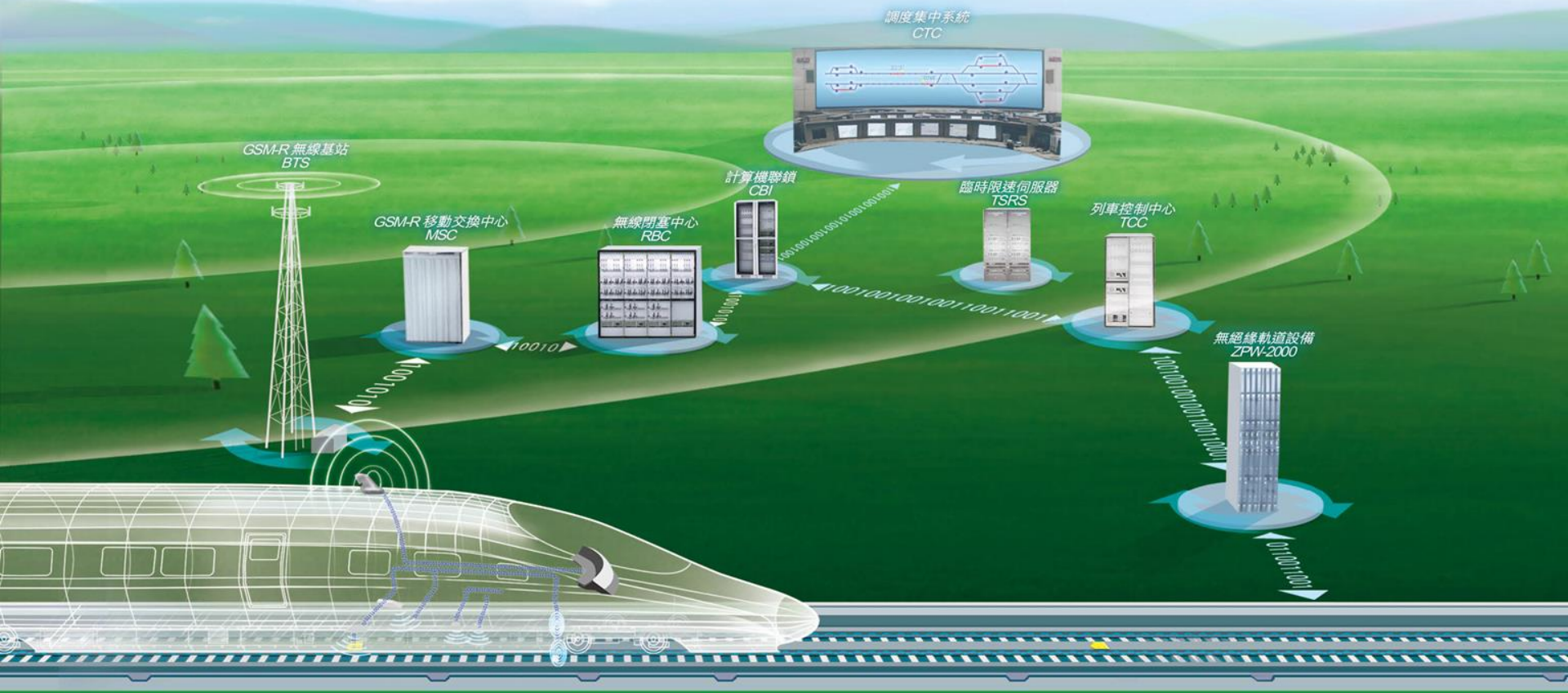




China Railway Signal & Communication Corporation Limited*
中國鐵路通信信號股份有限公司

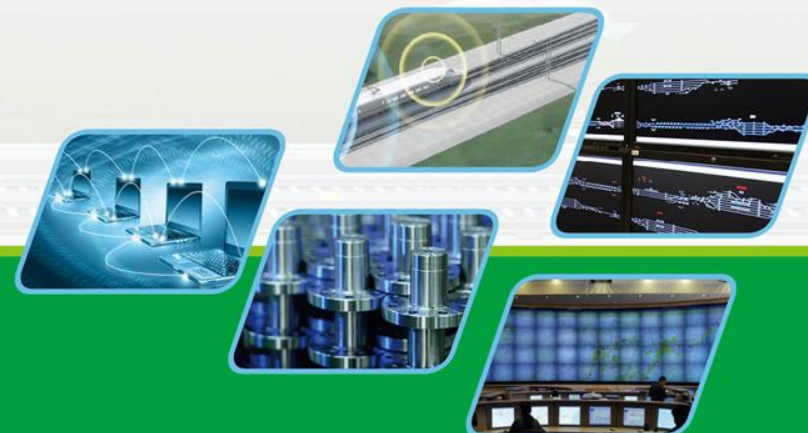


China Railway Signal & Communication Corporation Limited

2015 Results Presentation

April 2016

1. Overview of 2015



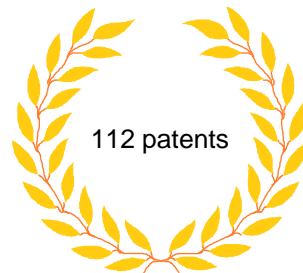
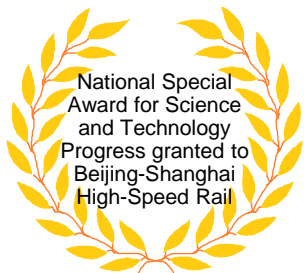
Fruitful Achievements and Continued Strengthening of Industry Leadership

Fruitful Achievements in 2015

- Won bids for a number of major railway projects, including Shijiazhuang-Jinan Passenger Dedicated Line and Nanning-Kunming High-Speed Rail
- Won bids for a number of landmark urban transit projects, including Shanghai Metro Line 17 and Chongqing Metro Line 5, by virtue of our CBTC system with proprietary intellectual property rights
- Rapidly established tramcar manufacturing capability and improved our presence across the whole value chain of the tram sector through mergers and acquisitions
- Partnered with Zhengzhou Railway Bureau to establish the Electrification Engineering Bureau, a joint venture integral to our complete industry chain covering “communication, signal, electric power and electrification engineering”
- Seized the opportunities in emerging businesses such as smart city, information consumption and “Internet Plus” to extend our footprints in smart city business and information markets
- Won the award of “Listed Company with the Best Brand Value” among the Golden Bauhinia Awards of China Securities
- Won the “Best Investment Value Award” among the “Deals of 2015 among Chinese Listed Companies” organized by the prestigious financial magazine *Chinese Venture*

Listed on the Main Board of the SEHK on August 7, 2015, with net proceeds of HKD11bn

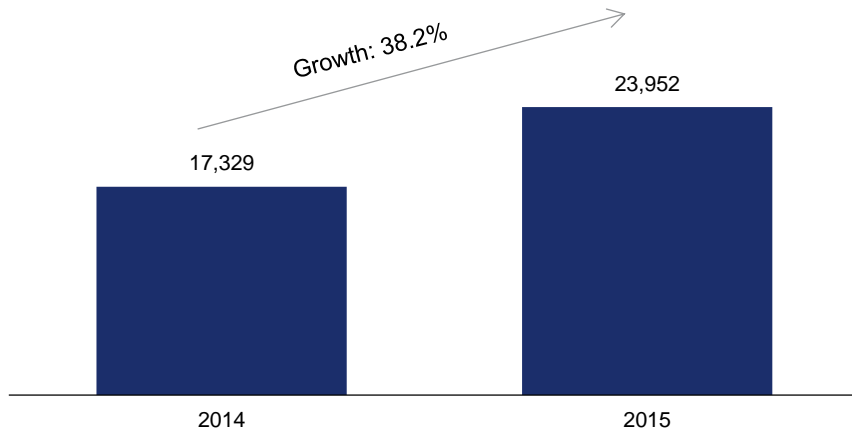
Continued Strengthening of Industry Leadership and Technical Capabilities



Record Financial Success

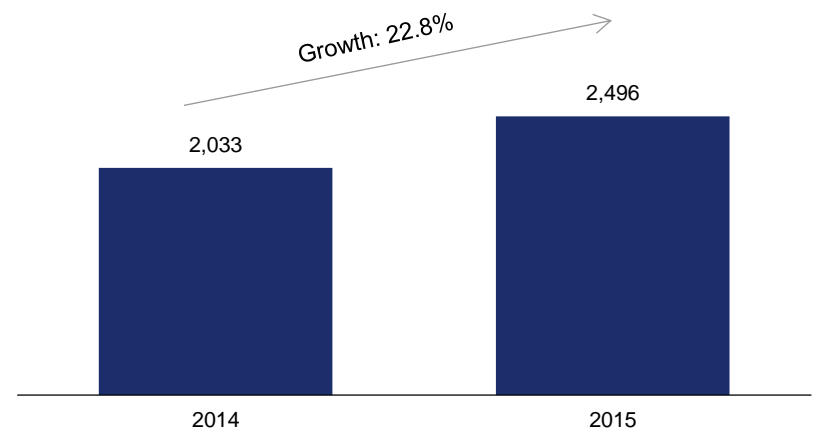
Revenue

(RMB mm)



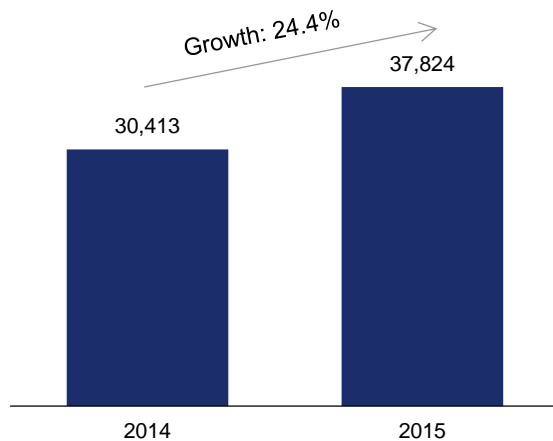
Net Profit Attributable to Shareholders of the Company

(RMB mm)

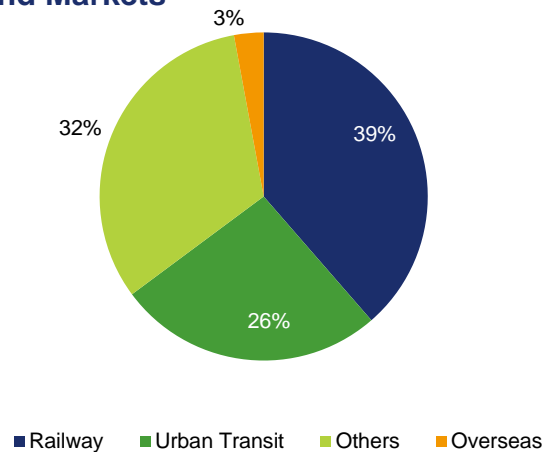


New Contracts

(RMB mm)

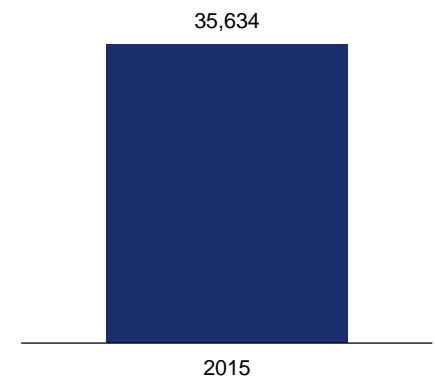


Breakdown of New Contracts by End Markets



Contracts on Hand at Year End

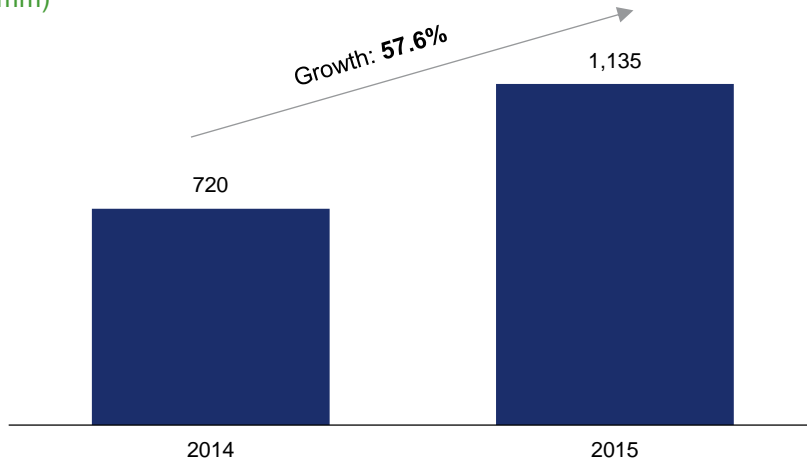
(RMB mm)



Strategic Global Footprint and Active Overseas Expansion

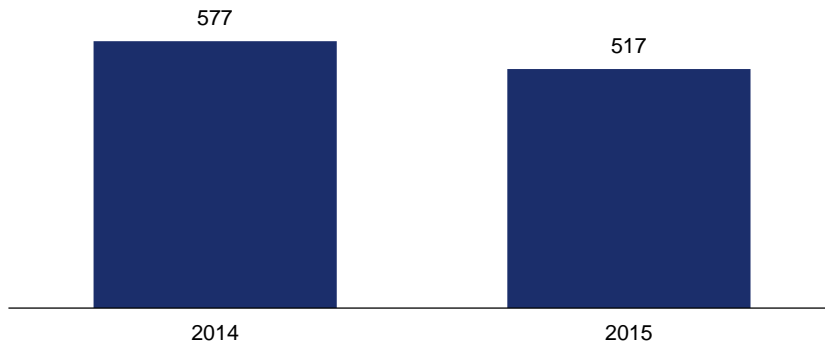
New Contracts from Overseas Business

(RMB mm)



Revenue from Overseas Business

(RMB mm)



Geographic Footprint of Overseas Business

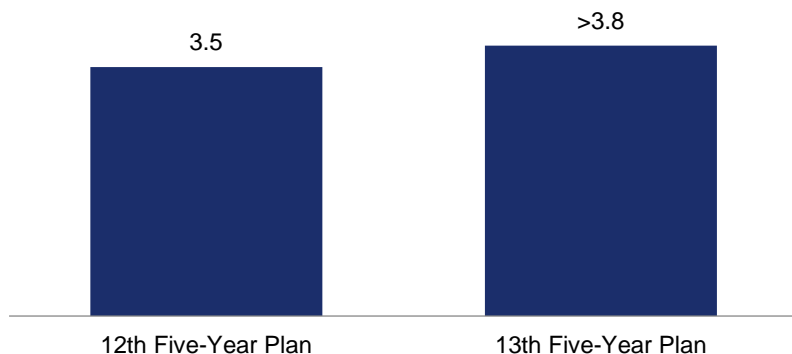


Great Prospects for Future Growth

National Railway Operating Mileage Continue to Increase

- Railway construction in China will continue to maintain rapid growth over the next 5 years. During the “13th Five-Year Plan” period, over 30,000 km of new railway will be constructed, among which high speed rail will account for over 12,000 km.

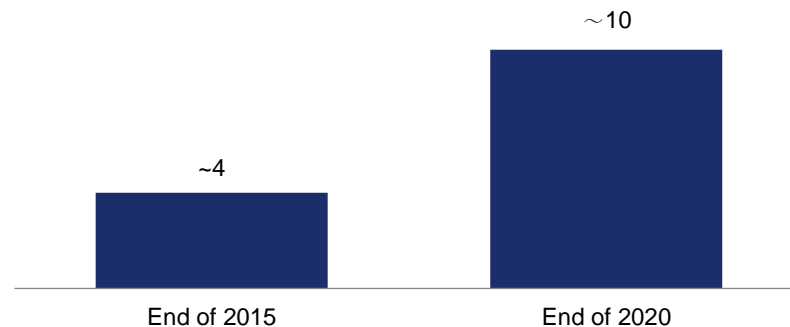
China’s National Railway FAIs (RMB tn)



China’s Urban Transit Construction to Further Accelerate

- Total urban transit mileage in operation will be nearly 10,000 km in five years

China’s Total Urban Transit Operating Mileage (1,000km)



Inter-city Railway as a New Highlight with the Emergence of City Clusters

- City clusters have emerged one after another as a result of rapid urbanization in China. Inter-city railway sector, where investments are generally led by local governments, has shown rapid growth
- Investment in inter-city railway is expected to reach RMB 100bn in 2016 and will increase over the next 5 years
- Newly added inter-city railway mileage over the next five years is expected to reach 10,000 km

Modern Tram as a New Focus of Investment in Urban Transit

- Low cost, ease of approval and fast delivery have all helped fuel the growth in modern tram market
- Over 100 Chinese cities are planning to launch trams, and total operating mileage is estimated to reach 5000 km in five years

Overseas Market will Provide Huge Prospects

Key Overseas Railway Projects over the Next 5 Years

Country	Railway	Mileage (Km)
Indonesia	Jakarta-Bandung	150
Hungary, Serbia	Hungary-Serbia	350
Brazil, Peru	Atlantic-Pacific	3,000
UK	London-North England	540
Russia	Moscow-Kazan	770
Singapore, Malaysia	Singapore-Malaysia	350
US	XpressWest	1,280
Others	...	~7,000
Total		~13,000

Source: Frost & Sullivan Industry Report.



1 Continue to optimize R&D system to ensure timely commercialization of research achievements



2 Continue to expand the industry value chain by actively seeking for new growth drivers



3 Continue to pursue emerging business and diversify the application of products and services



4 Actively develop international business and strengthen business presence in overseas markets



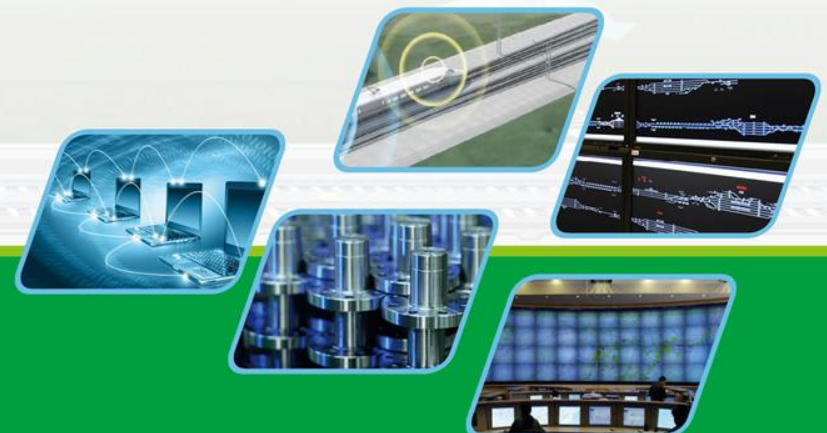
5 Promote comprehensive business lines through expanding EPC business and enhancing capital management capabilities



6 Further enhance management efficiency, and cultivate excellent corporate culture

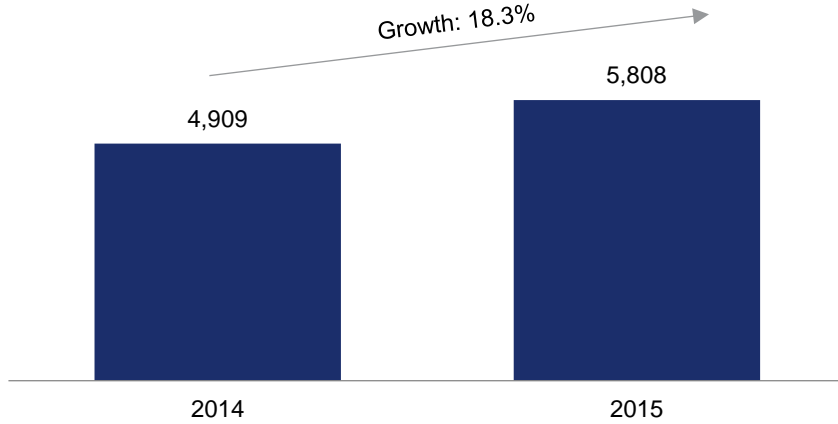


2. 2015 Operating Highlights

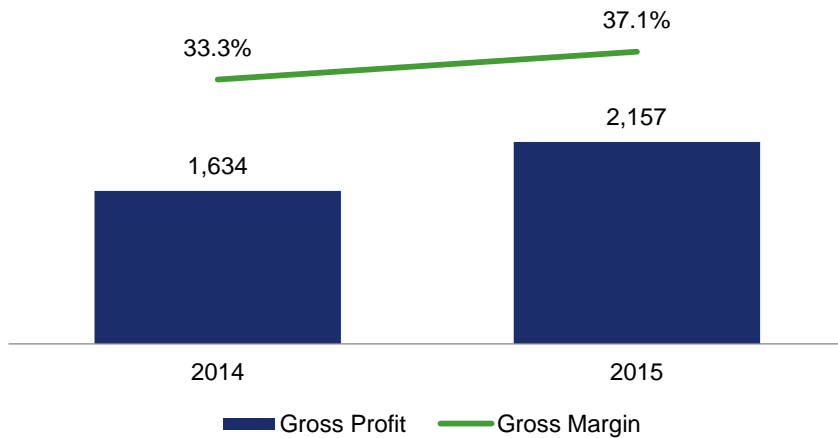


Continued Growth in Design and Integration

Revenue from Design and Integration (RMB mm)



Gross Profit and Margin of Design and Integration (RMB mm)



Key Projects in 2015



Shijiazhuang-Jinan
Passenger Railway



Nanning-Kunming High-Speed
Railway



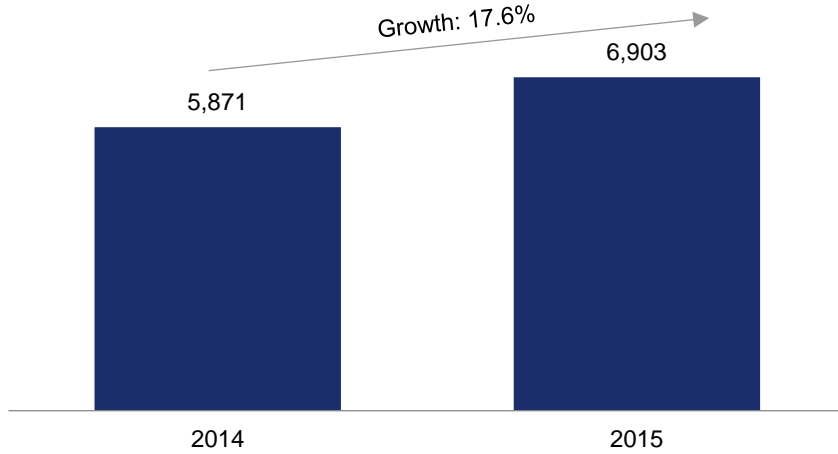
Chongqing Metro Line 5



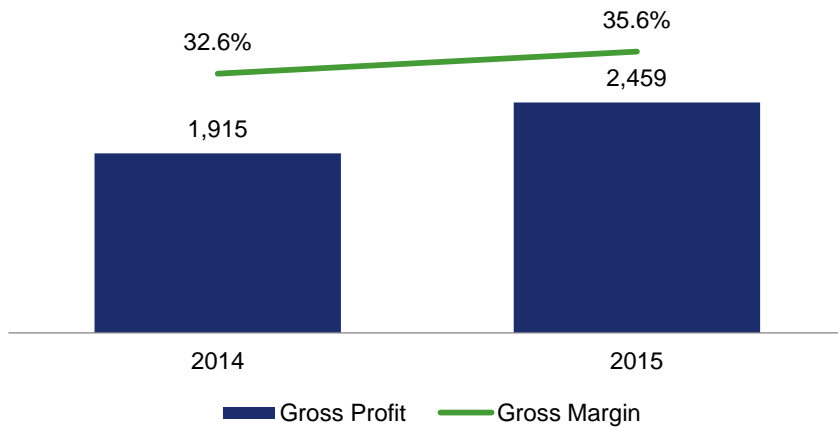
Shanghai Metro Line 17

Solidifying and Enhancing Advantages in Equipment Manufacturing

Revenue from Equipment Manufacturing
(RMB mm)



Gross Profit and Margin of Equipment Manufacturing
(RMB mm)



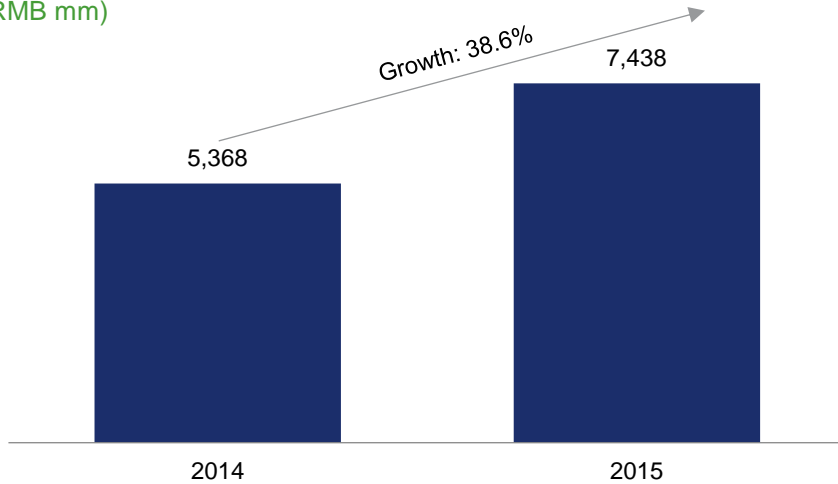
Location of Key Manufacturing Sites



Steady Improvement in System Implementation

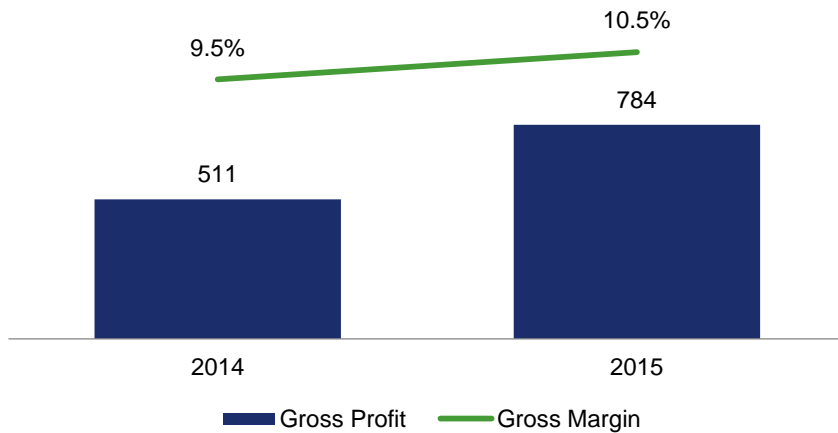
Revenue from System Implementation

(RMB mm)



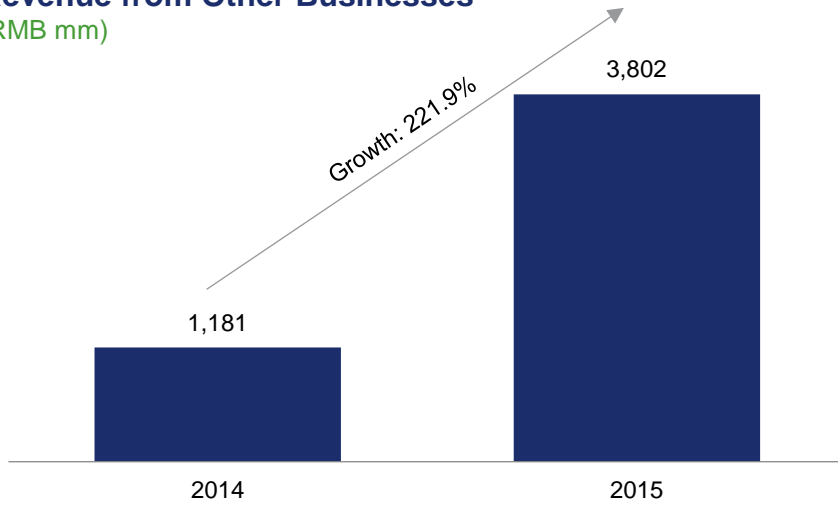
Gross Profit and Margin of System Implementation

(RMB mm)

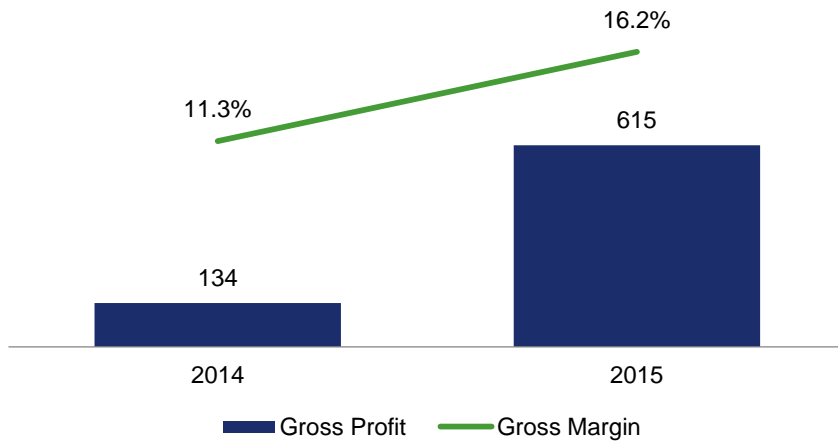


Other Businesses Underwent Orderly Development

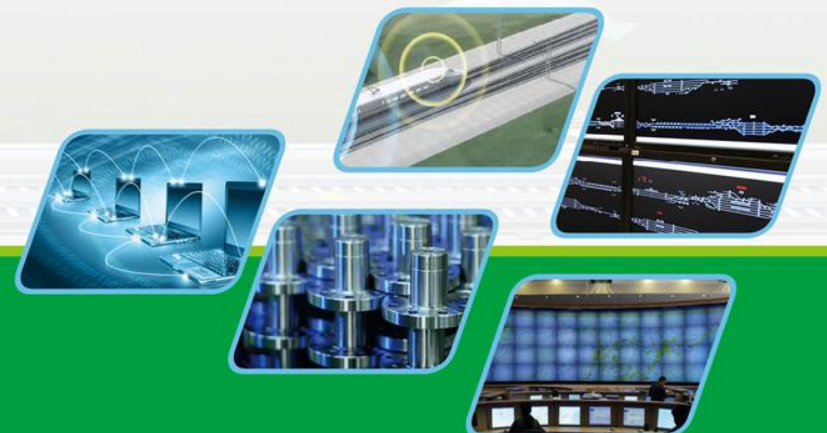
Revenue from Other Businesses (RMB mm)



Gross Profit and Margin of Other Businesses (RMB mm)



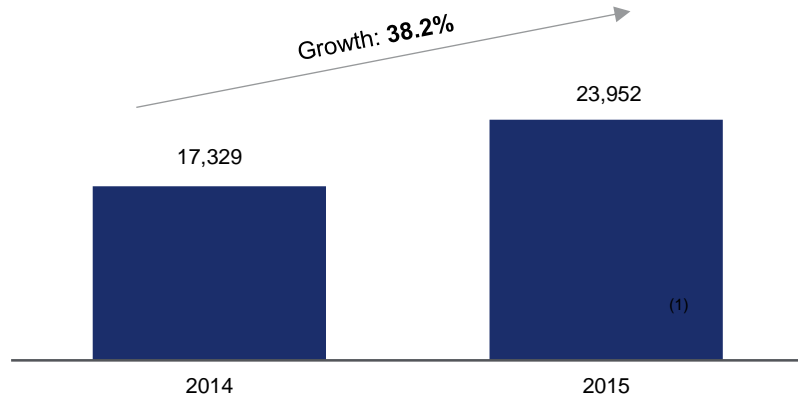
3. 2015 Financial Performance



Improving Revenue and Steadily High Profitability

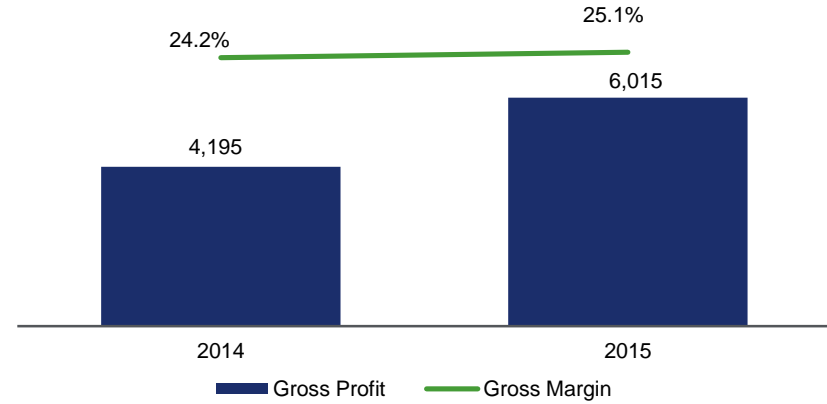
Revenue

(RMB mm)



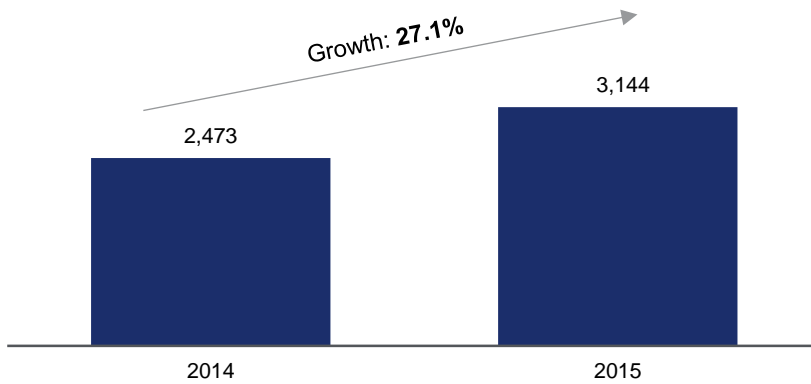
Gross Profit and Margin

(RMB mm)



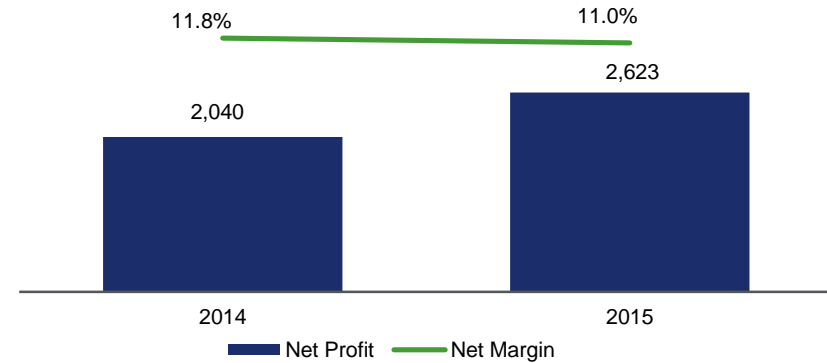
Profit Before Tax

(RMB mm)



Net Profit and Margin⁽¹⁾

(RMB mm)



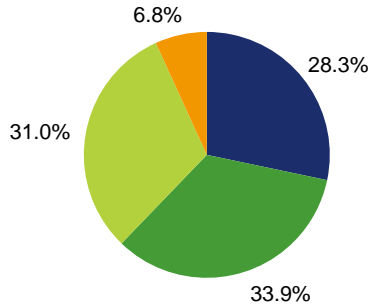
Note:

1. Includes profit attributable to the shareholders of the Company and other minority shareholders.

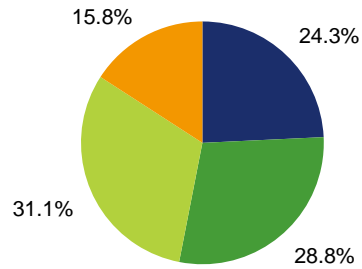
Business Mix Remains Optimal

Revenue Contribution by Segment

2014



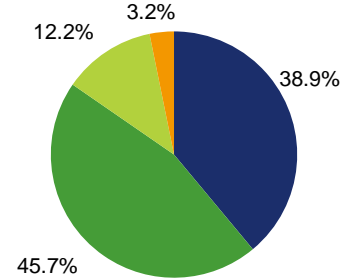
2015



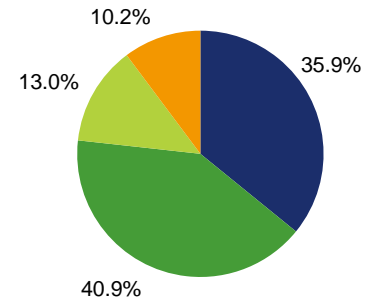
■ Design and Integration ■ Equipment Manufacturing ■ System Implementation ■ Other Businesses

Gross Profit Contribution by Segment

2014



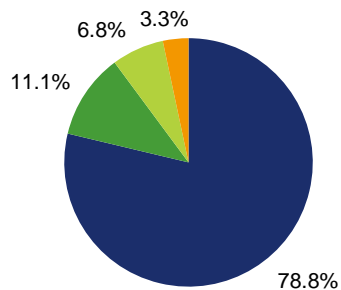
2015



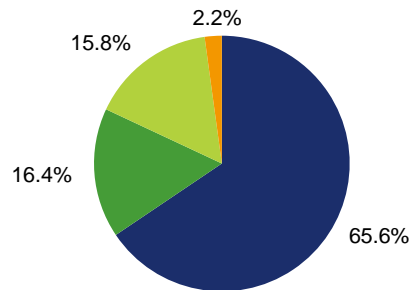
■ Design and Integration ■ Equipment Manufacturing ■ System Implementation ■ Other Businesses

Revenue Contribution by End Market

2014



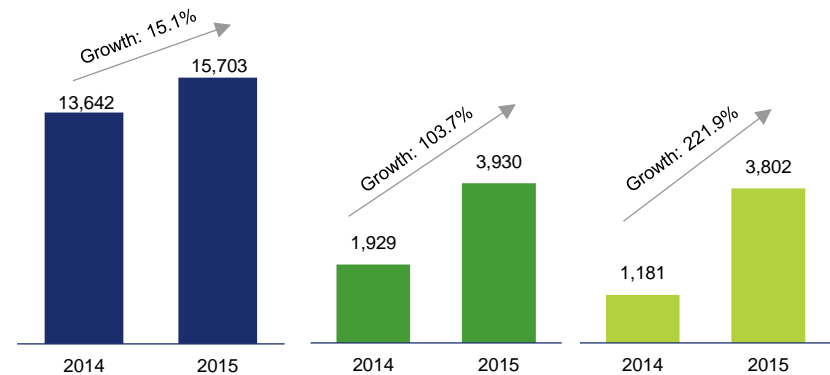
2015



■ Railway ■ Urban Transit ■ Others ■ Overseas

Revenue Growth by End Market

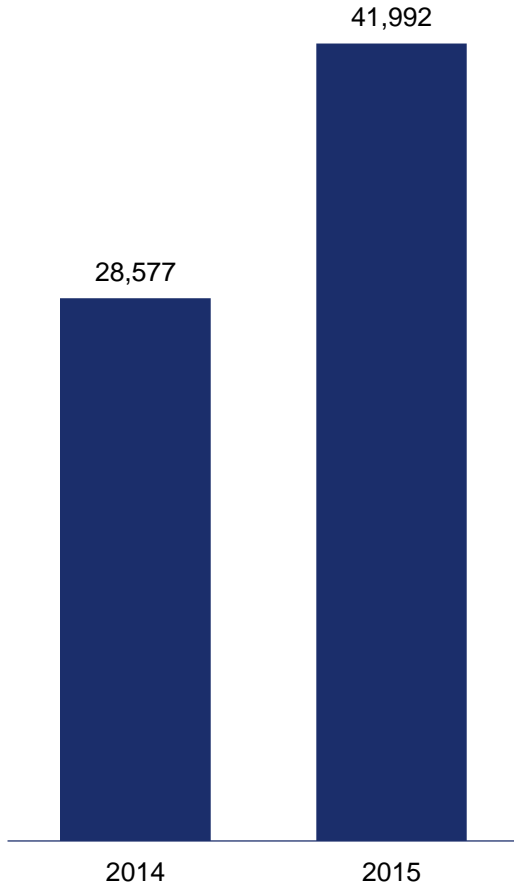
(RMB mm)



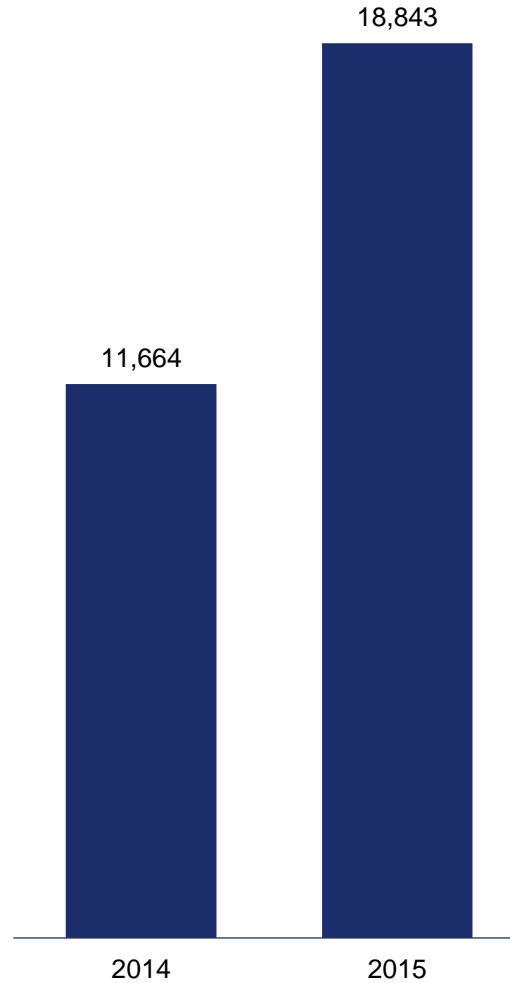
■ Railway ■ Urban Transit ■ Others

Financial Strength Further Enhanced

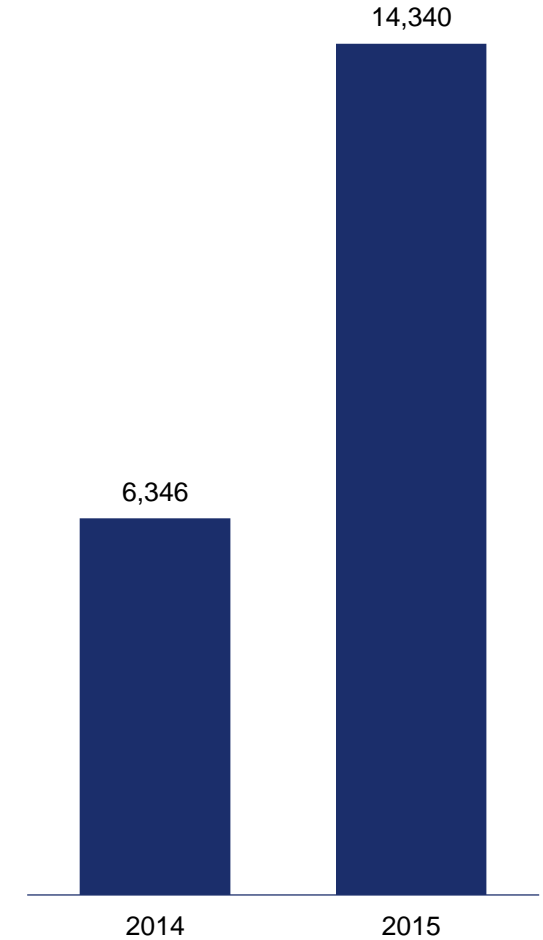
Total Assets
(RMB mm)



Equity Attributable to Shareholders of the Company
(RMB mm)

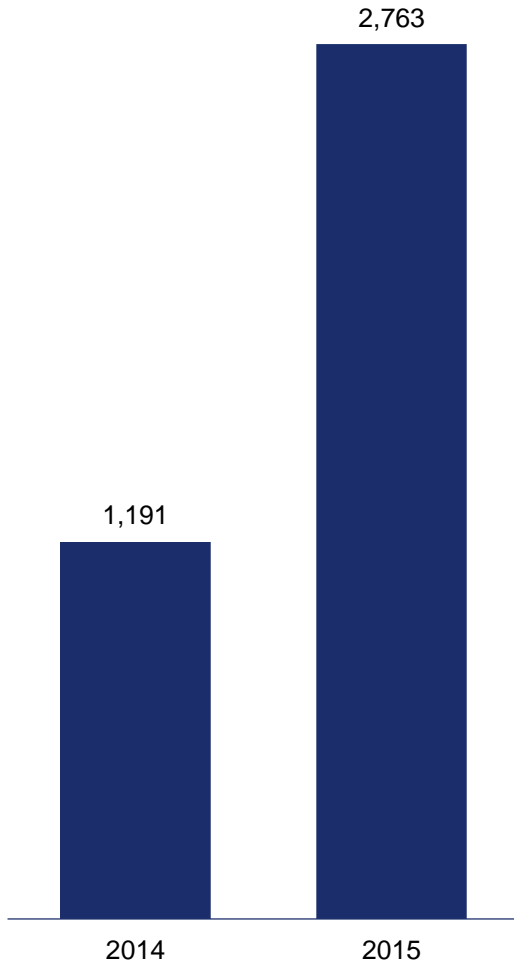


Cash and Cash Equivalents
(RMB mm)



Healthy Cash Flows

Cash Flow from Operating Activities
(RMB mm)



Cash Flow from Investing Activities
(RMB mm)

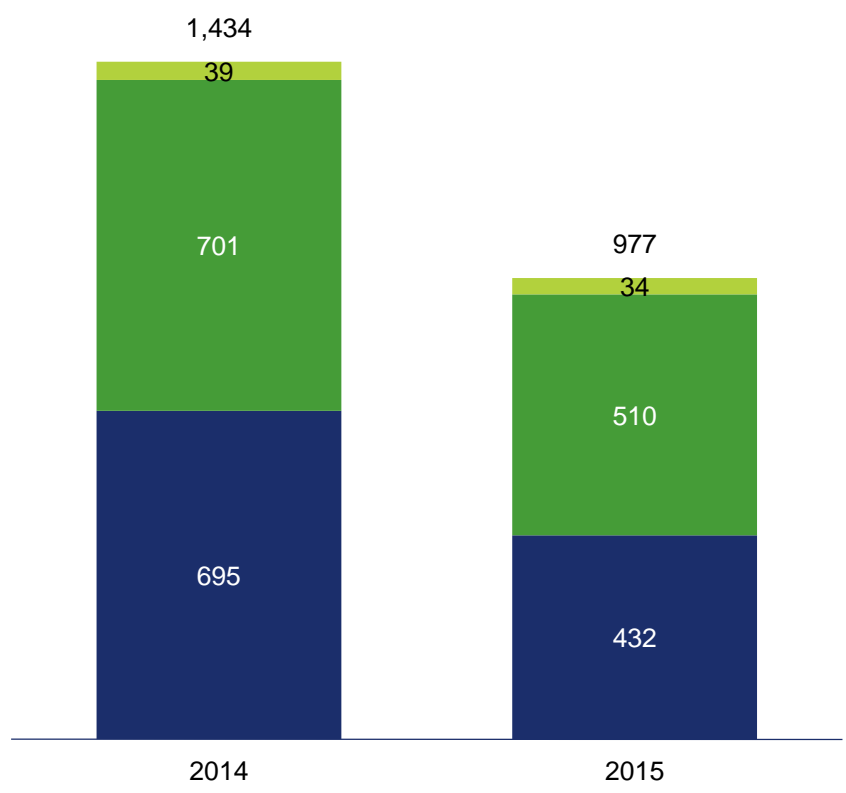


Cash Flow from Financing Activities
(RMB mm)



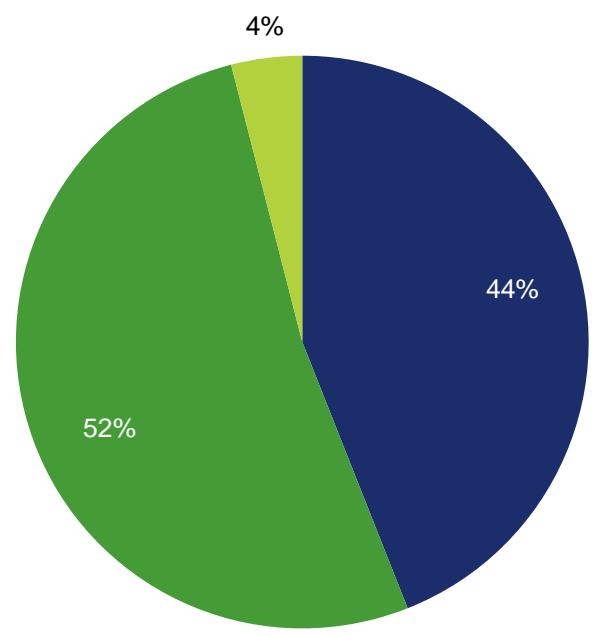
Capex Overview

Capex
(RMB mm)



- Purchase of intangible assets
- Prepaid land lease payments
- Purchase of property, plant and equipment and other long-term assets

2015 Capex Composition



- Purchase of property, plant and equipment and other long-term assets
- Prepaid land lease payments
- Purchase of intangible assets

Questions and Answers

