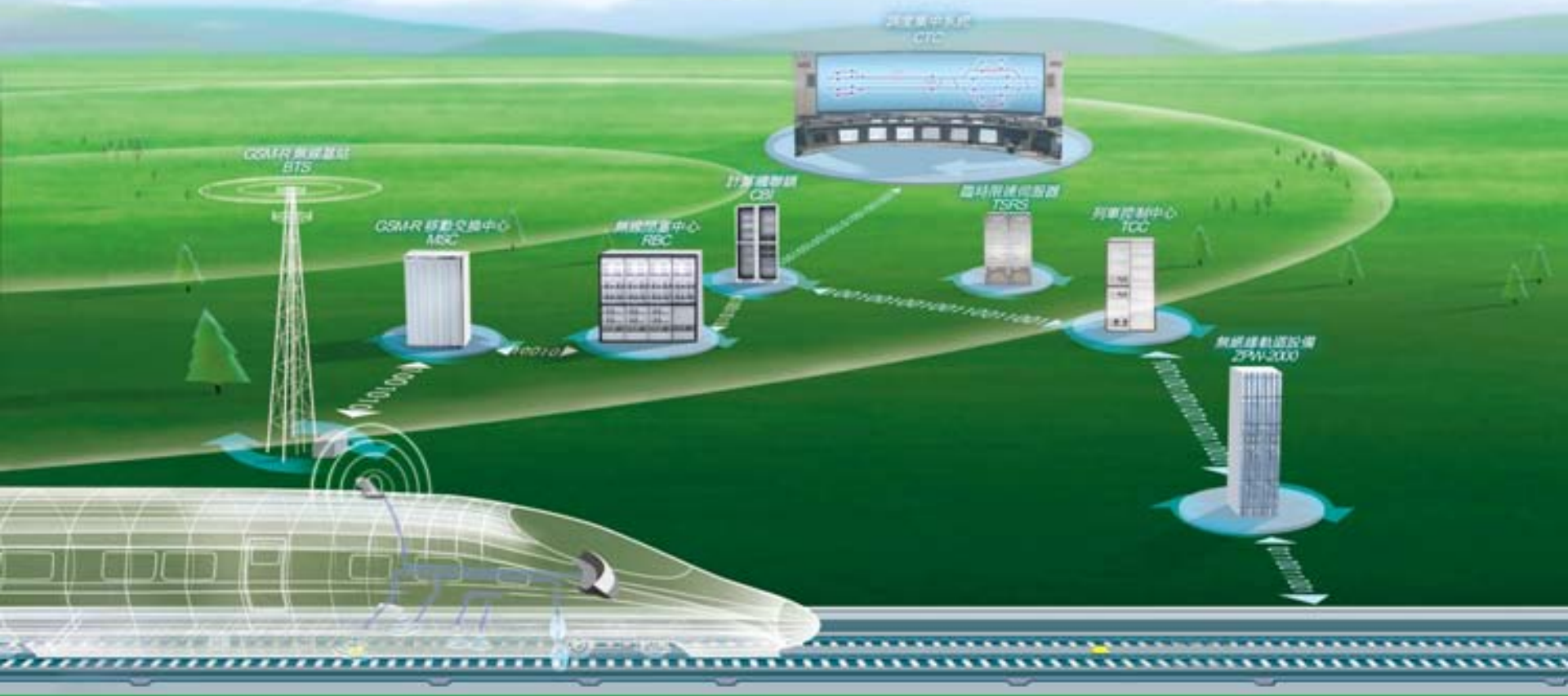




China Railway Signal & Communication Corporation Limited*

中國鐵路通信信號股份有限公司

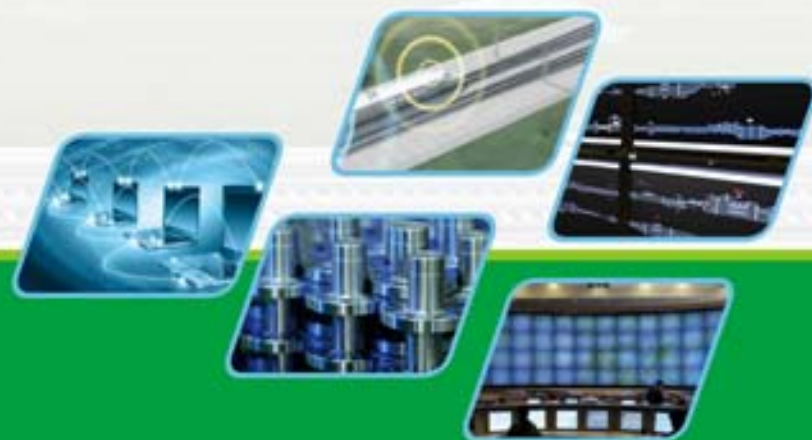


China Railway Signal & Communication Corporation Limited

2016 Results Announcement

March 2017

1. Business Overview



Fruitful Achievements with Marketing and Strengthened Industry Leadership

Achievements in 2016

- Won the tenders for key high-speed railway projects such as the Beijing-Shenyang, Wuhan-Jiujiang, Hangzhou-Huangshan and Huaibei- Xiao County high-speed railways.
- Won the bids for metro signal system projects in Xi'an, Shenyang and Wuhan, etc. and secured our operation in Xi'an Metro Airport Line on the basis of successful application of the proprietary Metro CBTC System in Beijing Metro Line 8 and Chongqing Metro.
- As for overseas markets, successfully signed the large sum orders for railway and metro projects in Pakistan and India.
- As for emerging business, entered into the first order for smart city in Tongren City, Guizhou Province and kept track of multiple smart city projects. Operation and maintenance system for signals and communications has been promoted and applied in the Wuhan - Guangzhou line.
- Be awarded the “double A” in performance appraisal for the year 2015 and the term 2013-2015 by the SASAC.
- Won the “Best Technology Innovation Listed Companies” award among the "Golden Bauhinia Awards" of China Securities, and the “Best Listed Company” award organized by the financial magazine China Financial Market in Hong Kong.

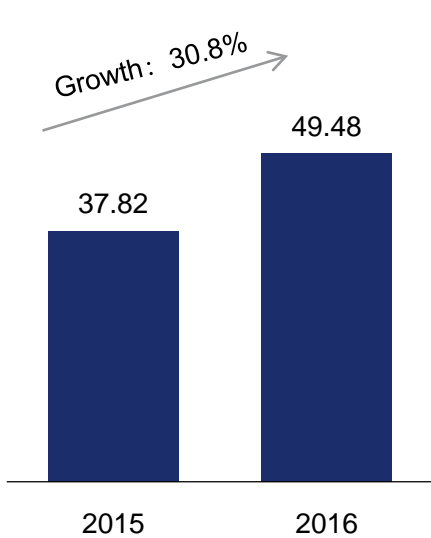
Strengthened Industry Leadership



Maintain Solid and Rapid Growth

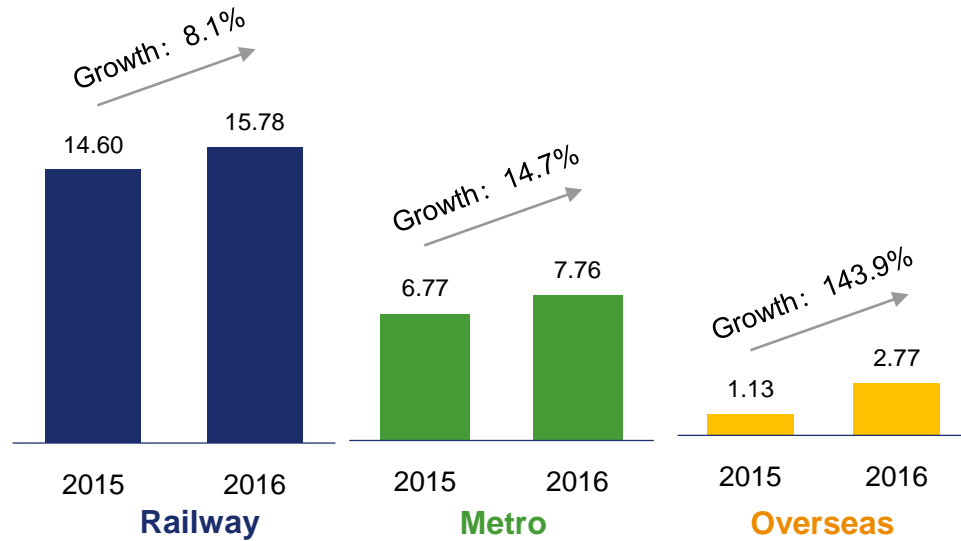
New Contracts

(RMB bn)



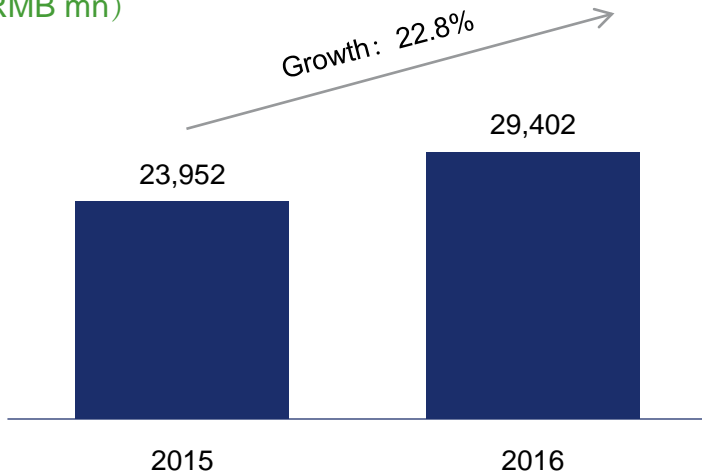
New Contracts in End Markets

(RMB bn)



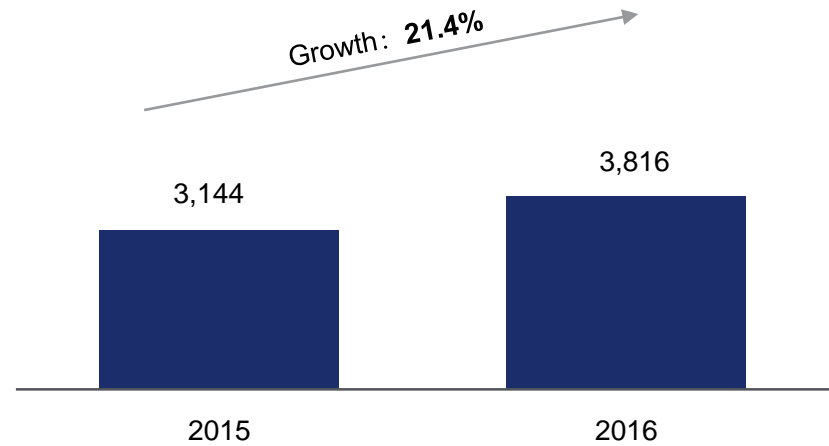
Revenue

(RMB mn)



Pre-tax Profit

(RMB mn)



Prosperous Market Potential



Backbone Railway

China has announced its “Mid- and Long-Term Railway Network Plan”. A backbone railway network will be forged with the “eight vertical” channels, e.g. the Coastal Railway and Beijing-Shanghai High-Speed Rail (HSR) , and “eight horizontal” channels , e.g. Land Bridge Rail and Shanghai-Wuhan-Chengdu HSR, with a total length over 30,000 km by 2020.



Intercity Railway

By 2020, the construction of intercity railway network for city clusters including Beijing-Tianjin-Hebei, Yangtze River Delta, Pearl River Delta, the middle reach of Yangtze River, the Central Plain, Chengdu-Chongqing and the Shandong Peninsula will be basically completed, with a complete and operating length over 3,000 km.



Urban Transit

With booming development of urban transit, the metro construction plans for more than 40 cities have been approved, with a total length over 8,000 km.



Modern Trams

Modern trams are favored by second and third tier cities. More than 40 cities have taken practical actions with planned mileage of 3,900 km.



Smart City

The smart transportation industry, primarily centering around the idea of “technology + traffic”, is expected to attract huge amounts of capitals in the future, and the application of informatization systems such as smart buildings, community informatization and smart healthcare will become more and more extensive.



Overseas

As the “One Belt One Road” construction is at a relatively favorable time, the vast capacity of overseas market and the favorable state strategy will bring us with new opportunities to enter overseas rail transportation construction markets.



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



2 Continue to diversify our end markets by actively seeking for new growth drivers



3 Continue to pursue emerging business and diversify the application of existing technology



4 Actively develop business and expand presences in overseas market



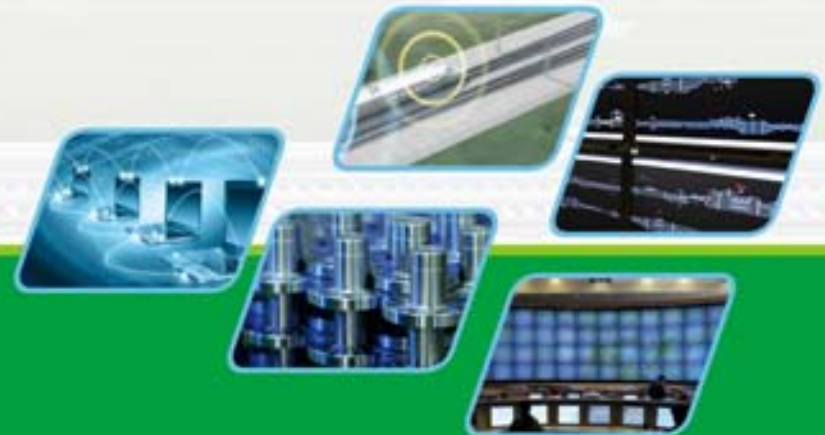
5 Promote comprehensive business lines through expanding EPC business and enhancing capital-operation capabilities



6 Further enhance management efficiency, and cultivate excellent corporate culture



2. 2016 Operating Performance



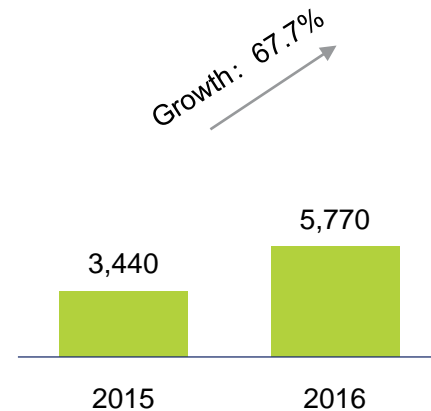
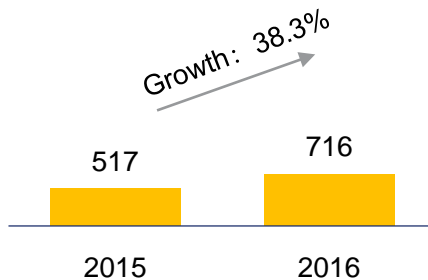
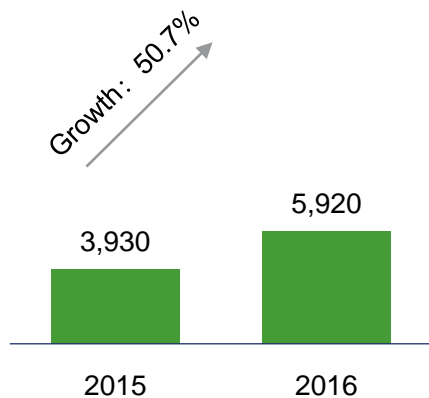
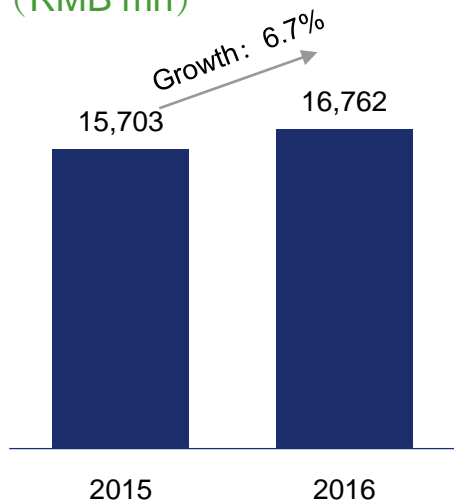
Solid Growth of Traditional Business and Rapid Growth of Related Business

Railway
(RMB mn)

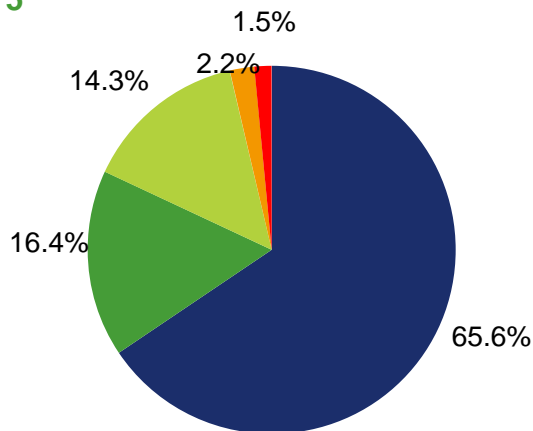
Urban Transit
(RMB mn)

Overseas Market
(RMB mn)

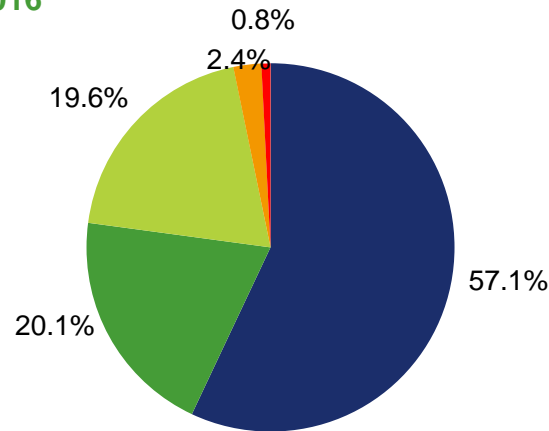
Construction Contracting
(RMB mn)



2015



2016

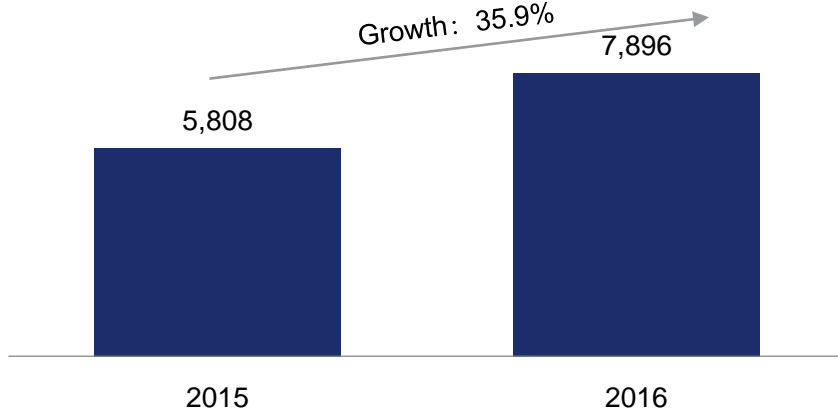


■ Railway ■ Urban Transit
■ Construction ■ Overseas
■ Others

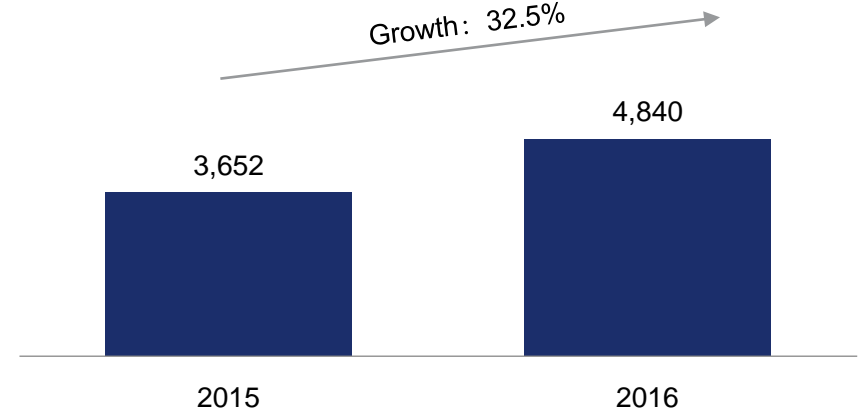
■ Railway ■ Urban Transit
■ Construction ■ Overseas
■ Others

Strong Growth in Design and Integration Business

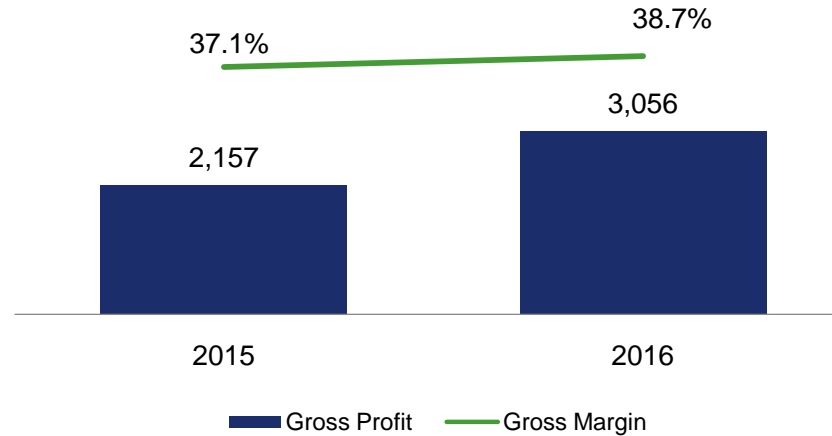
Revenue from Design and Integration Business (RMB mn)



Cost of Sales (RMB mn)

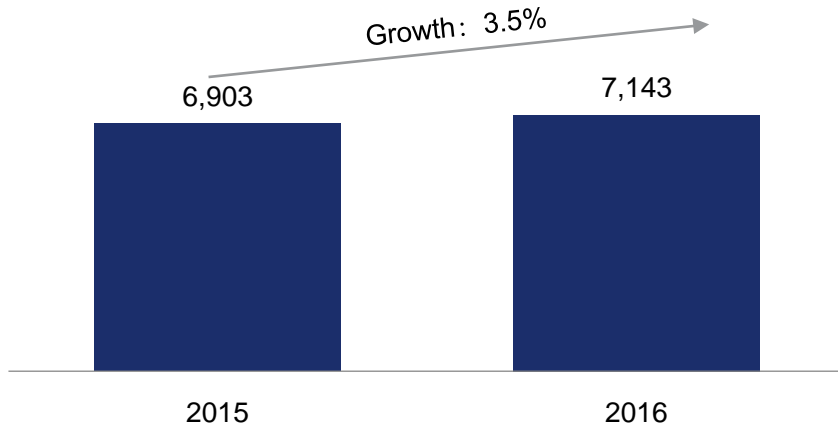


Gross Profit and Gross Margin (RMB mn)

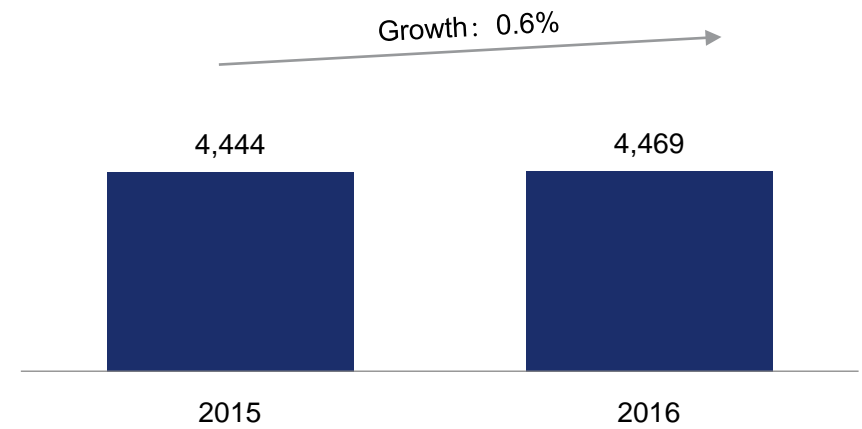


Maintain Solid Base in Equipment Manufacturing

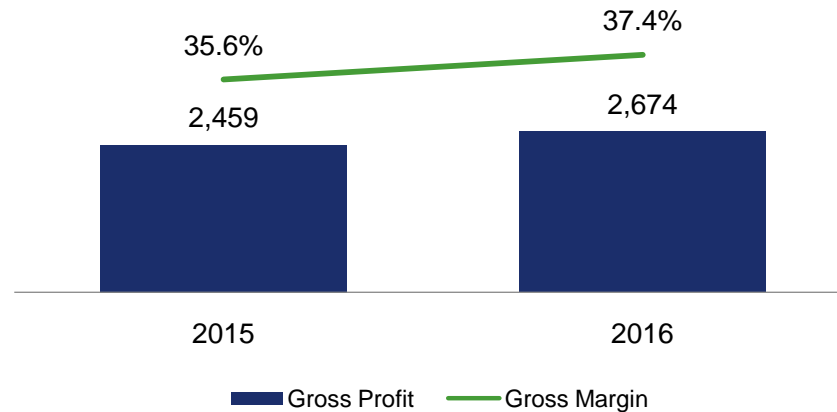
Revenue from Equipment Manufacturing (RMB mn)



Cost of Sales (RMB mn)

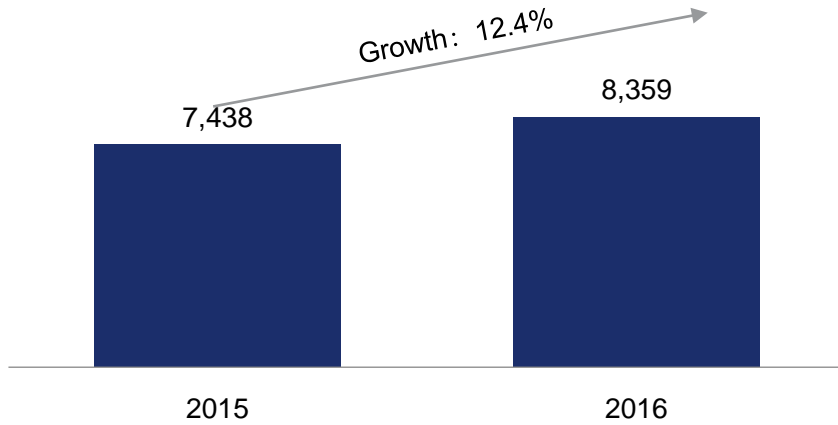


Gross Profit and Gross Margin (RMB mn)

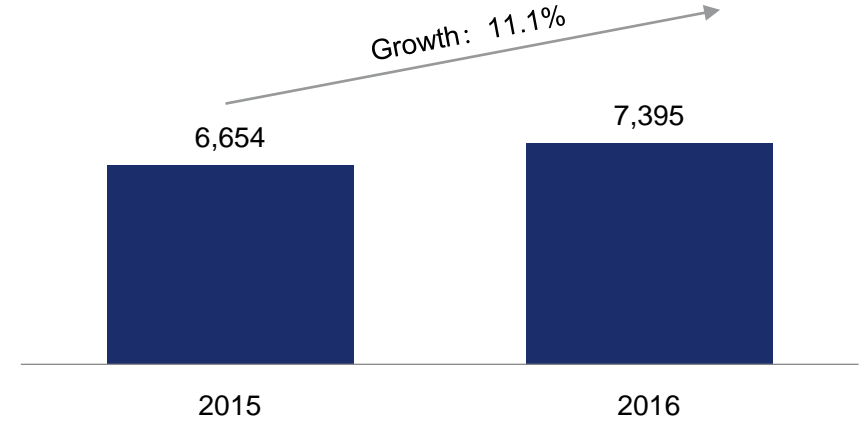


Steady Growth in System Implementation

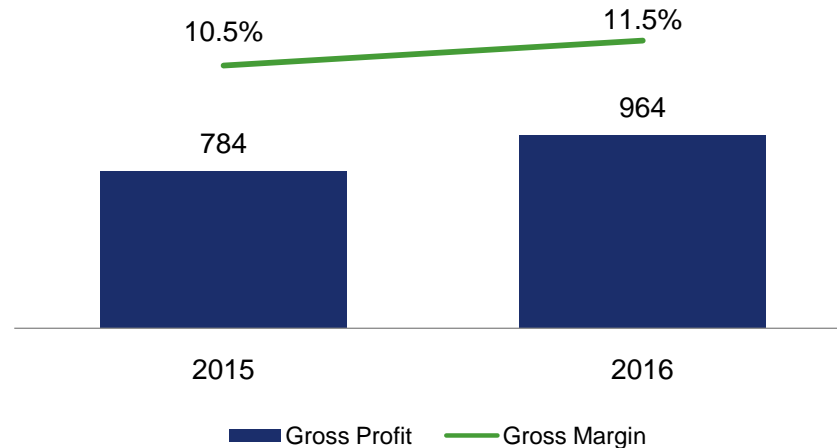
Revenue from System Implementation (RMB mn)



Cost of Sales (RMB mn)

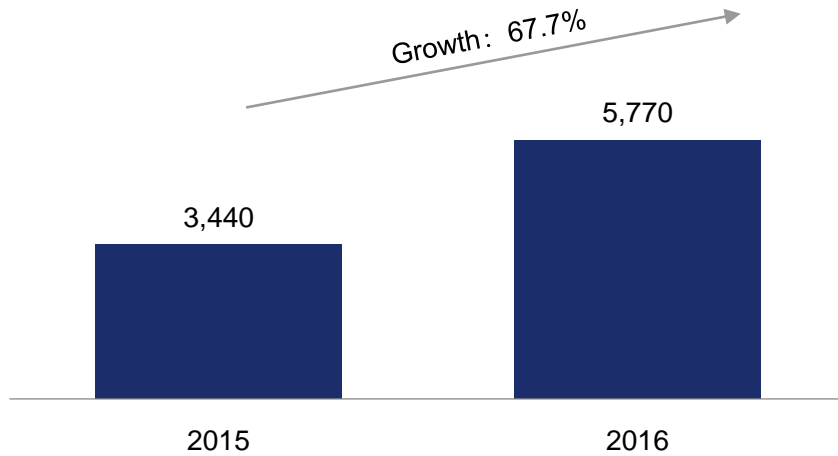


Gross Profit and Gross Margin (RMB mn)

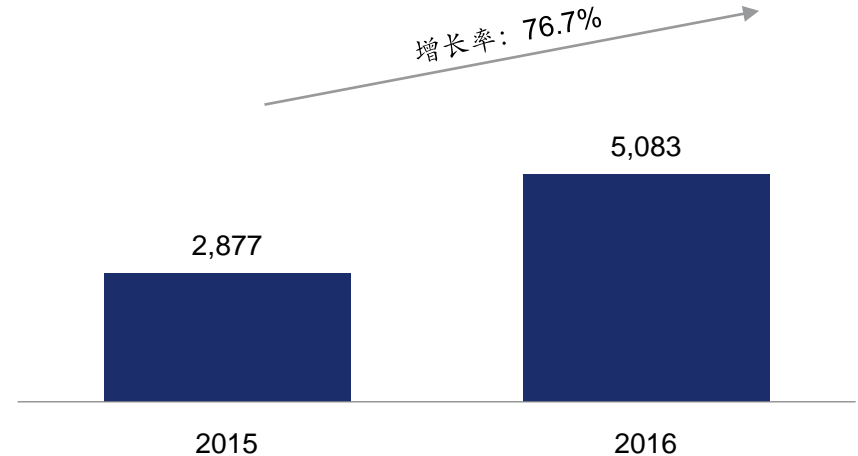


Rapid Growth in Construction Contracting

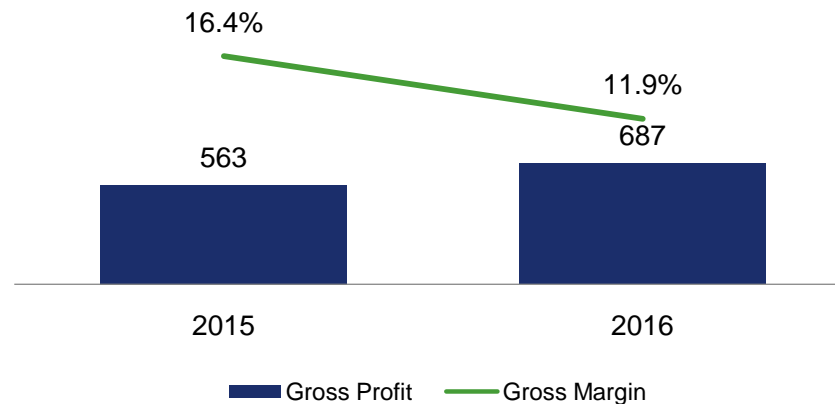
Revenue from Construction Contracting (RMB mn)



Cost of Sales (RMB mn)



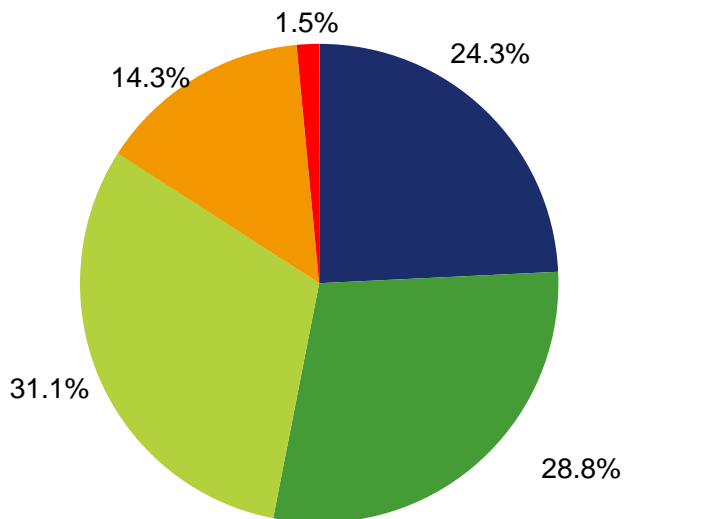
Gross Profit and Gross Margin (RMB mn)



Reasonable Business Proportion

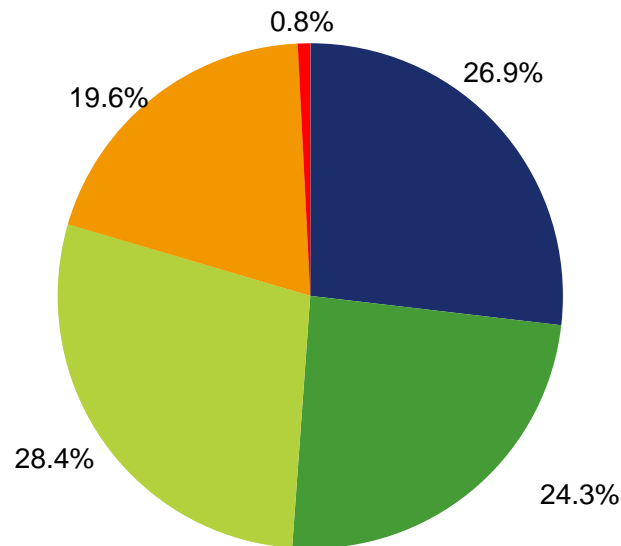
Revenue Contribution by Segment

2015



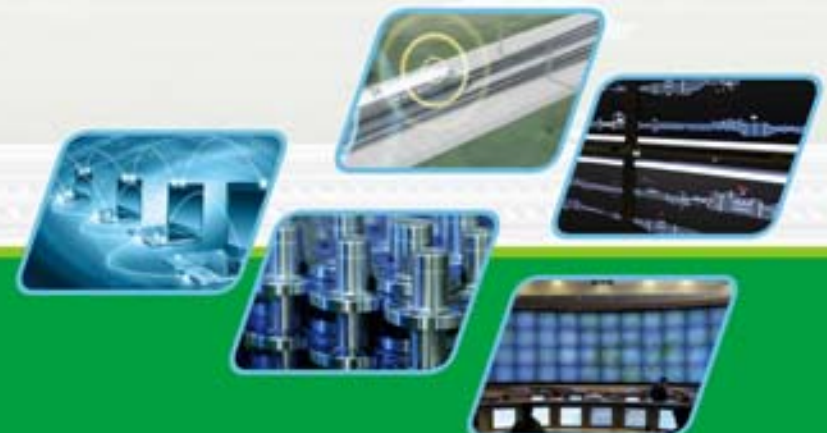
- Design and Integration
- Equipment Manufacturing
- System Implementation
- Construction Contracting
- Others

2016



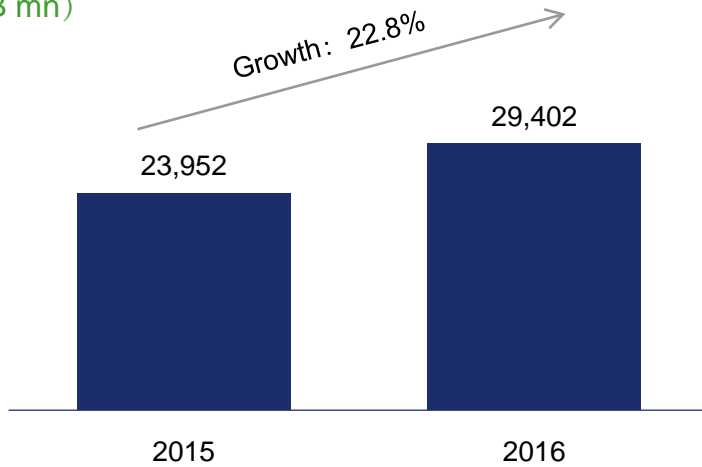
- Design and Integration
- Equipment Manufacturing
- System Implementation
- Construction Contracting
- Others

3. 2016 Financial Performance

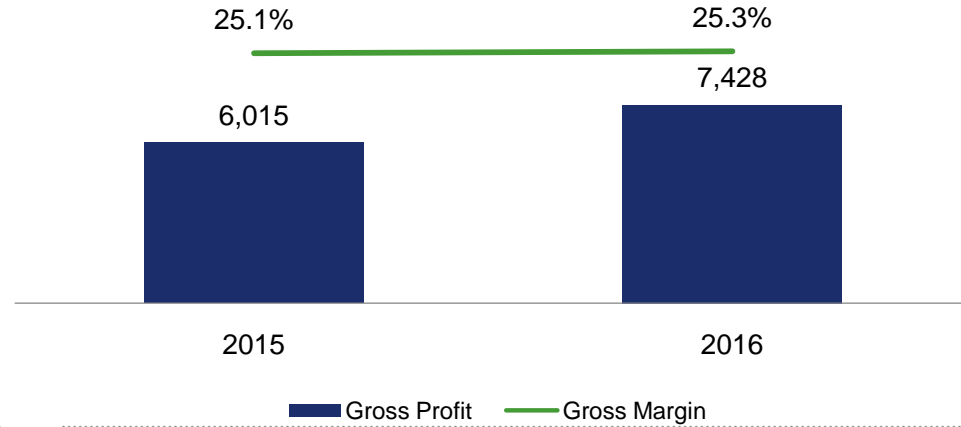


Solid Growth and Strong Profitability

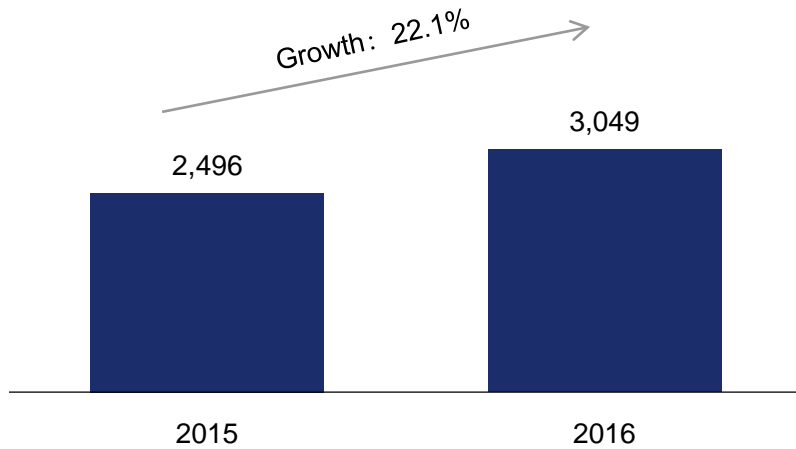
Revenue (RMB mn)



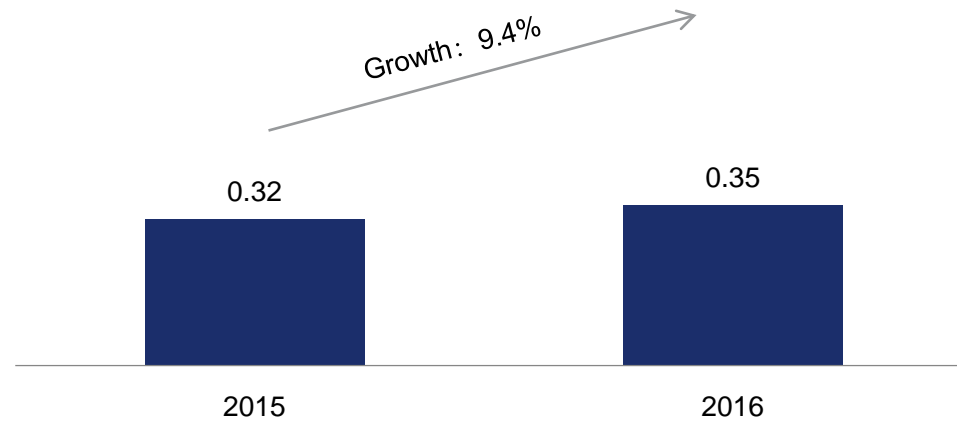
Gross Profit and Gross Margin (RMB mn)



Net Profit attributable to the Shareholders (RMB mn)



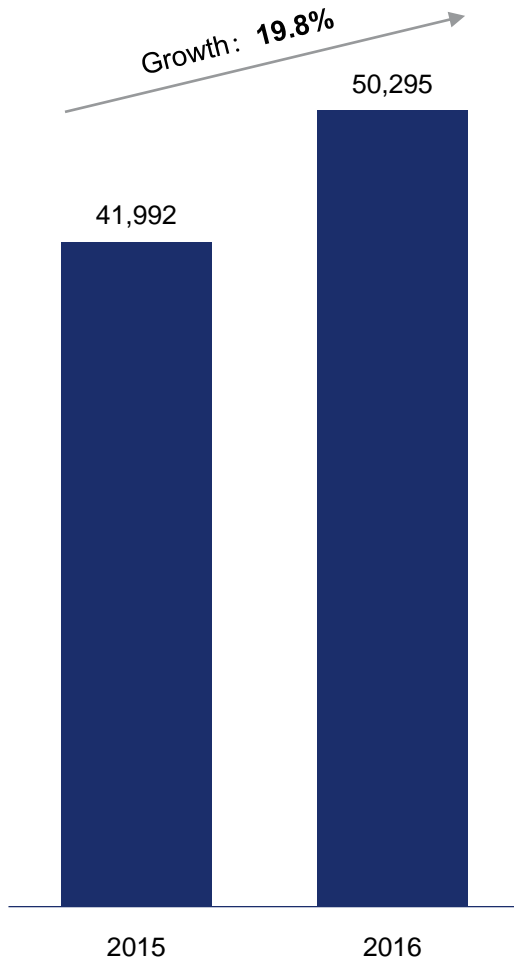
EPS



Enhanced Asset Volume and Abundant Cash

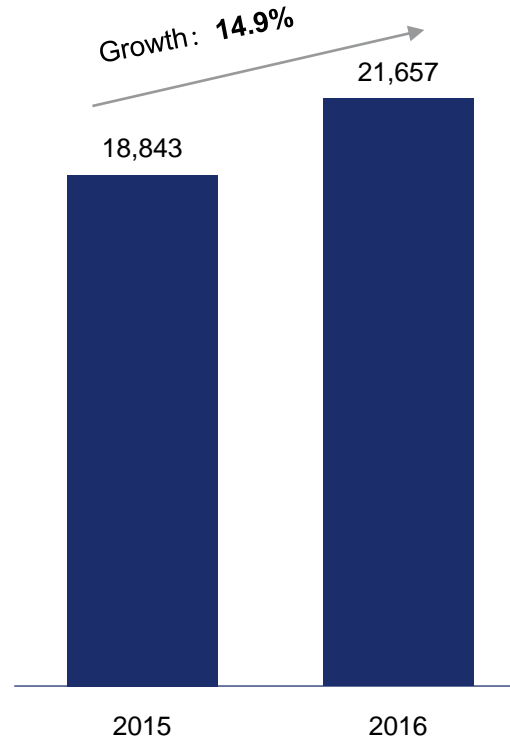
Total Assets

(RMB mn)



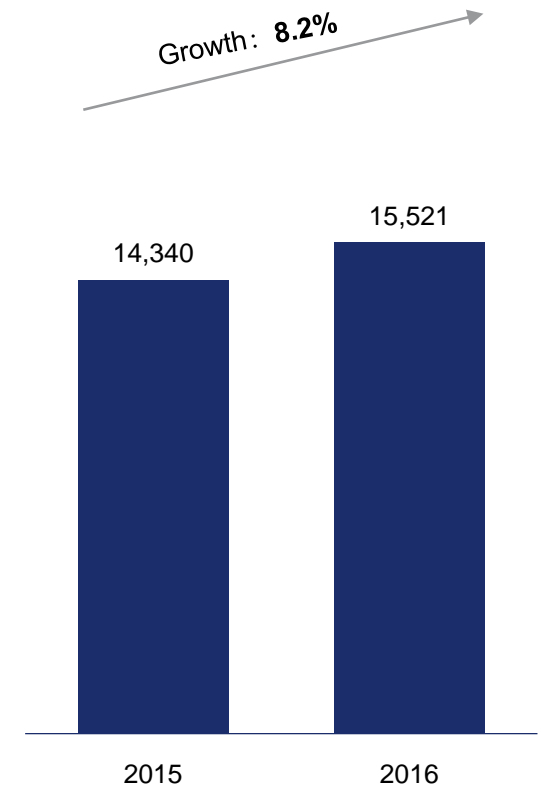
Net Assets attributable to the Shareholders

(RMB mn)



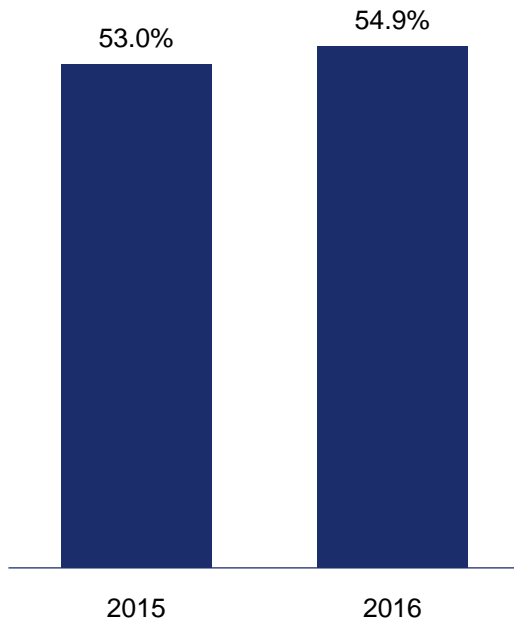
Cash and Cash Equivalent

(RMB mn)



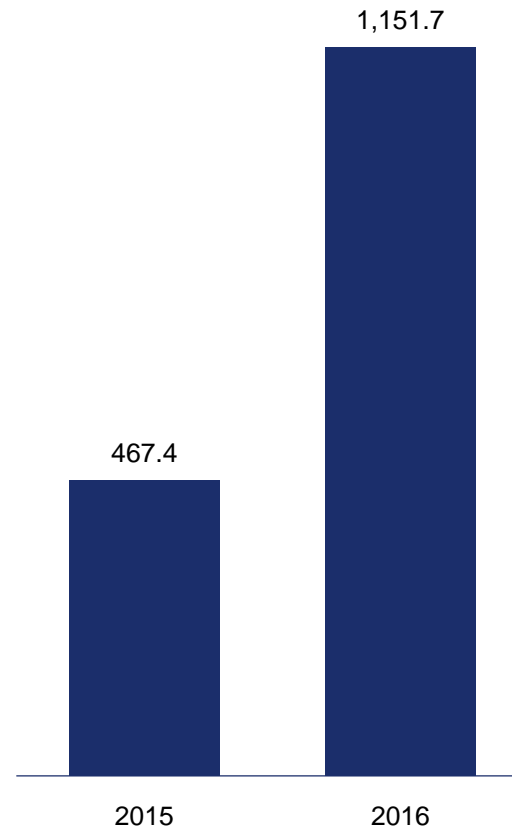
Prudent Debt Structure

Debt Ratio



Borrowings

(RMB mn)



Cash Flow Overview

Net Cash Flow from Operating Activities

(RMB mn)



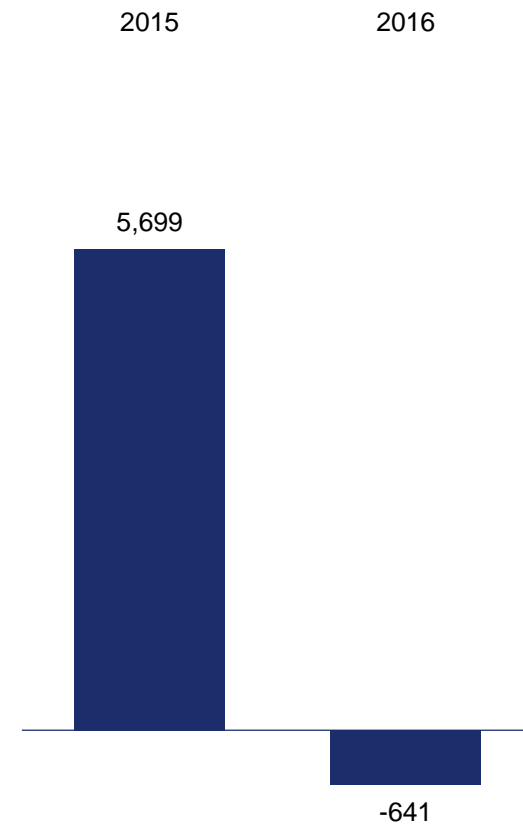
Net Cash Flow from Investing Activities

(RMB mn)



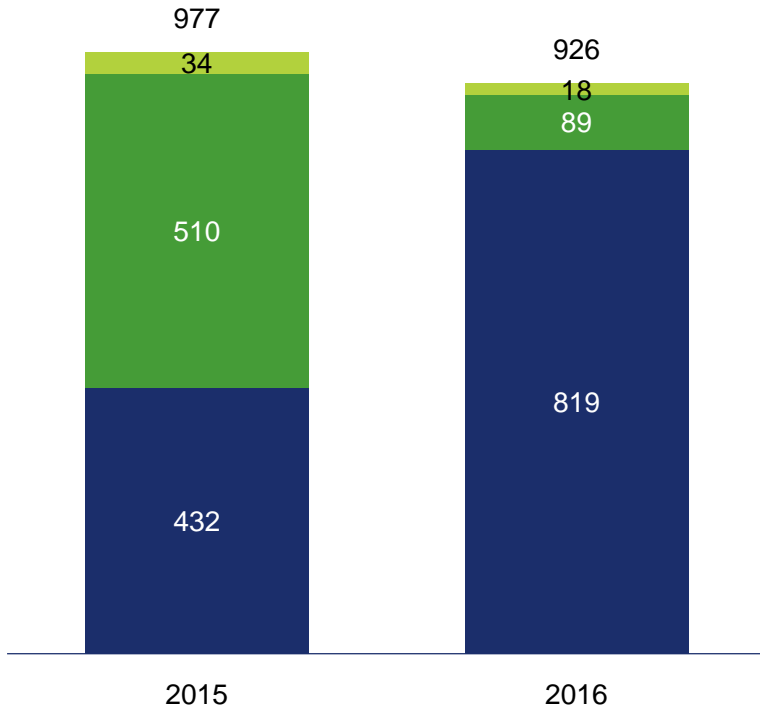
Net Cash Flow from Financial Activities

(RMB mn)



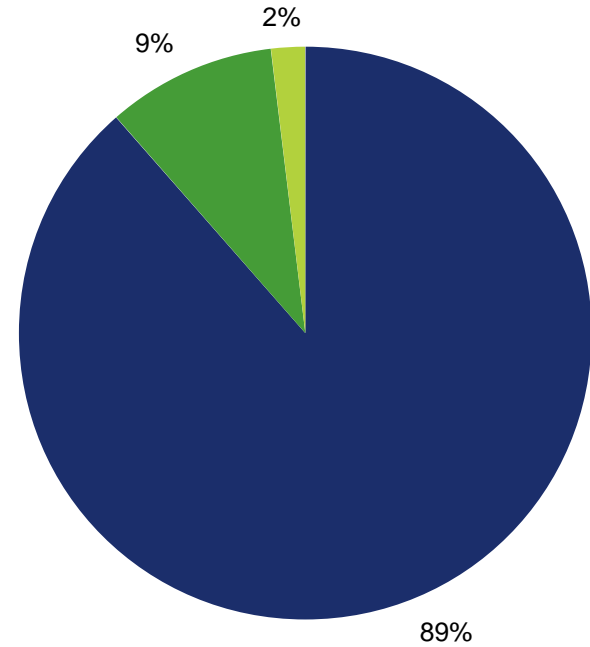
CAPEX Overview

CAPEX (RMB mn)



- Purchase of intangible assets
- Prepaid land lease payments
- Purchase of PPE

2016 CAPEX Composition



- Purchase of PPE
- Prepaid land lease payments
- Purchase of intangible assets

Thank You

