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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)

**(1) PROPOSED CHANGE IN THE USE OF
PROCEEDS RAISED FROM THE H SHARE OFFERING
(2) PROPOSED POSTPONEMENT AND CHANGE OF CERTAIN
A-SHARE FUNDRAISING PROJECTS**

The board of directors (the “**Board**”) of China Railway Signal & Communication Corporation Limited* (中國鐵路通信信號股份有限公司) (the “**Company**”) hereby announces that a meeting of the Board was held on 27 August 2025, at which the Board reviewed and approved, among other things, the resolutions regarding the proposed change in the use of proceeds raised from the H share offering and the proposed postponement and change of certain A share fundraising projects.

**PROPOSED CHANGE IN THE USE OF PROCEEDS RAISED FROM THE H
SHARE OFFERING**

Basic information of proceeds raised from the H share offering

References are made to (i) the prospectus of the Company dated 28 July 2015 (the “**Prospectus**”) in relation to the H share offering; (ii) the announcement of the Company dated 25 March 2020 in relation to the proposed change in the use of proceeds raised from the H share offering (the “**Announcement**”); and (iii) the circular of the Company dated 15 May 2020 in relation to the 2019 annual general meeting of the Company, in relation to, among other things, the basic information on the proceeds raised from the H share offering of the Company and the change in the use of proceeds raised from the H share offering. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Prospectus and the Announcement.

The H Shares of the Company was listed on the Hong Kong Stock Exchange on 7 August 2015, and raised approximately RMB9.104 billion from it. As at the date of this announcement, a total of RMB8.536 billion of proceeds raised from the H Share offering has been used. Among them, RMB2.731 billion was used for long-term research and development, including the construction of the CRSC Railway Transportation Research Center and technology research projects; RMB1.821 billion was used for fixed asset investment, including the technical overhaul of the production base of CRSC Xi'xin, subsidiary of the Company, and Changsha Industrial Park; RMB108 million was used for general equity acquisition; RMB1.253 billion was used in investment of Tianshui Tramcar project and other PPP projects related to railway transportation; and RMB2.623 billion was used to supplement working capital. The aforementioned use of the proceeds is consistent with the use of proceeds as set out in the Prospectus and as approved at the 2019 annual general meeting of the Company.

Apart from the aforesaid use of proceeds, as at the date of this announcement, the Company's unutilized proceeds raised from the H Share offering amount to RMB568 million, which are deposited in the Company's designated bank account for raised proceeds. The intended use of these proceeds, as disclosed in the Prospectus, was for PPP projects related to railway transportation.

Proposed change in the use of proceeds raised from the H Share Offering

In light of the tightening of policies related to PPP investment projects in recent years, based on the interests of the Company and its shareholders as a whole and in light of market conditions and the Company's business needs, the Company intends to change the portion of the proceeds of RMB568 million originally allocated for investments in PPP projects related to railway transportation to general purposes in order to enhance the efficiency and effectiveness of capital utilization (the **"Proposed Change in the Use of Proceeds Raised from the H Share Offering"**). In the event that there are suitable investment projects related to railway transportation, the Company will still directly use its own funds to carry out such projects, and the change in the use of raised funds will not affect the Company's development strategy and business plan.

Reasons for the Proposed Change in the Use of Proceeds Raised from the H Share Offering

The abovementioned Proposed Change in the Use of Proceeds Raised from the H Share Offering will enable the Company to deploy financial resources in a more efficient manner, which will help the Company to flexibly deploy its business development in accordance with changes in market conditions.

The Board confirms that there are no material changes in the nature of the Group's business as set out in the Prospectus, and that the Proposed Change in the Use of Proceeds Raised from the H Share Offering is in the best interests of the Company and its shareholders as a whole.

PROPOSED POSTPONEMENT AND CHANGE OF CERTAIN A SHARE FUNDRAISING PROJECTS

Basic Information of Proceeds from the A Share Offering

The Company's A Shares were listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange on 22 July 2019. The total funds raised were RMB10,530.00 million, with net proceeds of RMB10,354.34 million (“**Proceeds from the A Share Offering**”). As of 30 June 2025, the usage of the Proceeds from the A Share Offering is as follows:

Unit: RMB 0'000

No.	Project	Total Committed Investment from Raised Funds	Cumulative Amount Invested as at the End of the first half of 2025	Percentage Used
1	Advanced and Intelligent Technology R&D Project	460,000	269,331	58.55%
2	Advanced and Intelligent Manufacturing Base Project	250,000	2,535	1.01%
3	Informationization Construction Project	30,000	14,880	49.60%
4	Supplemental Working Capital	295,434	299,593	101.41%
	Total	<u>1,035,434</u>	<u>586,339</u>	<u>56.63%</u>

Proposed Postponement of Certain Fundraising Projects

To ensure the implementation quality of the fundraising projects and the effectiveness of the use of raised funds, based on the principle of prudence and in light of the actual construction progress of construction and investment for the current fundraising investment projects, the Company proposes to adjust the estimated dates for reaching the intended usable status for the Advanced and Intelligent Technology R&D Project to December 2026 and to adjust the estimated dates for reaching the intended usable status for the Informationization Construction Project to June 2026, without changing the intended use or scale of investment of the raised funds.

Proposed Change of Certain Fundraising Projects

The proposed changes to the fundraising projects are as follows, comparing before and after the change:

Unit: RMB 0'000

No.	Project Name	Before Change	
		Total Planned Investment	Amount of Raised Funds to be Re-allocated (Excluding Interest)
1	Advanced and Intelligent Manufacturing Base Project	250,000	247,465

After Change

No.	Project Name	Total Planned Investment	Amount of Raised Funds Proposed for Use
1	Digital and Intelligent Transformation Project for the Autonomous R&D and Manufacturing Base for Basic Rail Transit Control System Equipment of Shenyang Signal Company, Xi'an Industrial Group	54,055	17,000
2	Intelligent and Green Technology Upgrade and Transformation Project for the Production Line of Series Cables for Rail Transit Use	21,804	21,800
3	Intelligent Transformation and Upgrade Project for Traditional Production Lines of Xi'an Industrial Group	<u>22,752</u>	<u>22,752</u>
	Total	<u><u>–</u></u>	<u><u>61,552</u></u>

The Company will allocate Proceeds from the A Share Offering to new fundraising projects based on their construction progress. Any shortfall will be covered by the Company's own funds, income from financial management of idle raised funds and interest income.

The unutilized Proceeds from the A Share Offering will continue to be held in the special account for the management of Proceeds from the A Share Offering. If the Company subsequently decides to invest this portion of the remaining A-Share Raised Funds into new projects, it will fulfill the necessary deliberation and disclosure obligations in accordance with relevant laws and regulations at that time.

Reasons for Proposing the Change in Use of Proceeds from the A Share Offering

The postponement and change of certain fundraising projects (together with the “Proposed Change in the Use of Proceeds Raised from the H Share Offering”, the “**Proposed Changes**”) are prudent decisions made by the Company based on the principle of maximizing investor interests, taking into account the Company’s actual circumstances and its development strategy. These changes are conducive to improving the efficiency of the use of the raised proceeds, aligns with the interests of the Company and all shareholders, and benefits the Company’s long-term development. The Proposed Changes will not affect the Company’s normal operations, does not constitute a disguised change in the direction of the use of the raised funds or harm the interests of shareholders, and complies with the relevant regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange on the management of raised funds by listed companies.

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The Proposed Changes are subject to approval at a general meeting of the Company. A circular containing, among other things, details of the Proposed Changes and the notice of the general meeting of the Company will be published on the website of the Company at (www.crsc.cn) and the website of the Hong Kong Stock Exchange at (www.hkexnews.hk) in due course.

By order of the Board
China Railway Signal & Communication Corporation Limited*
LOU Qiliang
Chairman

Beijing, the People’s Republic of China
27 August 2025

As at the date of this announcement, the executive director of the Company is Mr. LOU Qiliang, the independent non-executive directors of the Company are Mr. YAO Guiqing, Mr. YAO Cho Fai Andrew and Mr. FU Junyuan, and the non-executive director of the Company is Ms. LUO Jing (employee director).

* *For identification purpose only*