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中国通号

China Railway Signal & Communication Corporation Limited*

中國鐵路通信信號股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 03969)

2020 THIRD QUARTERLY REPORT

The Board of Directors of China Railway Signal & Communication Corporation Limited* (the “**Company**”) is pleased to announce the unaudited financial information of the Company and its subsidiaries for the third quarter ended 30 September 2020, prepared in accordance with China Accounting Standards for Business Enterprises. This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This announcement contains the Chinese original version and English translation version of the “2020 Third Quarterly Report of China Railway Signal & Communication Corporation Limited*” as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“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)”	director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Reporting Period”	the period from 1 January 2020 to 30 September 2020
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

By order of the Board
**China Railway Signal &
Communication Corporation Limited***
ZHOU Zhiliang
Chairman

Beijing, the People’s Republic of China, 29 October 2020

As of the date of this announcement, the executive directors of the Company are Mr. ZHOU Zhiliang, Mr. XU Zongxiang and Mr. YANG Yongsheng, and the independent non-executive directors of the Company are Mr. WANG Jiajie, Mr. CHEN Jin’en, Mr. CHAN Ka Keung Peter and Mr. YAO Guiqing.

* *For identification only*

**2020 Third Quarterly Report of
China Railway Signal & Communication
Corporation Limited***

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I. IMPORTANT NOTICE

- 1.1 The Board of Directors, the Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that the information in this quarterly report is true, accurate and complete and contains no false record, misleading statement or material omission, and assume individual and joint liabilities to the information in this report.
- 1.2 All Directors of the Company attended the Board meeting to review and consider this quarterly report.
- 1.3 ZHOU Zhiliang, person in charge of the Company, HU Shaofeng, person in charge of accounting affairs of the Company, and ZHANG Shihu, person in charge of the accounting office of the Company (head of accounting department), hereby guarantee that the financial statements contained in this quarterly report are true, accurate and complete.
- 1.4 This third quarterly report of the Company is unaudited.

II. BASIC CORPORATE INFORMATION

2.1 Key financial data

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year	Change as at the end of the Reporting Period compared with the end of the previous year (%)
Total assets	98,922,585,776.73	97,512,591,304.36	1.45
Net assets attributable to shareholders of listed company	41,494,904,236.05	41,119,607,362.50	0.91
	From beginning of the year to the end of the Reporting Period (January to September)	From beginning of the previous year to the end of the reporting period in the previous year (January to September)	Change compared with corresponding period of the previous year (%)
Net cash flows generated from operating activities	-668,101,304.17	339,359,379.28	Not applicable
Net cash flows generated from investing activities	373,863,750.97	-940,462,843.42	Not applicable
Net cash flows generated from financing activities	-2,317,944,318.41	8,071,703,710.54	Not applicable
	From beginning of the year to the end of the Reporting Period (January to September)	From beginning of the previous year to the end of the reporting period in the previous year (January to September)	Change compared with corresponding period of the previous year (%)
Revenue	23,924,374,284.37	28,120,912,037.64	-14.92
Net profit attributable to shareholders of listed company	2,652,145,209.96	2,812,283,039.65	-5.69
Net profit attributable to the shareholders of listed company deducting non-recurring profit or loss	2,582,235,058.83	2,577,570,793.68	0.18
Weighted average return on net assets (%)	6.70	9.54	Decreased by 2.84 percentage points
Basic earnings per share (in RMB per share)	0.24	0.29	-17.24
Diluted earnings per share (in RMB per share)	0.24	0.29	-17.24
Percentage of research and development investment to revenue (%)	4.29	3.25	Increased by 1.04 percentage points

Non-recurring profit or loss items and amounts

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period (July to September)	Amount from the beginning of the year to the end of the Reporting Period (January to September)	Explanation
Gains or losses from disposal of non-current assets	25,473,204.10	25,956,345.65	
Tax relief and reduction with approval exceeding authority or without formal approval or of non-recurring nature			
Government grants recognized through profit or loss for the period (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity according to a certain standard)	4,437,258.67	42,383,494.00	
Profit or loss from debt restructuring	-77,400.00	-77,400.00	
Reversal of the provisions for impairment of receivables and contract assets subject to individually impairment test	2,412,744.70	3,471,752.61	
Other non-operating income and expenses other than the above items	8,960,350.54	13,962,437.00	
Effect on minority interests (after tax)		-2,443,108.46	
Effect on income tax	-5,792,545.52	-13,343,369.67	
Total	35,413,612.49	69,910,151.13	

2.2 Particulars of total number of shareholders, shareholdings of top ten shareholders and top ten shareholders not subject to trading moratorium as at the end of the Reporting Period

Unit: Share

Total number of shareholders ^{Note 1}					126,118		
Particulars of shareholdings of the top ten shareholders							
Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Number of restricted shares including lending shares for securities financing	Shares pledged or frozen		Nature of shareholder
					Status of shares	Number of shares	
China Railway Signal and Communication (group) Corporation Limited	6,604,426,424	62.37	6,604,426,424	6,604,426,424	Nil	–	State-owned corporation
HKSCC NOMINEES LIMITED ^{Note 2}	1,967,825,950	18.58	–	–	Unknown	–	Overseas corporation
China National Machinery Industry Corporation	63,507,192	0.60	–	–	Unknown	–	State-owned corporation
China Reform Holdings Corporation Ltd.	48,785,181	0.46	–	–	Unknown	–	State-owned corporation
Agricultural Bank of China Co., Ltd. – ICBC Credit Suisse SSE STAR 50 Exchange Traded Funds	37,870,000	0.36	–	–	Unknown	–	Others
China Railway Investment Co., Ltd.	34,188,000	0.32	–	–	Unknown	–	State-owned corporation
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	23,799,949	0.22	–	–	Unknown	–	Overseas corporation
Guangdong Hengjian Capital Management Co., Ltd.	23,677,500	0.22	–	–	Unknown	–	State-owned corporation
CETC Fund Management Co., Ltd. – Zhongdian Electronics Information Industry Investment Fund (Tianjin) Partnership (Limited Partnership)	23,677,500	0.22	–	–	Unknown	–	Others
Hunan Rail Transit Holding Group Co., Ltd.	23,677,500	0.22	–	–	Unknown	–	Others

Particulars of shareholdings of the top ten shareholders not subject to trading moratorium			
Name of shareholder	Number of circulating shares held not subject to trading moratorium	Type and number of shares	
		Type	Number
HKSCC NOMINEES LIMITED ^{Note 2}	1,967,825,950	Overseas listed foreign shares	1,967,825,950
China National Machinery Industry Corporation	63,507,192	RMB ordinary shares	63,507,192
China Reform Holdings Corporation Ltd.	48,785,181	RMB ordinary shares	48,785,181
Agricultural Bank of China Co., Ltd. – ICBC Credit Suisse SSE STAR 50 Exchange Traded Funds	37,870,000	RMB ordinary shares	37,870,000
China Railway Investment Co., Ltd.	34,188,000	RMB ordinary shares	34,188,000
JPMORGAN CHASE BANK,NATIONAL ASSOCIATION	23,799,949	Overseas listed foreign shares	23,799,949
Guangdong Hengjian Capital Management Co., Ltd.	23,677,500	RMB ordinary shares	23,677,500
CETC Fund Management Co., Ltd. – Zhongdian Electronics Information Industry Investment Fund (Tianjin) Partnership (Limited Partnership)	23,677,500	RMB ordinary shares	23,677,500
Hunan Rail Transit Holding Group Co., Ltd.	23,677,500	RMB ordinary shares	23,677,500
National Social Security Fund-118 Combinations	20,344,478	RMB ordinary shares	20,344,478
Explanation on the related party relationship or acting-in-concert arrangement among the above shareholders	China Railway Signal and Communication (group) Corporation Limited does not have any related party relationship with the other shareholders, nor is it a person acting in concert with them. Guoxin Investment Co., Ltd. is a wholly-owned subsidiary of China Reform Holdings Corporation Ltd. The Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.		
Explanation on the preference shareholders with voting right restored and their shareholdings	Not applicable		

Note 1: At the end of the Reporting Period, the number of A share shareholders of the Company was 126,118, and the number of H share registered shareholders was 236.

Note 2: The H shares held by HKSCC NOMINEES LIMITED are held on behalf of various clients.

2.3 Total number of shareholders of preference shares, particulars of shareholdings of top ten shareholders of preference shares and top ten shareholders of preference shares not subject to trading moratorium as at the end of the Reporting Period

Applicable Not applicable

III. SIGNIFICANT EVENTS

3.1 Descriptions and reasons for significant changes in major accounting statement items, financial indicators of the Company

Applicable Not applicable

1. Prepayments increased by 33.04%, which is mainly due to the increase in prepayment for materials procurement and labor costs during the period.
2. Development expenditure increased by 413.60%, which is mainly due to the increased R&D investment of the Company and the capitalization of part of the R&D expenditures that reached the development stage standards during this period.
3. The construction in progress increased by 744.33%, which is mainly due to the fact that to further meet the technological innovation needs of enterprises in Shanghai, the subsidiary companies CRSCS and CRSC CASCO purchased new R&D bases in the current period, which have not been put into use, and it is expected to be transferred to fixed assets after the renovation is completed.
4. The other non-current assets decreased by 77.31%, which is mainly due to the transfer of the construction in progress after commencing building in this period for the prepayment for purchase of fixed assets in the previous year.
5. The short-term borrowings increased by 101.24%, which is mainly due to the Company's increase in low-interest policy loans.
6. Investment gain decreased by 88.60%, which is mainly due to the amount for the corresponding period of the previous year inclusive of the gains from the spin-off of the real estate business.
7. Credit impairment losses decreased by 71.33%, mainly due to our intensified efforts to minimize long-aged receivables.
8. Gains from disposal of assets increased by 2,035.89%, mainly due to the relocation compensation received from government.
9. The net cash flows generated from operating activities amounted to RMB-668 million, while that of the corresponding period of the previous year is RMB339 million, mainly due to the slow settlement for the impact of epidemic during the period, however more cash paid on purchase of goods or service received.
10. The net cash flows generated from investing activities amounted to RMB374 million, while that of the corresponding period of the previous year is RMB-940 million, mainly due to the decrease in the investment amount of time deposits for more than three months during the period.
11. The net cash flows generated from financing activities amounted to RMB-2,318 million, while that of the corresponding period of the previous year amounted to RMB8,072 million, mainly due to the proceeds received from the listing on the STAR market during the previous period.

The revenue breakdown of each business line during the first three quarters is set out as below:

Unit: 0'000 Yuan Currency: RMB

Business lines	Revenue			
	From January to September 2020	Corresponding period of the previous year	Increase/decrease in amount	Increase/decrease in ratio
Railway	1,197,313.57	1,473,062.98	-275,749.41	-18.72%
Urban transit	563,198.14	536,027.78	27,170.36	5.07%
Overseas businesses	24,381.21	24,680.15	-298.94	-1.21%
Construction contracting	603,386.35	774,210.66	-170,824.31	-22.06%
Other businesses	4,158.16	4,109.63	48.53	1.18%
Total	2,392,437.43	2,812,091.20	-419,653.77	-14.92%

From January to September, the aggregate amount of newly-signed contracts amounted to RMB44,561 million, representing a decrease of 6.2% as compared with the corresponding period of the previous year. Among which, the value of newly-signed contracts in railway sector amounted to RMB18,917 million, representing a decrease of 10.7% as compared with the corresponding period of the previous year; the value of newly-signed contracts in urban transit sector amounted to RMB8,203 million, representing an increase of 2.3% as compared with the corresponding period of the previous year; the value of newly-signed contracts in overseas sector amounted to RMB800 million, representing a decrease of 13.2% as compared with the corresponding period of the previous year; the value of newly-signed contracts for construction contracting and other sectors amounted to RMB16,641 million, representing a decrease of 4.3% as compared with the corresponding period of the previous year.

In the field of rail transportation control system, the Company won bids for major projects including Zhengzhou-Puyang section of the Zhengzhou-Jinan High-speed Railway, Zhongwei-Lanzhou Railway, Phase II of Lunan High-speed Railway, Guangdong Section of Ganshen High-speed Railway, Huanggang-Huangmei High-speed Railway, Zhang Ji Huai High-speed Railway, Darui Railway, Phase-I Project for the Newly-built Intercity Link, Xuan Ji High-speed Railway, Yichang-Zhengwan High-speed Link, and continued to take a leading position in the market. In the field of urban transit control system, the Company's CBTC system has won the bidding of key projects, such as Hangzhou Metro Line 8, Shenzhen Metro Line 16, Wuhan Metro Line 16, Zhengzhou Airport-Xuchang Suburban Railway (Zhengzhou Section), Shenzhen Metro Line 20, Nantong Metro Line 2, Changchun Metro Line 3 and Zhengzhou Metro Line 10, which made the market share has steadily increased. In the field of overseas, the Company undertake the contracting of EPC project for communications and signaling of Bangladeshi Padma Bridge rail link project. In construction contracting and other sectors, the Company focused on the high-quality development requirements, and properly controlled the contracting of construction contracting projects.

3.2 Analysis and illustration of progress of important events and their impacts and solutions

Applicable Not applicable

3.3 Commitments that have been overdue and not been fulfilled in the Reporting Period

Applicable Not applicable

3.4 Warning and reason for the forecast that the accumulated net profit from the beginning of the year to the end of the next reporting period may be a loss or a significant change from the same period of the previous year

Applicable Not applicable

Company name	China Railway Signal & Communication Corporation Limited*
Legal representative	ZHOU Zhiliang
Date	29 October 2020

IV. APPENDIX

4.1 Financial statement

Consolidated Balance Sheet

30 September 2020

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

ITEM	30 September 2020	31 December 2019
Current assets:		
Cash and bank balances	19,757,475,473.61	24,000,333,948.30
Accounts receivable	18,456,016,737.44	16,757,628,007.95
Receivables for financing	1,137,399,119.68	1,478,647,844.54
Prepayments	1,230,182,685.09	924,649,290.25
Other receivables	1,436,491,910.34	1,148,124,174.34
Including: Interest receivable		
Dividends receivable	21,960,093.59	
Inventories	2,643,199,542.91	2,200,762,577.00
Contract assets	35,256,599,415.18	33,034,982,342.51
Non-current assets due within one year	18,306,532.69	19,022,697.66
Other current assets	995,603,607.25	940,133,548.13
Total current assets	80,931,275,024.19	80,504,284,430.68
Non-current assets:		
Debt investment	273,172,183.50	273,172,183.50
Long-term receivables	6,499,581,855.02	6,422,130,017.28
Long-term equity investments	1,163,625,041.90	981,541,601.50
Other equity instrument investment	803,825,109.20	806,064,229.20
Investment properties	184,054,164.71	217,533,676.51
Fixed assets	4,216,259,761.96	4,329,298,247.74
Construction in progress	1,357,174,895.77	160,740,323.63
Right-of-use-assets	150,034,778.14	158,427,539.85
Intangible assets	2,283,932,558.34	2,416,808,796.77
Development expenditure	243,995,692.58	47,507,051.83
Goodwill	305,324,128.58	305,324,128.58
Long-term prepaid expenses	53,488,314.78	56,221,830.76
Deferred tax assets	342,898,987.20	331,374,950.05
Other non-current assets	113,943,280.86	502,162,296.48
Total non-current assets	17,991,310,752.54	17,008,306,873.68
Total assets	98,922,585,776.73	97,512,591,304.36

ITEM	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	479,073,680.94	238,066,170.39
Bills payable	1,472,665,362.49	1,278,194,766.35
Accounts payable	40,453,885,030.51	39,943,249,975.12
Contract liabilities	7,249,742,734.68	7,177,237,816.91
Employee benefits payable	597,459,936.51	587,348,839.09
Tax payable	676,529,922.03	916,296,853.22
Other payables	1,073,531,544.50	1,120,169,597.60
Including: Interest payable		
Dividends payable	33,261,718.43	34,391,330.43
Non-current liabilities due within one year	238,856,414.12	257,586,818.00
Other current liabilities	257,583,644.98	240,541,829.73
Total current liabilities	52,499,328,270.76	51,758,692,666.41
Non-current liabilities:		
Long-term borrowings	2,194,202,035.85	1,941,098,540.80
Lease liabilities	96,756,296.79	75,374,177.82
Long-term payables	91,607,741.42	74,981,014.21
Long-term employee benefits payable	652,422,544.00	660,246,000.00
Provisions	77,428,648.56	73,524,439.45
Deferred income	157,345,545.57	155,820,852.92
Deferred tax liabilities	50,130,627.99	48,176,031.73
Total non-current liabilities	3,319,893,440.18	3,029,221,056.93
Total liabilities	55,819,221,710.94	54,787,913,723.34
Shareholders' equity:		
Share capital	10,589,819,000.00	10,589,819,000.00
Other equity instruments	2,800,000,000.00	2,800,000,000.00
Including: Preference shares		
Perpetual bonds	2,800,000,000.00	2,800,000,000.00
Capital reserve	15,964,398,557.22	15,964,398,557.22
Less: Treasury stocks		

ITEM	30 September 2020	31 December 2019
Other comprehensive income	-283,256,814.56	-272,865,585.12
Special reserve	406,978,169.67	412,165,921.09
Surplus reserve	1,342,479,759.71	1,342,479,759.71
Retained earnings	10,674,485,564.01	10,283,609,709.60
Total equity attributable to shareholders of the parent company	41,494,904,236.05	41,119,607,362.50
Non-controlling interests	1,608,459,829.74	1,605,070,218.52
Total shareholders' equity	43,103,364,065.79	42,724,677,581.02
Total liabilities and shareholders' equity	98,922,585,776.73	97,512,591,304.36

Legal Representative: ZHOU Zhiliang Person in Charge of Accounting Affairs: HU Shaofeng
Person in Charge of the Accounting Office: ZHANG Shihu

Parent Company's Balance Sheet
30 September 2020

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

ITEM	30 September 2020	31 December 2019
Current assets:		
Cash and bank balances	15,833,758,938.09	19,237,599,410.15
Accounts receivable	2,302,960,226.99	2,191,166,790.85
Receivables for financing	204,873,222.99	626,265,688.56
Prepayments	293,908,156.88	347,440,401.68
Other receivables	8,849,546,840.86	6,438,023,339.85
Including: Interest receivable		
Dividends receivable	990,348,436.32	249,665,430.31
Contract assets	1,670,036,220.57	1,652,006,155.11
Non-current assets due within one year		767,827.47
Other current assets	50,438,819.17	82,849,952.98
Total current assets	29,205,522,425.55	30,576,119,566.65
Non-current assets:		
Debt investment	273,172,183.50	273,172,183.50
Long-term receivables	414,099,045.89	379,891,751.29
Long-term equity investments	17,074,334,211.56	16,391,064,832.98
Other equity instrument investment	476,408,221.20	476,408,221.20
Investment properties	1,507,949,048.24	1,536,429,244.36
Fixed assets	546,147,149.78	566,043,569.32
Construction in progress	2,757,120.98	4,290,783.53
Right-of-use-assets	756,791.21	
Intangible assets	466,709,035.90	475,132,006.77
Deferred tax assets	19,190,884.97	19,150,297.26

ITEM	30 September 2020	31 December 2019
Other non-current assets	65,945,318.81	125,525,324.69
Total non-current assets	20,847,469,012.04	20,247,108,214.90
Total assets	50,052,991,437.59	50,823,227,781.55
Current liabilities:		
Short-term borrowings	400,000,000.00	
Accounts payable	4,708,499,620.37	4,842,936,842.45
Contract liabilities	1,187,379,679.42	1,098,443,771.29
Employee benefits payable	21,050,676.25	25,100,010.53
Tax payable	59,490,404.24	56,439,643.28
Other payables	10,509,066,383.08	11,462,182,244.05
Non-current liabilities due within one year	422,419.65	
Other current liabilities	30,351,127.68	28,994,307.85
Total current liabilities	16,916,260,310.69	17,514,096,819.45
Non-current liabilities:		
Lease liabilities	20,064.92	
Long-term employee benefits payable	75,866,000.00	75,866,000.00
Provisions	2,511,689.94	2,511,736.34
Deferred income	3,714,665.49	4,081,692.25
Total non-current liabilities	82,112,420.35	82,459,428.59
Total liabilities	16,998,372,731.04	17,596,556,248.04

ITEM	30 September 2020	31 December 2019
Shareholders' equity:		
Share capital	10,589,819,000.00	10,589,819,000.00
Other equity instruments	2,800,000,000.00	2,800,000,000.00
Including: Preference shares		
Perpetual bonds	2,800,000,000.00	2,800,000,000.00
Capital reserve	16,356,470,432.63	16,356,470,432.63
Less: Treasury stocks		
Other comprehensive income	-49,375,504.04	-49,451,003.24
Special reserve	26,480,196.08	37,577,577.81
Surplus reserve	1,342,479,759.71	1,342,479,759.71
Retained earnings	1,988,744,822.17	2,149,775,766.60
Total shareholders' equity	33,054,618,706.55	33,226,671,533.51
Total liabilities and shareholders' equity	50,052,991,437.59	50,823,227,781.55

Legal Representative: ZHOU Zhiliang Person in Charge of Accounting Affairs: HU Shaofeng
Person in Charge of The Accounting Office: ZHANG Shihu

Consolidated Statement of Profit or Loss and Other Comprehensive Income
January to September 2020

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

ITEM	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Total revenue	9,303,595,433.05	7,609,334,194.78	23,924,374,284.37	28,120,912,037.64
Including: Revenue	9,303,595,433.05	7,609,334,194.78	23,924,374,284.37	28,120,912,037.64
II. Total cost of sales	8,175,134,858.43	6,918,837,866.87	20,671,131,707.79	24,824,903,381.92
Including: Cost of sales	7,045,552,826.54	5,836,045,092.76	18,095,639,488.19	21,567,655,921.88
Taxes and surcharges	49,497,296.01	34,711,516.69	150,344,996.49	172,015,402.51
Selling and distribution expenses	184,859,538.18	192,999,179.47	488,941,576.43	562,695,519.66
General and administrative expenses	566,070,517.93	592,674,039.79	1,363,211,928.51	1,680,611,273.83
Research and development expenses	320,403,747.40	327,017,020.18	830,575,208.89	908,168,461.26
Finance costs	8,750,932.37	-64,608,982.02	-257,581,490.72	-66,243,197.22
Including: Interest expenses	520,882.99	6,990,392.45	25,548,681.71	100,326,177.11
Interest income	46,808,097.70	50,112,550.01	333,186,500.32	158,220,369.28
Add: Other income	32,127,785.04	61,359,958.03	143,462,856.78	147,522,999.19
Investment income (loss as sign "-")	20,454,104.12	10,285,749.33	45,719,012.13	341,301,059.89
Including: Share of profits of associates and joint ventures	20,500,058.43	10,285,749.33	46,368,600.09	36,702,753.63
Credit impairment losses (loss as sign "-")	-9,892,164.45	45,620,403.84	-29,963,070.49	-104,512,971.83
Gains from disposal of assets (loss as sign "-")	25,473,204.10	15,749.40	25,956,345.65	-1,340,795.28
III. Operating profit (loss as sign "-")	1,196,623,503.43	807,778,188.51	3,438,417,720.65	3,678,978,947.69
Add: Non-operating income	9,593,094.16	34,849,354.94	17,255,323.59	47,120,541.29
Less: Non-operating expenses	1,614,623.13	963,924.12	3,370,286.59	11,078,328.42
IV. Total profit (total loss as sign "-")	1,204,601,974.46	841,663,619.33	3,452,302,757.65	3,715,021,160.56
Less: Income tax expenses	249,695,976.32	237,685,761.66	537,539,834.35	673,629,361.88

ITEM	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
V. Net profit (net loss as sign “-”)	954,905,998.14	603,977,857.67	2,914,762,923.30	3,041,391,798.68
(I) Classified by continuity of operation				
1. Net profit from continuing operation (net loss as sign “-”)	954,905,998.14	603,977,857.67	2,914,762,923.30	3,041,391,798.68
(II) Classified by the ownership				
1. Net profit attributable to shareholders of the parent company (net loss as sign “-”)	877,219,767.11	544,389,952.79	2,652,145,209.96	2,812,283,039.65
2. Profit or loss attributable to non-controlling interests (net loss as sign “-”)	77,686,231.03	59,587,904.88	262,617,713.34	229,108,759.03
VI. Other comprehensive income, net of tax	-309,252.82	722,630.46	-10,391,229.44	921,011.93
(I) Other comprehensive income attributable to owners of the parent company, net of tax	-309,252.82	722,630.46	-10,391,229.44	921,011.93
1. Other comprehensive income not to be reclassified into profit or loss	0	0	-20,334,000.00	-4,000.00
(1) Changes of the re-measurement of defined benefit plans			-20,334,000.00	-4,000.00
2. Other comprehensive income to be reclassified into profit or loss	-309,252.82	722,630.46	9,942,770.56	925,011.93
(1) Hedging reserve arising from cash flows	815,350.00	715,503.73	8,440,875.97	900,180.38
(2) Exchange differences on translation of foreign operations	-177,352.32	7,126.73	-143,399.60	24,831.55
(3) Others	-947,250.50		1,645,294.19	
(II) Other comprehensive income attributable to non-controlling interests, net of tax				
VII. Total comprehensive income	954,596,745.32	604,700,488.13	2,904,371,693.86	3,042,312,810.61
(I) Total comprehensive income attributable to owners of the parent company	876,910,514.29	545,112,583.25	2,641,753,980.52	2,813,204,051.58
(II) Total comprehensive income attributable to non-controlling interests	77,686,231.03	59,587,904.88	262,617,713.34	229,108,759.03
VIII. Earnings per share:				
(I) Basic earnings per share (RMB/share)	-	-	0.24	0.29
(II) Diluted earnings per share (RMB/share)	-	-	0.24	0.29

For the business combination under common control during the current period, net profit of the acquiree realised before business combination was RMB0. Net profit of the acquiree realized during the last period was RMB0.

Legal Representative: ZHOU Zhiliang; Person in Charge of Accounting Affairs: HU Shaofeng; Person in Charge of the Accounting Office: ZHANG Shihu

Parent Company's Statement of Profit or Loss and Other Comprehensive Income
January to September 2020

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

ITEM	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Revenue	1,507,256,892.06	1,428,283,836.80	2,859,475,223.51	3,724,141,772.26
Less: Cost of sale	1,388,910,018.36	1,308,025,923.21	2,615,160,990.03	3,389,968,556.46
Taxes and surcharges	1,934,914.33	2,609,874.56	17,814,640.70	22,993,164.83
Selling and distribution expenses	1,337,947.63	5,156,949.11	4,857,426.92	12,660,484.00
General and administrative expenses	50,136,803.00	50,179,081.01	111,003,277.69	145,939,535.87
Research and development expenses	27,192,005.45	66,515.89	47,349,774.72	66,515.89
Finance costs	32,422,420.57	-47,323,186.52	-216,245,856.83	-28,607,001.76
Including: Interest expenses	39,259,651.35	31,079,198.45	54,074,992.25	117,086,527.98
Interest income	48,986,719.41	52,303,863.11	296,828,616.66	121,873,584.74
Add: Other income		1,833,000.00	1,457,633.07	1,833,000.00
Investment income (loss as sign "-")	327,143,011.28	56,446,936.85	1,925,203,118.09	2,110,962,641.29
Including: Share of profits of associates and joint ventures	11,470,235.14	5,792,693.96	14,124,634.46	6,953,703.64
Credit impairment losses (loss as sign "-")	11,404,211.15	2,332,722.06	2,803,287.38	-3,263,348.52
Gains from disposal of assets (loss as sign "-")		-16,173.12	6,275.72	-16,173.12
II. Operating profit (loss as sign "-")	343,870,005.15	170,165,165.33	2,209,005,284.54	2,290,636,636.62
Add: Non-operating income	90,087.40	193,103.73	95,651.48	698,607.86
Less: Non-operating expenses	-298,261.83	200.00	34,463.75	11,091.40
III. Total profit (total loss as sign "-")	344,258,354.38	170,358,069.06	2,209,066,472.27	2,291,324,153.08
Less: Income tax expenses	21,131,742.52	40,051,435.50	108,828,061.15	92,507,971.93

ITEM	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
IV. Net profit (net loss as sign “-”)	323,126,611.86	130,306,633.56	2,100,238,411.12	2,198,816,181.15
(I) Net profit from continuing operation (net loss as sign “-”)	323,126,611.86	130,306,633.56	2,100,238,411.12	2,198,816,181.15
V. Other comprehensive income, net of tax	98,750.47	-67,137.23	75,499.20	-67,137.23
(II) Other comprehensive income to be reclassified into profit or loss	98,750.47	-67,137.23	75,499.20	-67,137.23
1. Exchange differences on translation of foreign operations	98,750.47	-67,137.23	75,499.20	-67,137.23
VI. Total comprehensive income	323,225,362.33	130,239,496.33	2,100,313,910.32	2,198,749,043.92

Legal Representative: ZHOU Zhiliang; Person in Charge of Accounting Affairs: HU Shaofeng;
Person in Charge of the Accounting Office: ZHANG Shihu

Consolidated Statement of Cash Flows

January to September 2020

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

ITEM	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Cash flows generated from operating activities:		
Cash received from the sale of goods or rendering of services	25,589,455,300.15	21,234,127,328.47
Refunds of taxes	158,907,531.80	76,655,610.06
Cash received relating to other operating activities	881,962,232.99	591,260,246.36
Sub-total of cash inflows from operating activities	26,630,325,064.94	21,902,043,184.89
Cash paid on purchase of goods or services received	20,382,618,916.73	14,334,156,152.76
Cash paid to and on behalf of employees	3,142,609,307.07	3,081,568,198.19
Cash paid for all types of taxes	1,671,245,637.03	2,196,739,733.08
Cash paid relating to other operating activities	2,101,952,508.28	1,950,219,721.58
Sub-total of cash outflows from operating activities	27,298,426,369.11	21,562,683,805.61
Net cash flows generated from operating activities	-668,101,304.17	339,359,379.28
II. Cash flows generated from investing activities:		
Cash received from disposal of investments	5,693,165.69	147,968,600.00
Cash received from return on investments	30,278,935.88	28,606,400.00
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	32,549,098.67	437,232.74
Cash received relating to other investing activities	1,764,183,397.56	1,647,170,000.00
Sub-total of cash inflows from investing activities	1,832,704,597.80	1,824,182,232.74
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	1,352,491,685.03	403,055,192.07
Cash paid for investments	90,723,680.00	518,238,683.50
Net cash paid on acquisition of subsidiaries and other operating entities		1,100,630.36

ITEM	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
Cash paid relating to other investing activities	15,625,481.80	1,842,250,570.23
Sub-total of cash outflows from investing activities	1,458,840,846.83	2,764,645,076.16
Net cash flows generated from investing activities	373,863,750.97	-940,462,843.42
III. Cash flows generated from financing activities:		
Cash received as capital contributions:	10,000,000.00	10,406,905,566.04
Including: Cash received by subsidiaries from minority shareholders' investment	10,000,000.00	30,915,000.00
Cash received from borrowings	898,022,381.76	3,553,552,887.61
Cash received relating to other financing activities		994,002.81
Sub-total of cash inflows from financing activities	908,022,381.76	13,961,452,456.46
Cash paid on repayment of borrowings	528,634,481.38	3,737,333,149.86
Cash paid on distribution of dividends or profits, or interest expenses	2,506,399,107.87	2,125,287,387.15
Including: dividend and profit paid to minority shareholders by subsidiaries	1,016,659,585.81	704,075,925.24
Cash paid relating to other financing activities	190,933,110.92	27,128,208.91
Sub-total of cash outflows from financing activities	3,225,966,700.17	5,889,748,745.92
Net cash flows generated from financing activities	-2,317,944,318.41	8,071,703,710.54
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-21,166,838.91	36,217,657.15
V. Net increase in cash and cash equivalents	-2,633,348,710.52	7,506,817,903.55
Add: Balance of cash and cash equivalents at beginning of the period	17,854,952,684.12	10,808,205,777.53
VI. Balance of cash and cash equivalents at end of the period	15,221,603,973.60	18,315,023,681.08

Legal Representative: ZHOU Zhiliang; Person in Charge of Accounting Affairs: HU Shaofeng;
Person in Charge of the Accounting Office: ZHANG Shihu

Statement of Cash Flows of the Parent Company
January to September 2020

Prepared by: China Railway Signal & Communication Corporation Limited*

Unit: Yuan Currency: RMB Audit type: Unaudited

ITEM	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
I. Cash flows generated from operating activities:		
Cash received from the sale of goods or rendering of services	3,069,690,575.01	6,248,441,414.55
Refunds of taxes	31,658,600.98	
Cash received relating to other operating activities	503,554,738.44	264,633,747.83
Sub-total of cash inflows from operating activities	3,604,903,914.43	6,513,075,162.38
Cash paid on purchase of goods or services received	2,839,846,830.12	5,040,270,304.17
Cash paid to and on behalf of employees	65,957,664.26	49,896,565.95
Cash paid for all types of taxes	152,053,369.03	177,306,369.62
Cash paid relating to other operating activities	672,781,683.03	216,502,533.42
Sub-total of cash outflows from operating activities	3,730,639,546.44	5,483,975,773.16
Net cash flows generated from operating activities	-125,735,632.01	1,029,099,389.22
II. Cash flows generated from investing activities:		
Cash received from disposal of investments		124,240,000.00
Cash received from return on investments	1,425,164,729.25	1,043,240,280.00
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	3,176.89	21,880.00
Cash received relating to other investing activities	1,651,991,717.01	644,838,974.39
Sub-total of cash inflows from investing activities	3,077,159,623.15	1,812,341,134.39
Cash paid on purchase of fixed assets, intangible assets and other long-term assets	56,412,331.45	44,693,090.56
Cash paid for investments	678,048,680.00	942,657,583.50
Cash paid relating to other investing activities	2,342,584,961.79	2,098,830,008.57
Sub-total of cash outflows from investing activities	3,077,045,973.24	3,086,180,682.63
Net cash flows generated from investing activities	113,649.91	-1,273,839,548.24

ITEM	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
III. Cash flows generated from financing activities:		
Cash received as capital contributions		10,380,990,566.04
Cash received from borrowings	400,000,000.00	2,500,000,000.00
Sub-total of cash inflows from financing activities	400,000,000.00	12,880,990,566.04
Cash paid on repayment of borrowings		3,500,000,000.00
Cash paid on distribution of dividends or profits, or interest expenses	2,313,223,822.82	1,980,302,644.70
Cash paid relating to other financing activities	347,098.14	26,648,192.82
Sub-total of cash outflows from financing activities	2,313,570,920.96	5,506,950,837.52
Net cash flows generated from financing activities	-1,913,570,920.96	7,374,039,728.52
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-22,215,792.72	36,305,650.20
V. Net increase in cash and cash equivalents	-2,061,408,695.78	7,165,605,219.70
Add: Balance of cash and cash equivalents at beginning of the period	13,492,113,566.38	7,716,529,085.80
VI. Balance of cash and cash equivalents at end of the period	11,430,704,870.60	14,882,134,305.50

Legal Representative: ZHOU Zhiliang; Person in Charge of Accounting Affairs: HU Shaofeng;
Person in Charge of the Accounting Office: ZHANG Shihu

4.2 Particulars in relation to adjustments made to relevant items of the financial statements as at the beginning of the year of the initial adoption of new revenue standard and new lease standard since 2020

Applicable Not applicable

4.3 Explanation on retrospective adjustment of the previous comparative data by initial adoption of new revenue standard and new lease standard since 2020

Applicable Not applicable

4.4 Audit report

Applicable Not applicable