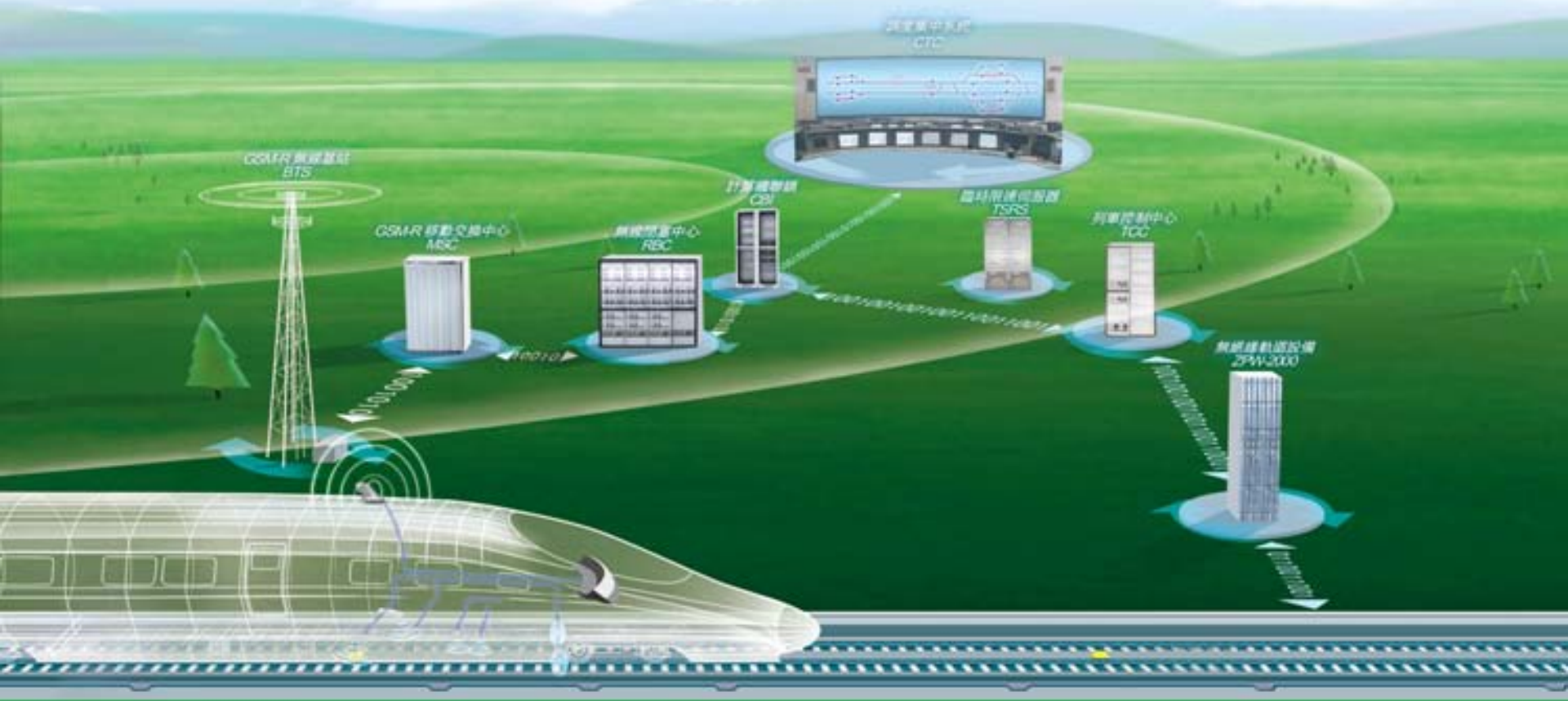




China Railway Signal & Communication Corporation Limited
中國鐵路通信信號股份有限公司

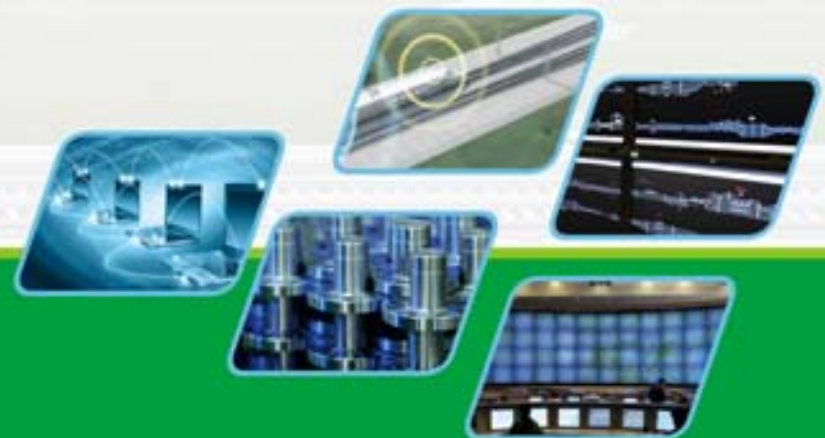


China Railway Signal & Communication Corporation Limited

2017 Results Announcement

April 2017

1. Business Overview

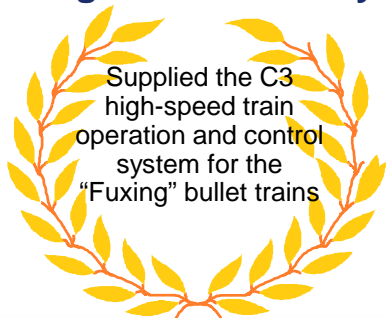


Fruitful Achievements with Marketing and Solid Industry Leadership

Achievements in 2017

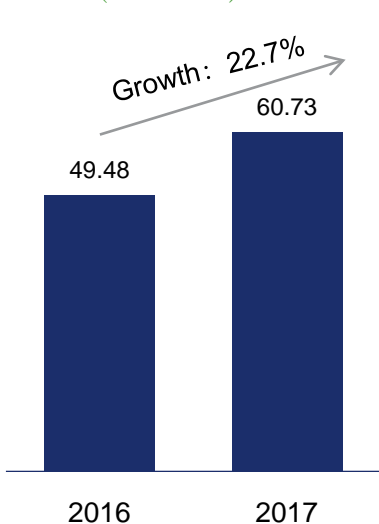
- Won the bids for key high-speed railway projects such as Shanghai-Nantong, Nanchang-Ganzhou, Beijing-Zhangjiakou and Shangqiu-Hefei-Hangzhou.
- The metro automation control system continued to gain market leadership in Shanghai, Shenzhen, and Zhengzhou, etc. Our independent intellectual property, CBTC system, won the bids for Changsha Metro Route No.5 and Changchun Metro Beihu Line, achieving new breakthroughs.
- Won the bids for the projects of the modern special tram line for travel and passenger transportation in Dujiangyan and the modern tram project in Yuncheng, Shandong.
- Achieved positive progress in the smart city project and entered into the Siping City underground integrated pipeline automation control system engineering project.
- Continued to advance in overseas markets, completed the communication signal information technology project for the Mombasa–Nairobi Railway in Kenya with Chinese standard, participated in the implementation of the Jakarta-Bandung High Speed Railway project and continued to participate in various national key overseas projects such as Singapore-Malaysia High Speed Railway and Moscow-Kazan High Speed Railway.
- Won a grade A rating for operating performance appraisal on responsible persons of central enterprises for 2016 granted by the SASAC.

Strengthened Industry Leadership

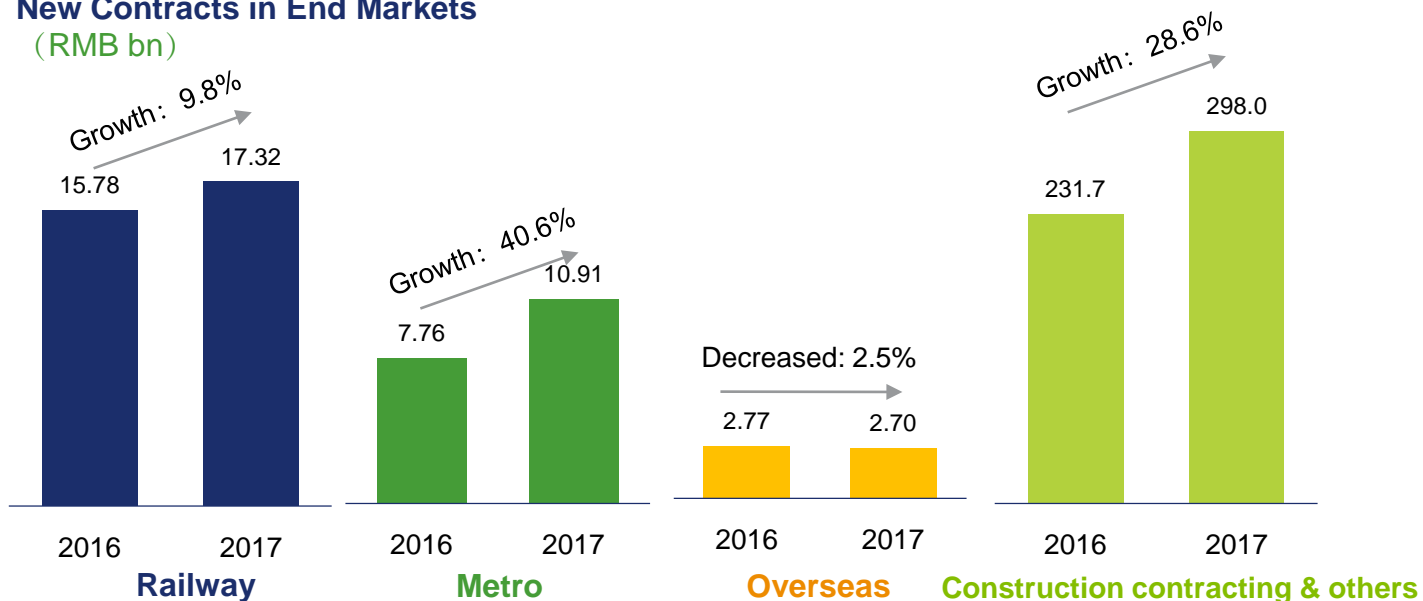


Major Economic Indicators in Solid Growth

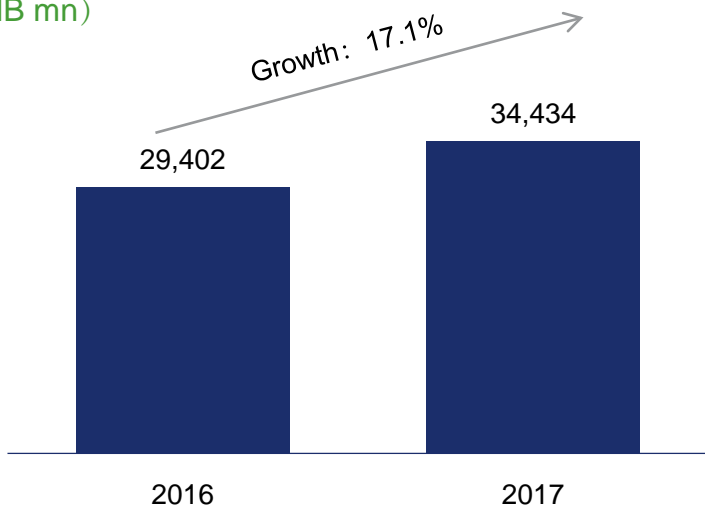
New Contracts (RMB bn)



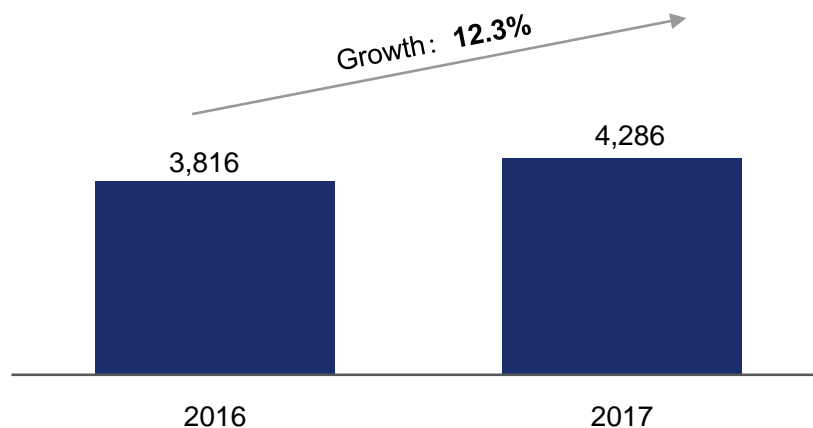
New Contracts in End Markets (RMB bn)



Revenue (RMB mn)



Pre-tax Profit (RMB mn)



Prosperous Market Potential



Backbone Railway

The mileage of new routes which will commence operation will reach 4,000 km (of which 3,500 km are high-speed railways), more than the mileage in 2017, which means the railway constructions under the 13th Five-Year Plan will begin to enter a concentrated delivery period ;

Moreover, with the arrival of the overhaul period for high-speed railways, the high-speed railway reconstruction market also see opportunities for new movements.



Urban Transit

Urban transit presented a trend of accelerating development, more than 868 km of new lines were added in 2017, increased by 330 km or more than 60% when compared with 2016. In 2018, the tenders for metro will continue to remain at high level.



Intercity Railway

The construction of more than 5,000 km of intercity railway network has been planned for China, with Beijing-Tianjin-Hebei, Yangtze River Delta and Pearl River Delta to be the key regions for the development of the intercity railways. In 2017, more than 1,000 km in mileage across the nation commenced construction, the optimistic trend in construction is expected to continue in 2018.



Modern Trams

Modern trams operation mileage reached 232.7 km by the end of 2017, and 38 lines, total 535.56 km modern trams routes in 22 cities are under construction, showing a great prospect.



Smart City

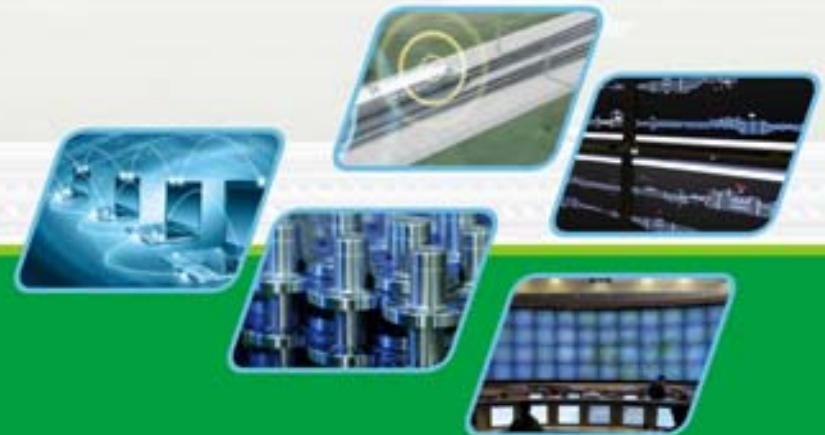
More than 300 cities across the nation have made planning relating to Smart City. The next few years will be the years for implementation .



Overseas

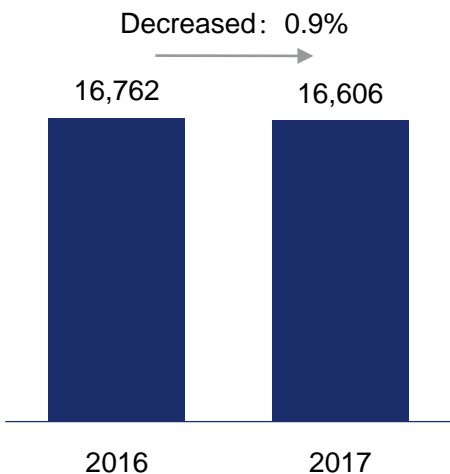
Overseas markets continue to present good development momentum, many railway and metro projects are constructed efficiently under progress.

2. 2017 Operating Performance

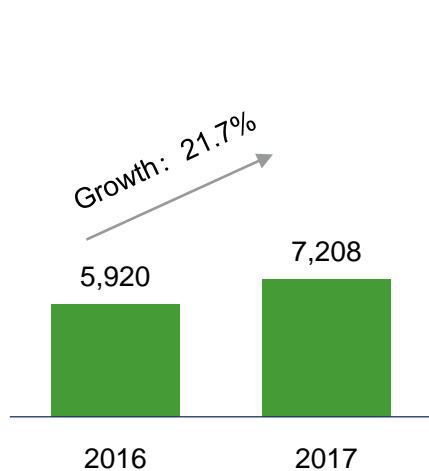


Solid Performance of Traditional Business and Rapid Growth of Related Business

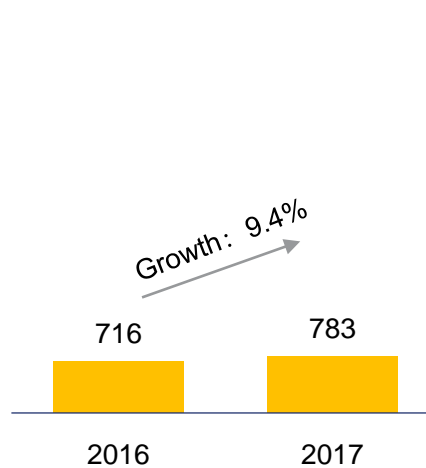
Domestic Railway Income
(RMB mn)



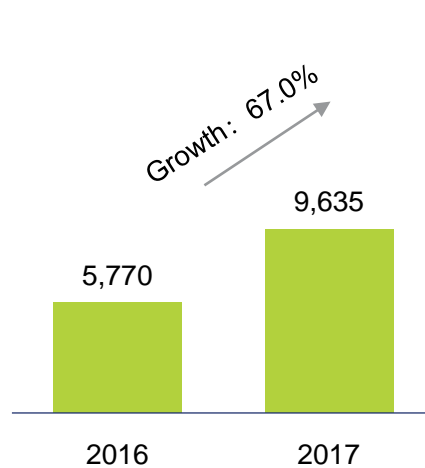
Domestic Urban Transit Income
(RMB mn)



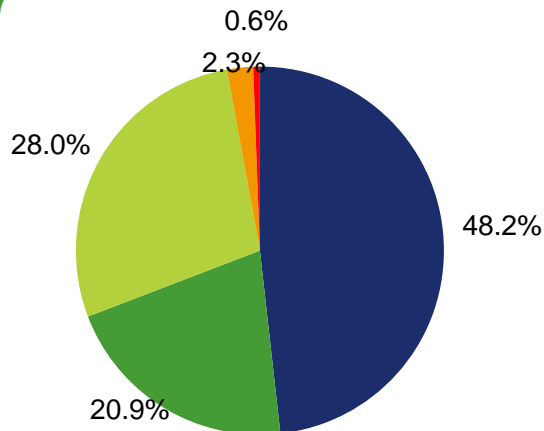
Overseas Market Income
(RMB mn)



Construction Contracting Income
(RMB mn)

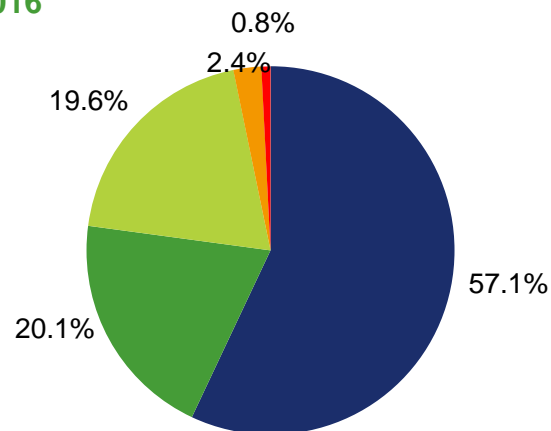


2017



- Railway
- Urban Transit
- Construction
- Overseas
- Others

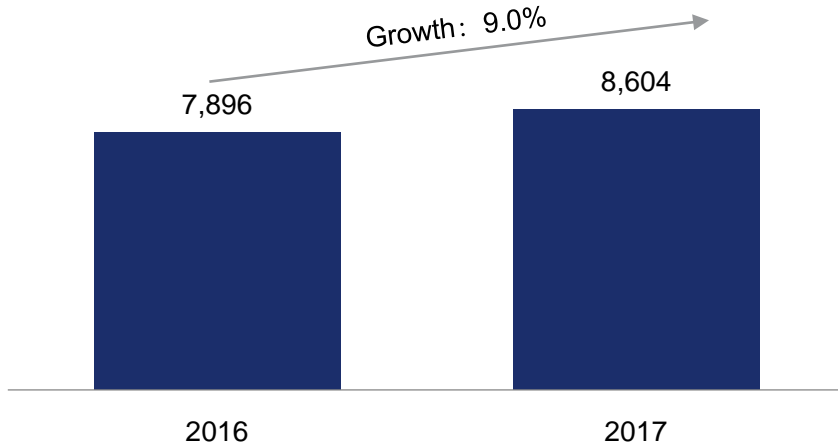
2016



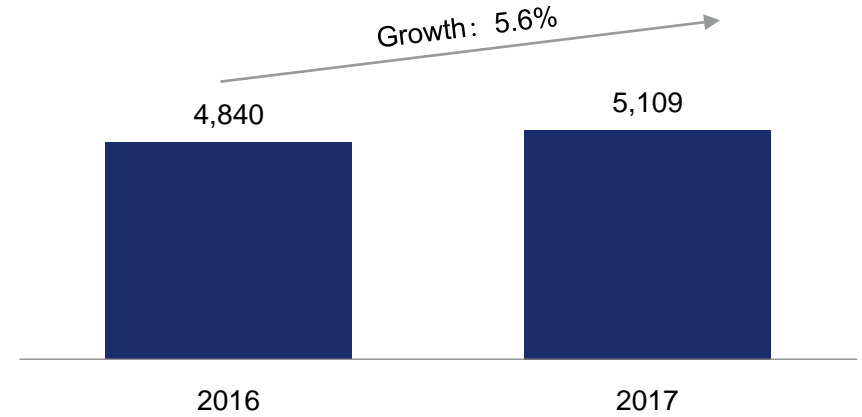
- Railway
- Urban Transit
- Construction
- Overseas
- Others

Solid Growth in Design and Integration Business

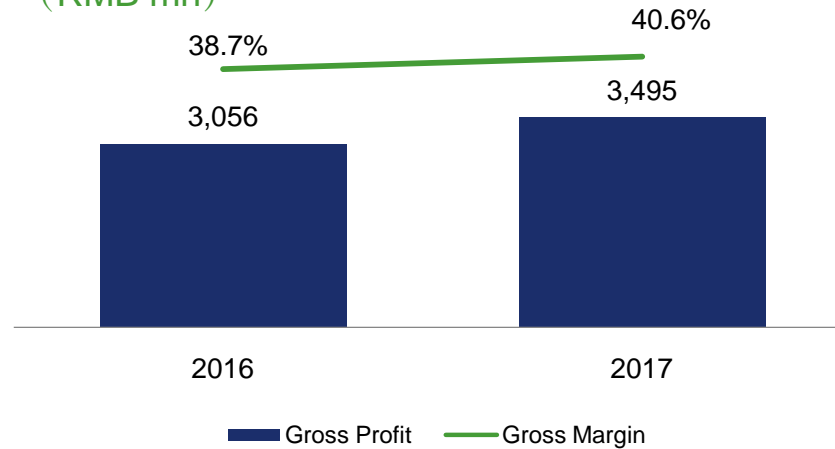
Revenue from Design and Integration Business (RMB mn)



Cost of Sales (RMB mn)



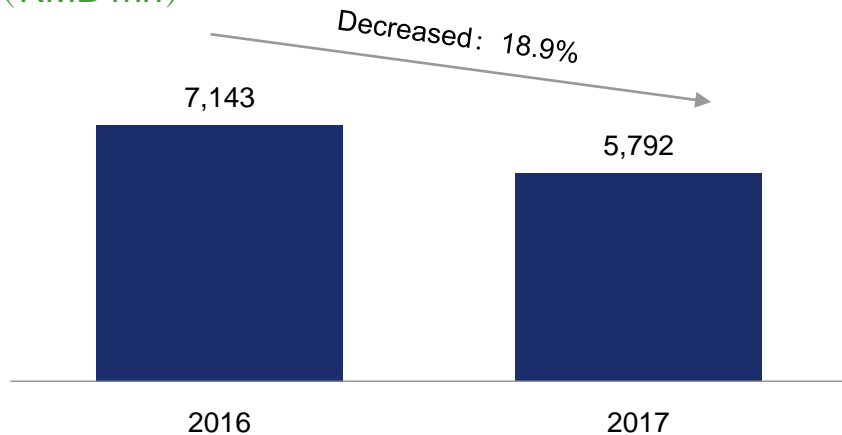
Gross Profit and Gross Margin (RMB mn)



Decrease in Equipment Manufacturing

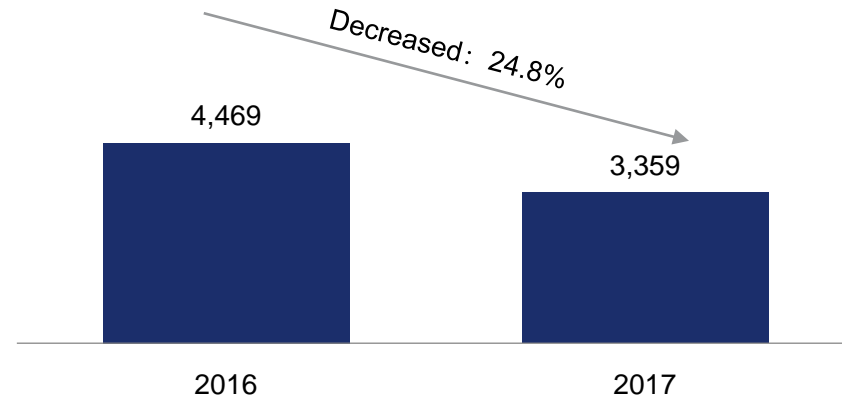
Revenue from Equipment Manufacturing

(RMB mn)



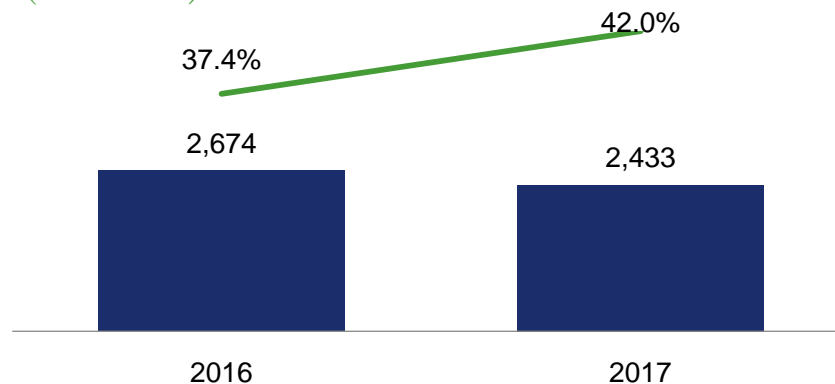
Cost of Sales

(RMB mn)



Gross Profit and Gross Margin

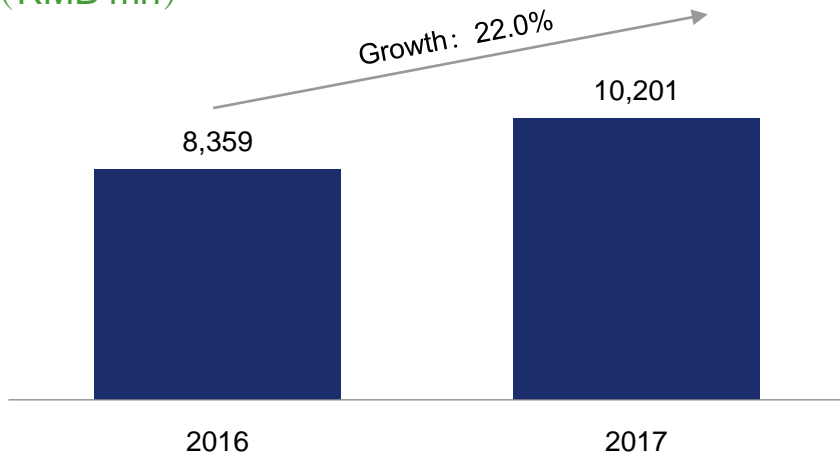
(RMB mn)



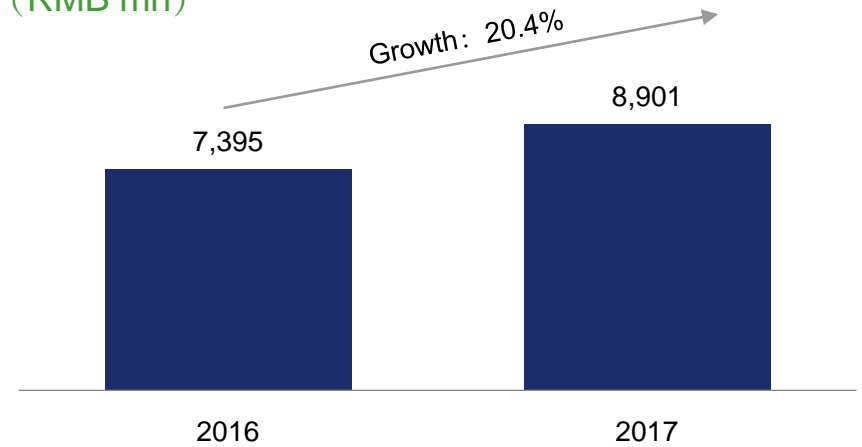
■ Gross Profit — Gross Margin

Rapid Growth in System Implementation

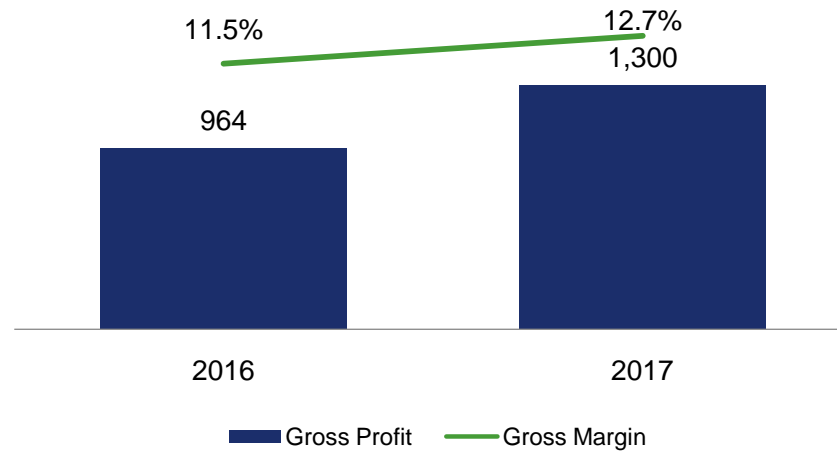
Revenue from System Implementation (RMB mn)



Cost of Sales (RMB mn)

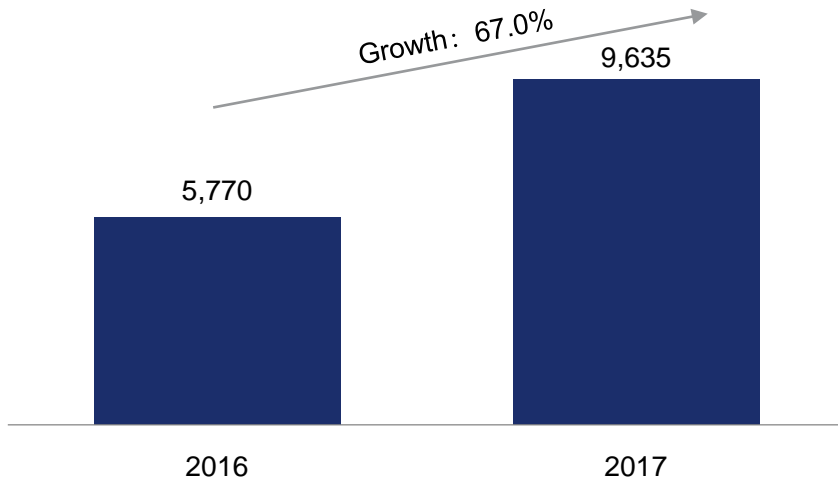


Gross Profit and Gross Margin (RMB mn)

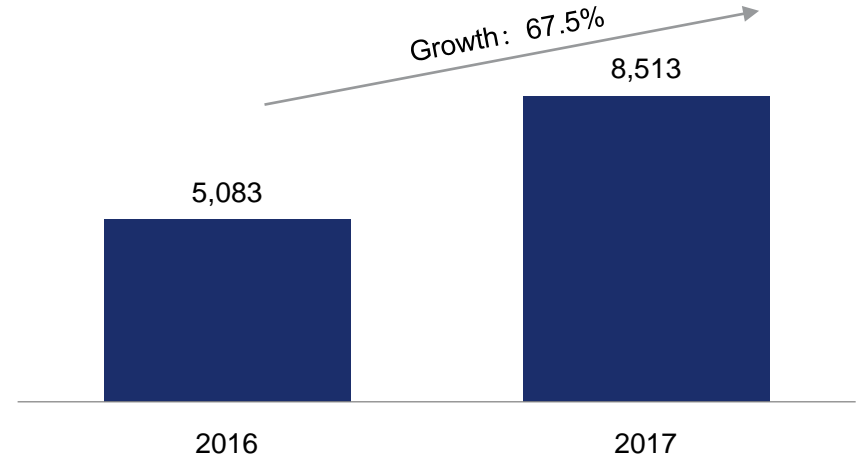


Rapid Growth in Construction Contracting

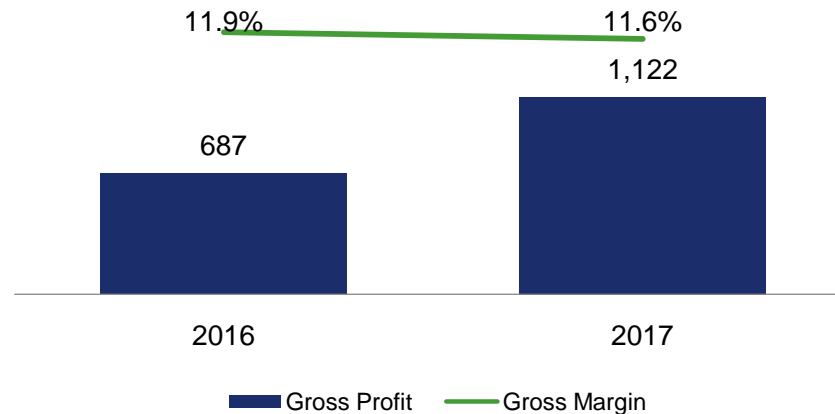
Revenue from Construction Contracting (RMB mn)



Cost of Sales (RMB mn)



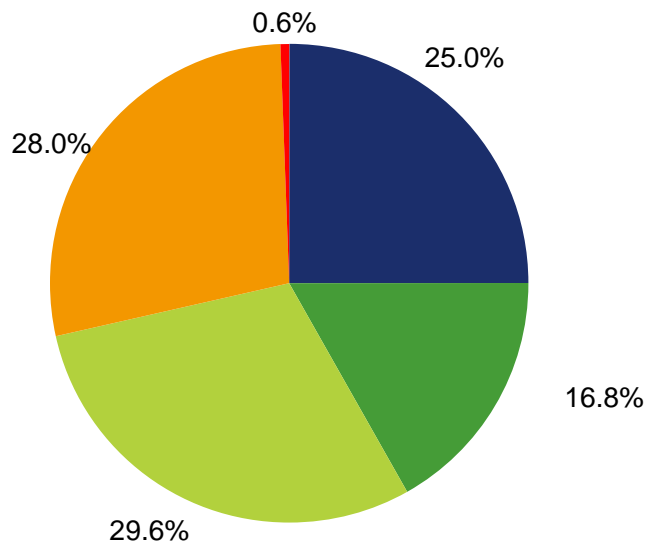
Gross Profit and Gross Margin (RMB mn)



Business Proportion

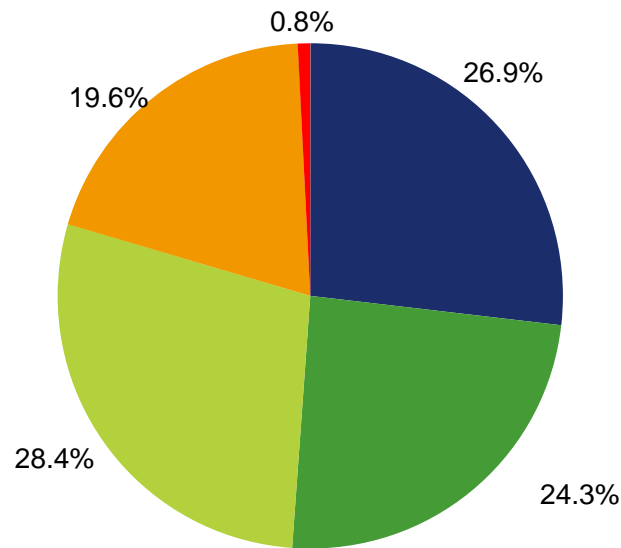
Revenue Contribution by Segment

2017



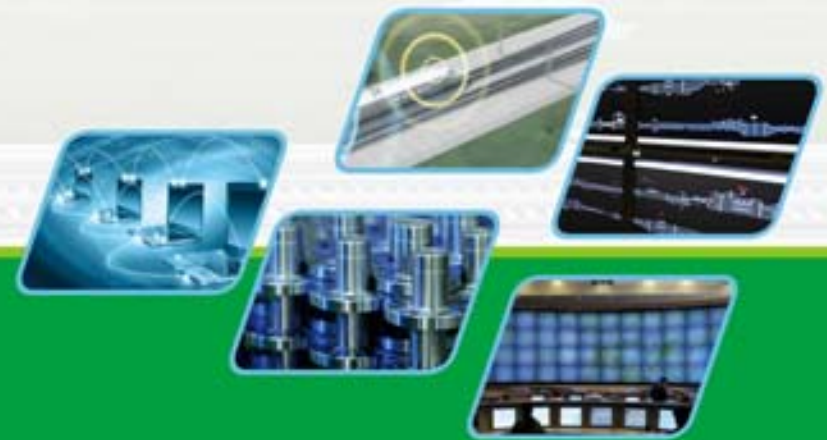
- Design and Integration
- Equipment Manufacturing
- System Implementation
- Construction Contracting
- Others

2016



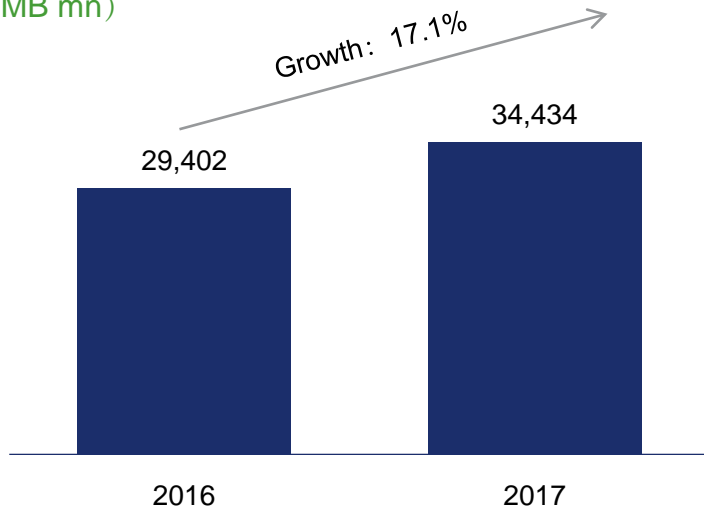
- Design and Integration
- Equipment Manufacturing
- System Implementation
- Construction Contracting
- Others

3. 2017 Financial Performance

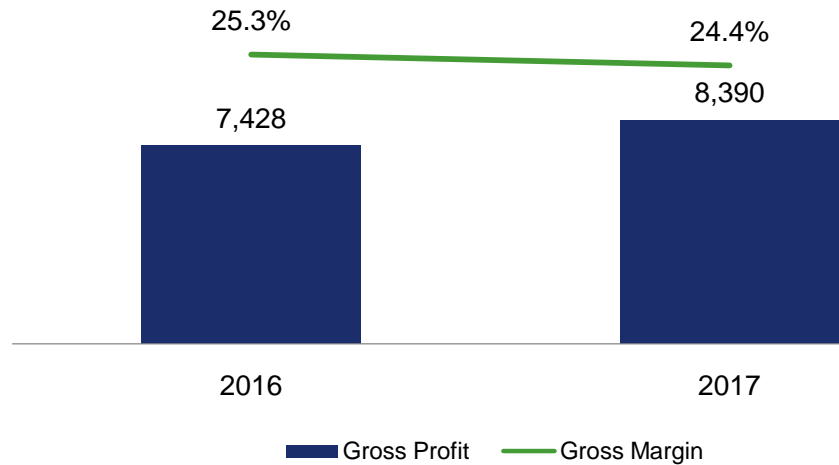


Solid Growth and Profitability

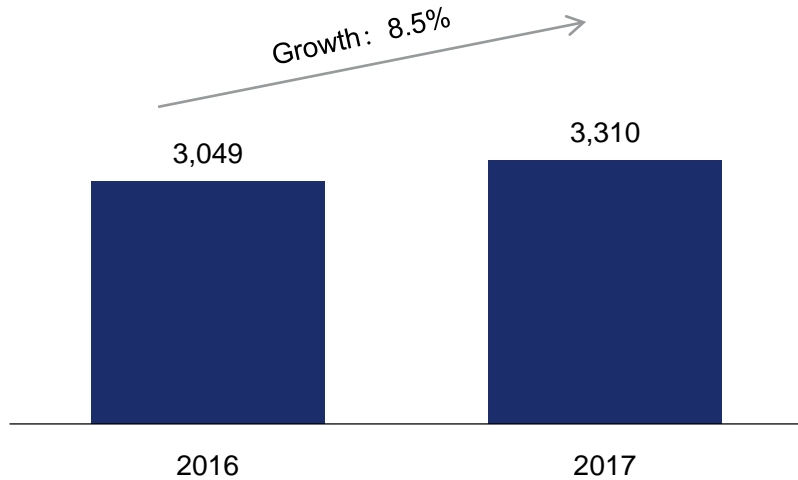
Revenue (RMB mn)



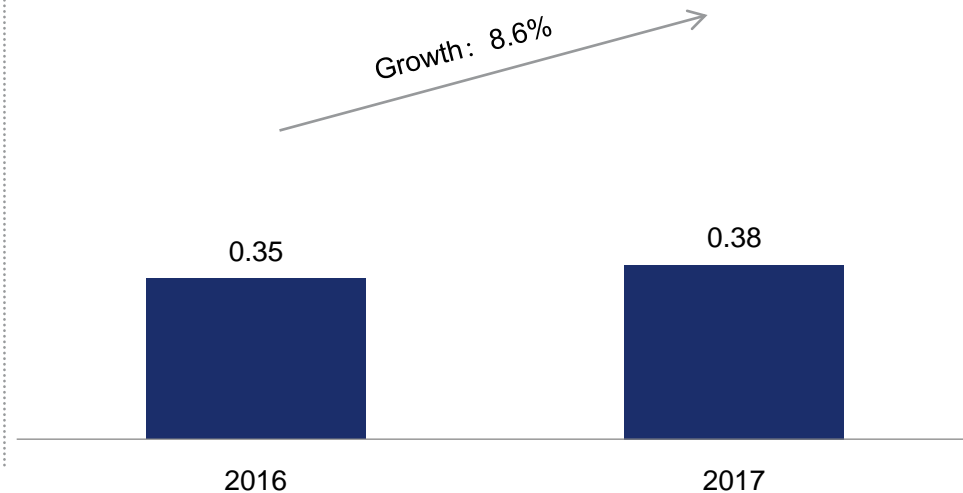
Gross Profit and Gross Margin (RMB mn)



Net Profit attributable to the Shareholders (RMB mn)



EPS (RMB per Share)



Enhanced Asset Volume

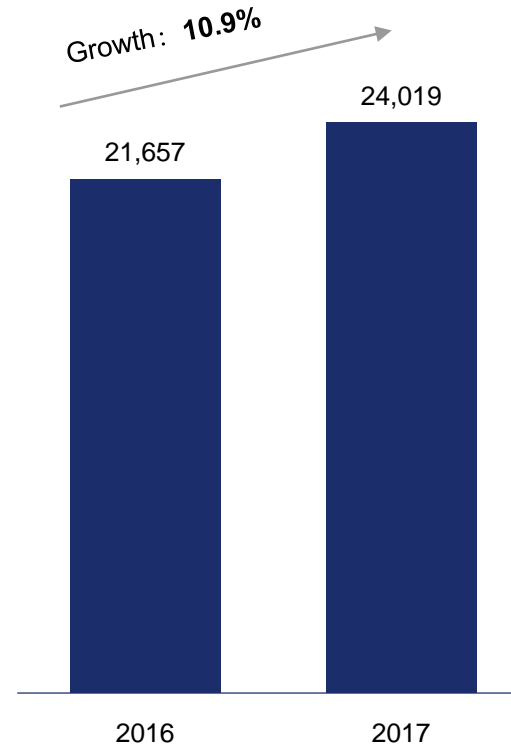
Total Assets

(RMB mn)



Net Assets attributable to the Owners of the Company

(RMB mn)



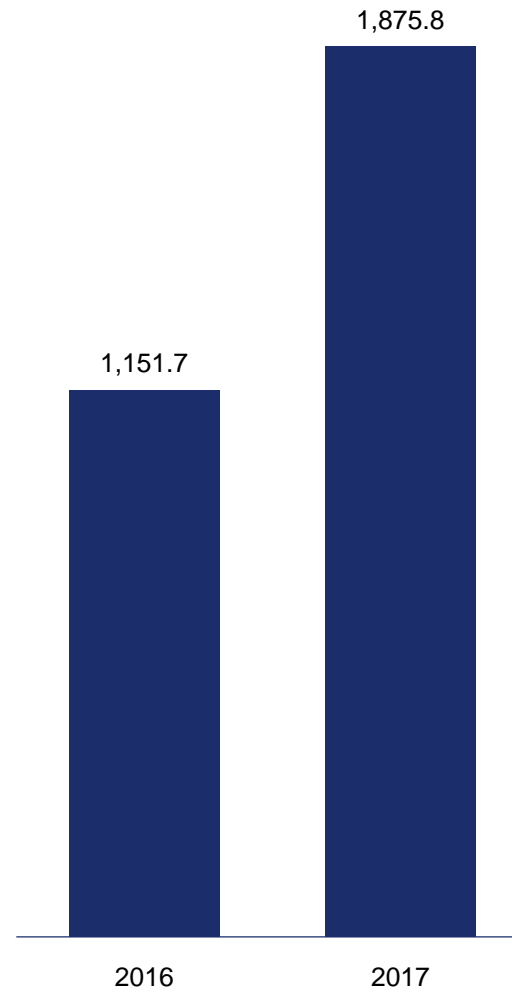
Prudent Debt Structure

Debt Ratio



Borrowings

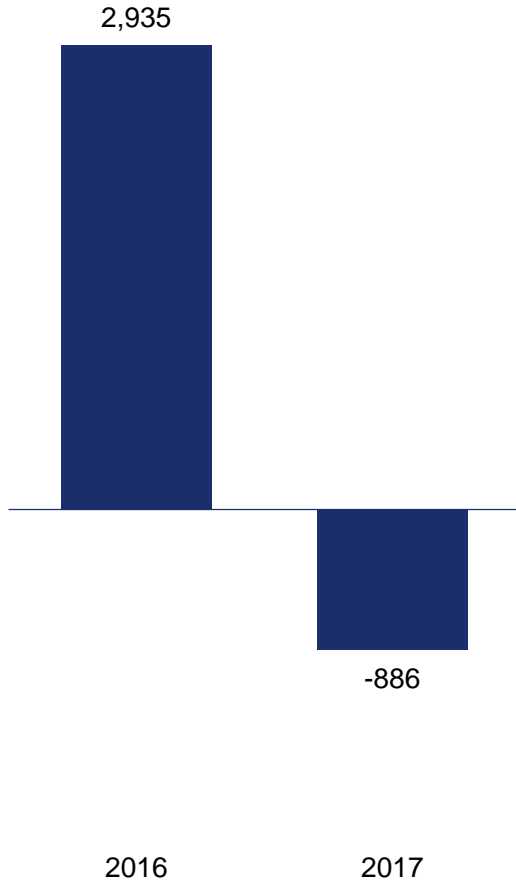
(RMB mn)



Cash Flow Overview

Net Cash Flow from Operating Activities

(RMB mn)



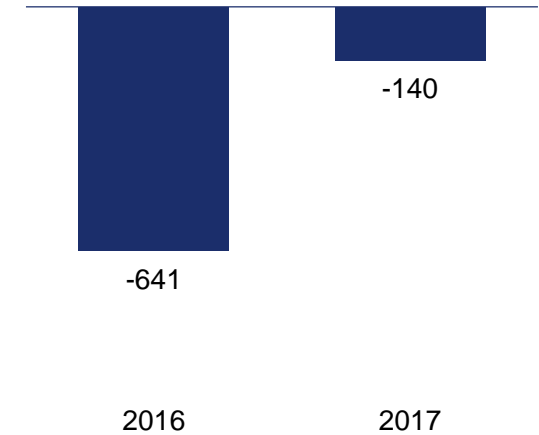
Net Cash Flow from Investing Activities

(RMB mn)



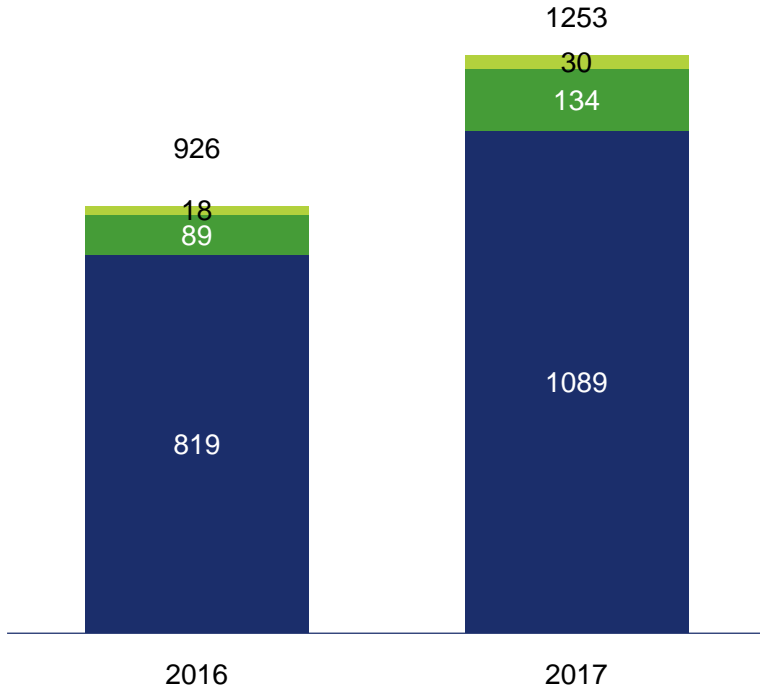
Net Cash Flow from Financial Activities

(RMB mn)



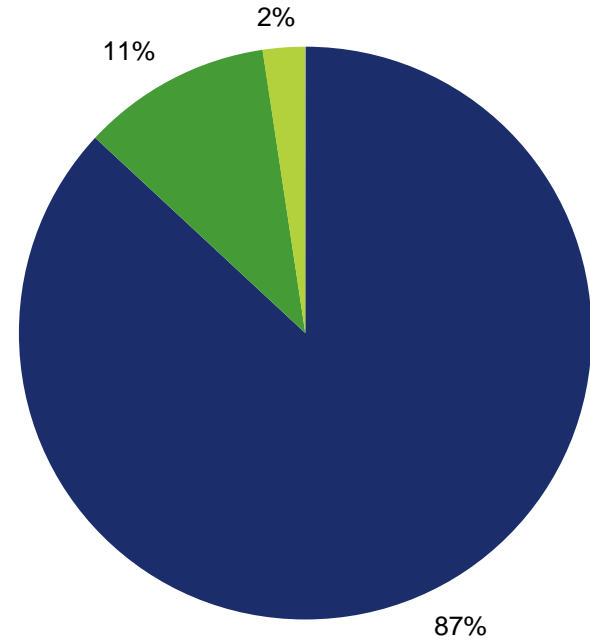
CAPEX Overview

CAPEX (RMB mn)



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

2017 CAPEX Composition



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

Thank You

