles of Association.	<b>Article 37</b> Unless otherwise specified, term used in these Rules shall have the same meaning as those in the Articles of Association.
<b>Article 34</b> Any matters not covered herein or contents herein are in conflict with the laws, regulations, normative documents, the listing rules of the place of listing or the provisions of the Articles of Association which are promulgated or amended after the effective date of these Rules, such laws, regulations, normative documents, the listing rules of the place of listing and the provisions of the Articles of Association shall prevail.	<b>Article 38</b> Any matters not covered herein or contents herein are in conflict with the laws, regulations, normative documents, the listing rules of the place of listing or the provisions of the Articles of Association which are promulgated or amended after the effective date of these Rules, such laws, regulations, normative documents, the listing rules of the place of listing and the provisions of the Articles of Association shall prevail.
<b>Article 35</b> These Rules are considered and approved <del>at the general meeting</del> and shall come into force <del>on the date on which the initial public offering A shares of the Company succeeds on Science and Technology Innovation Board of the Shanghai Stock Exchange.</del>	<b>Article 39</b> These Rules shall come into force <b>after being</b> considered and approved <b>by the Board of Directors, and the original Working Rules of the Independent Non-executive Directors of China Railway Signal &amp; Communication Corporation Limited* (the relevant portion of CRSC Board Office [2019] No. 201) shall be repealed at the same time.</b>
<b>Article 36</b> These Rules shall be interpreted by the Board of Directors.	<b>Article 40</b> These Rules shall be interpreted by the Board of Directors.