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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS FOR YEARS 2026–2028

RENEWAL OF THE CRSC CORPORATION GROUP PURCHASES AND SALES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated May 23, 2023, in relation to, among other things, the 2023–2025 CRSC Corporation Group Purchases and Sales Framework Agreement entered into between the Company and CRSC Corporation Group on May 23, 2023 and the amount of annual caps thereunder. Considering that the terms of the 2023–2025 CRSC Corporation Group Purchases and Sales Framework Agreement will expire on December 31, 2025 and the Company will continue the transactions thereunder, the Company entered into the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement with CRSC Corporation Group on December 30, 2025 (after trading hours), to renew the continuing connected transactions. The 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement shall be effective from January 1, 2026 to December 31, 2028 for a term of three years.

RENEWAL OF THE CONSTRUCTION CONTRACTING FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated May 23, 2023, in relation to, among other things, the 2023–2025 Construction Contracting Framework Agreement entered into between the Company and CRSC Corporation Group on May 23, 2023 and the amount of annual caps thereunder. Considering that the terms of the 2023–2025 Construction Contracting Framework Agreement will expire on December 31, 2025 and the Company will continue the transactions thereunder, the Company entered into the 2026–2028 Construction Contracting Framework Agreement with CRSC Corporation Group on December 30, 2025 (after trading hours), to renew the continuing connected transactions. The 2026–2028 Construction Contracting Framework Agreement shall be effective from January 1, 2026 to December 31, 2028 for a term of three years.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CRSC Corporation Group holds 62.78% of the issued share capital of the Company and is the controlling shareholder of the Company. Therefore, CRSC Corporation Group is a connected person of the Company. CRSC Corporation Group and its associates constitute connected persons of the Company according to the requirements under Chapter 14A of the Listing Rules. Accordingly, the continuing transactions carried out between the Group and CRSC Corporation Group and/or its associates under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement and the 2026–2028 Construction Contracting Framework Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the purchases of the products by the Group from CRSC Corporation Group under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement, as the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the annual caps is more than 0.1% but less than 5%, the continuing connected transactions in respect of the purchases of the products by the Group from CRSC Corporation Group under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement shall be subject to the reporting, annual review and announcement requirements, but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the sales of the products by the Group to CRSC Corporation Group under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement, as the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the annual caps is less than 0.1%, the continuing connected transactions in respect of the sales of the products by the Group to CRSC Corporation Group under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement shall be fully exempted from the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the provision of engineering construction and ancillary services by the Group to CRSC Corporation Group under the 2026–2028 Construction Contracting Framework Agreement, as the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the annual caps is more than 0.1% but less than 5%, the continuing connected transactions in respect of the provision of engineering construction and ancillary services by the Group to CRSC Corporation Group under the 2026–2028 Construction Contracting Framework Agreement shall be subject to the reporting, annual review and announcement requirements, but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors), after taking into account the pricing policies, basis of determining annual caps, reasons and benefits as well as internal control procedures, are of the view that the terms of the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement, the 2026–2028 Construction Contracting Framework Agreement, the transactions to be contemplated thereunder and the annual caps thereunder are entered into on normal commercial terms in the ordinary and usual course of business of the Company, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Directors who are materially interested in such transactions have abstained from voting on the resolutions to approve such transactions at the Board meeting.

I. 2026–2028 CRSC CORPORATION GROUP PURCHASES AND SALES FRAMEWORK AGREEMENT

1. Background

Reference is made to the announcement of the Company dated May 23, 2023, in relation to, among other things, the 2023–2025 CRSC Corporation Group Purchases and Sales Framework Agreement entered into between the Company and CRSC Corporation Group on May 23, 2023 and the amount of annual caps thereunder. Considering that the terms of the 2023–2025 CRSC Corporation Group Purchases and Sales Framework Agreement will expire on December 31, 2025 and the Company will continue the transactions thereunder, the Company entered into the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement with CRSC Corporation Group on December 30, 2025 (after trading hours), to renew the continuing connected transactions. The 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement shall be effective from January 1, 2026 to December 31, 2028 for a term of three years.

2. 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement

The Company entered into the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement with CRSC Corporation Group on December 30, 2025 (after trading hours), and the main contents of this agreement are set out as follows:

Types of transaction: The Group and CRSC Corporation Group and/or its associates may purchase or sell raw materials, auxiliary materials, accessories, components, packaging materials, semi-finished products, finished products, goods and related products from or to each other.

Principal terms: (1) Pricing policy (see below);

- (2) Except for public tender, both parties must confirm the demand schedule for the next year or the demand adjustment schedule of the current year on a stipulated date of each year;
- (3) The Group and CRSC Corporation Group and/or its associates must enter into specific agreements to stipulate specific terms and conditions, including specific products, quality standards and payment methods, in respect of the relevant products under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement; and
- (4) The 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement shall be effective for a term of three years, from January 1, 2026 to December 31, 2028 and may be renewed with mutual consent after negotiation. The renewal of the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement shall comply with the requirements of the Listing Rules.

Pricing policy:

The pricing of each of the products under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement will be determined on the basis of market prices, together with purchasing costs of materials, labour costs, manufacturing costs, management costs, financial costs, transportation and packaging costs incurred by sales, tax burdens and profitability standards. The pricing of products supplied by the Group shall be determined with reference to the Group's costs (including material costs, labour costs, management costs, etc.) plus a reasonable profit, which shall be comparable to the profit the Group achieves when selling related or similar products to independent third parties under the same or similar business models. The pricing of the products purchased by the Group from CRSC Corporation Group and/or its associates will be determined based on a cost-plus method by adding reasonable profit with reference to average level in the industry, relevant reasonable costs including purchasing costs of materials, labour costs, manufacturing costs, management costs, transportation and packaging costs incurred. The net profit margin ranges from approximately 6% to 15%. To ensure that the pricing of the products provided by CRSC Corporation Group will be no less favourable than those offered to our Group by independent third parties, the Group will collect and review quotes offered by at least two other independent third parties for products of the same type or similar quality for comparison.

3. Historical amount

For the year ended December 31, 2023, 2024 and 2025, the maximum annual amount of purchases by the Group from CRSC Corporation Group and/or its associates under the 2023–2025 CRSC Corporation Group Purchases and Sales Framework Agreement shall not exceed RMB70,000,000, RMB70,000,000 and RMB70,000,000, respectively.

For the year ended December 31, 2023 and 2024 and the period from January 1, 2025 to November 30, 2025, the actual amount of purchases by the Group from CRSC Corporation Group and/or its associates was RMB33,756.50 thousand, RMB41,195.00 thousand and RMB44,832.50 thousand, respectively. The actual amount of purchases is lower due to variations in project design requirements, resulting in lower-than-expected demand for product accessories.

For the year ended December 31, 2023, 2024 and 2025, the maximum annual amount of sales by the Group to CRSC Corporation Group and/or its associates under the 2023–2025 CRSC Corporation Group Purchases and Sales Framework Agreement shall not exceed RMB2,000,000, RMB2,000,000 and RMB2,000,000, respectively.

For the year ended December 31, 2023 and 2024 and the period from January 1, 2025 to November 30, 2025, the actual amount of sales by the Group to CRSC Corporation Group and/or its associates was RMB452.90 thousand, RMB1,865.70 thousand and RMB222.80 thousand, respectively. The actual amount of sales is lower due to the fact that CRSC Corporation Group and/or its associates did not generate the anticipated demand for components for large-scale projects.

4. Annual caps and basis of determination

Annual caps: For the year ending December 31, 2026, 2027 and 2028, the Group's maximum annual amount of purchases from and sales to CRSC Corporation Group and/or its associates shall not exceed the following caps, respectively:

	Proposed annual caps for the year ending December 31,		
	2026	2027	2028
	<i>(RMB'000)</i>		
Total amount of purchases	70,000	70,000	70,000
Total amount of sales	2,000	2,000	2,000

Basis of determination: In determining the above annual caps, the Directors have considered that: (i) with respect to estimated procurement amount from CRSC Corporation Group and/or its associates, the Group intends to continue to procure certain components from CRSC Corporation Group and/or its associates, primarily for the purpose of more efficiently supporting the Group's projects than procuring such components from third-party suppliers; (ii) based on the Group's project planning, the annual procurement demand for relevant components is expected to increase over the next three years. The estimation references the highest historical transaction amount from 2023 to 2025 and assumes an annual business growth rate of approximately 5%; additionally, considering the potential additional demand arising from the upgrade and replacement of old equipment with new in the railway market (estimated at no more than RMB20 million annually) and reserving a buffer of no more than 5%, the annual transaction amount for the next three years is expected not to exceed RMB70 million; (iii) with respect to the estimated sales amount to CRSC Corporation Group and/or its associates, setting a cap that complies with the full exemption level under the Listing Rules not only satisfies compliance requirements but also allows flexibility for potential ad hoc sales needs.

5. Reasons for and benefits of entering into the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement

CRSC Corporation Group and the Group have established a long-term and steady business relationship, and are familiar with each other's business demands and able to supply products required for production by each other. The Directors consider that maintaining stable and high quality business relationship with CRSC Corporation Group will be favorable to the current and future production and operation of the Group. By reference to the Group's historical business transaction experience with CRSC Corporation Group and/or its associates, the Directors believe that the Group and CRSC Corporation Group will be able to effectively satisfy the stable and high quality requirements of the other party in the relevant business activities, and maintaining business transactions with each other is in the interest of the Group and the Shareholders as a whole.

II. 2026–2028 CONSTRUCTION CONTRACTING FRAMEWORK AGREEMENT

1. Background

Reference is made to the announcement of the Company dated May 23, 2023, in relation to, among other things, the 2023–2025 Construction Contracting Framework Agreement entered into between the Company and CRSC Corporation Group on May 23, 2023 and the amount of annual caps thereunder. Considering that the terms of the 2023–2025 Construction Contracting Framework Agreement will expire on December 31, 2025 and the Company will continue the transactions thereunder, the Company entered into the 2026–2028 Construction Contracting Framework Agreement with CRSC Corporation Group on December 30, 2025 (after trading hours), to renew the continuing connected transactions. The 2026–2028 Construction Contracting Framework Agreement shall be effective from January 1, 2026 to December 31, 2028 for a term of three years.

2. 2026–2028 Construction Contracting Framework Agreement

The Company entered into the 2026–2028 Construction Contracting Framework Agreement with CRSC Corporation Group on December 30, 2025 (after trading hours), and the main contents of this agreement are set out as follows:

Types of transaction: Pursuant to the 2026–2028 Construction Contracting Framework Agreement, the Group will provide engineering construction and ancillary services (including but not limited to engineering design and construction general contracting) to CRSC Corporation Group and/or its associates in its ordinary course of business, and CRSC Corporation Group and its associates will pay the Group service fees.

Principal terms:

- (1) Pricing policy (see below);
- (2) Except for public tender, both parties must confirm the service demand schedule for the next year or the service demand adjustment schedule of the current year on a stipulated date of each year;

- (3) The Group and CRSC Corporation Group and/or its associates must enter into specific agreements to stipulate specific terms and conditions, including, among others, specific scope of engineering construction and ancillary services, service methods and payment methods, in respect of the engineering construction and ancillary services under the 2026–2028 Construction Contracting Framework Agreement; and
- (4) The 2026–2028 Construction Contracting Framework Agreement shall be effective for a term of three years, from January 1, 2026 to December 31, 2028 and may be renewed with mutual consent after negotiation. The renewal of the 2026–2028 Construction Contracting Framework Agreement shall comply with the requirements of the Listing Rules.

Pricing policy:

Pursuant to the 2026–2028 Construction Contracting Framework Agreement, the service fees for providing engineering construction and ancillary services by the Group to CRSC Corporation Group and/or its associates will be determined after arm’s length negotiations with CRSC Corporation Group and/or its associates with reference to following major factors: (1) availability and cost of raw materials and equipment and machinery, labor, and subcontractors; (2) local guidance prices for the various raw materials and other construction costs provided by the Housing and Urban-Rural Development Bureaus; (3) project progress plans, complexity and scale of the construction project, and the potential adjustment of the scope of work; (4) the geographical location and environmental conditions of the project; and (5) for competitive bidding, assessment and analysis of the relevant functional departments of the Group based on relevant information of the competitors and specific project demand and the impact of the project on the Company’s macro strategy.

In order to ensure that the service fees charged by the Group for the provision of engineering contracting services are fair and reasonable and in line with the prevailing market prices, the Group will keep abreast of the current market rates and market conditions, and review the pricing through an independent third-party consulting agency. In addition, the Group will also refer to the fees previously charged for providing similar engineering contracting services to independent third-party customers (where feasible, not less than two).

3. Historical amount

For the year ended December 31, 2023, 2024 and 2025, the maximum annual amount of provision of engineering construction and ancillary services by the Group to CRSC Corporation Group and/or its associates under the 2023–2025 Construction Contracting Framework Agreement shall not exceed RMB450,000,000, RMB400,000,000 and RMB200,000,000, respectively.

For the year ended December 31, 2023 and 2024 and the period from January 1, 2025 to November 30, 2025, the actual amount of provision of engineering construction and ancillary services by the Group to CRSC Corporation Group and/or its associates amounted to RMB160,971.10 thousand, RMB44,426.90 thousand and RMB14,053.90 thousand, respectively. The main reason for the lower actual transaction amount of provision of engineering construction and ancillary services is that the projects served have been delayed, during which the actual volume of work performed was less than anticipated.

4. Annual caps and basis of determination

Annual caps:

For the years ending December 31, 2026, 2027 and 2028, the maximum annual amount of engineering contracting and ancillary services provided by the Group to CRSC Corporation Group and/or its associates shall not exceed the following caps, respectively:

**Proposed annual caps for the
year ending December 31,**
2026 2027 2028
(RMB'000)

Total amount of services to be provided	200,000	400,000	400,000
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Basis of determination: In estimating the annual amount of construction contracting services provided to CRSC Corporation Group and/or its associates, the main factors considered by the Company include: (a) the existing agreements entered into between the Group and CRSC Corporation Group and/or its associates, the total contractual amount of such existing agreements, and the Group's estimation of service payment arrangements based on the estimated construction progress during the term of the 2026–2028 Construction Contracting Framework Agreement. It is expected that the transaction amount from 2026 to 2028 will not exceed RMB200,000 thousand, RMB400,000 thousand and RMB400,000 thousand (where specific payment dates for certain portions may occur within 2027 or 2028 according to actual construction progress, therefore the same allocation is reserved for both years); in particular, the total amount of existing contracts and the total amount of contracts to be entered into are estimated based on the Company's cost budget for relevant projects with reference to the gross profit margin of similar projects with independent third parties; the construction progress is estimated based on the Company's similar project experience and construction schedule.

5. Reasons for and benefits of entering into the 2026–2028 Construction Contracting Framework Agreement

Considering that: (1) contracts relating to the engineering construction and ancillary services that the Group entered into with CRSC Corporation Group and/or its associates will continue and bring revenue and profit to the Group; (2) according to project reserve of CRSC Corporation Group and/or its associates, it is expected that CRSC Corporation Group and its associates may have new demand for engineering construction and ancillary services in the future; (3) the pricing of the engineering construction and ancillary services the Group provided to CRSC Corporation Group and/or its associates is fair and on normal commercial terms; and (4) CRSC Corporation Group has a long-term and stable business relationship with the Group, and the strong credit worthiness of CRSC Corporation Group, the Group will be given priority in payment of the Group's service fees in the future.

III. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CRSC Corporation Group holds 62.78% of the issued share capital of the Company and is the controlling shareholder of the Company. Therefore, CRSC Corporation Group is a connected person of the Company. CRSC Corporation Group and its associates constitute connected persons of the Company according to the requirements under Chapter 14A of the Listing Rules. Accordingly, the continuing transactions carried out between the Group and CRSC Corporation Group and/or its associates under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement and the 2026–2028 Construction Contracting Framework Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the purchases of the products by the Group from CRSC Corporation Group under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement, as the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the proposed annual caps is more than 0.1% but less than 5%, the continuing connected transactions in respect of the purchases of the products by the Group from CRSC Corporation Group under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement shall be subject to the reporting, annual review and announcement requirements, but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the sales of the products by the Group to CRSC Corporation Group under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement, as the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the proposed annual caps is less than 0.1%, the continuing connected transactions in respect of the sales of the products by the Group to CRSC Corporation Group under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement shall be fully exempted from the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In respect of the provision of engineering construction and ancillary services by the Group to CRSC Corporation Group under the 2026–2028 Construction Contracting Framework Agreement, as the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the annual caps is more than 0.1% but less than 5%, the continuing connected transactions in respect of the provision of engineering construction and ancillary services by the Group to CRSC Corporation Group under the 2026–2028 Construction Contracting Framework Agreement shall be subject to the reporting, annual review and announcement requirements, but exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors), after taking into account the pricing policies, basis of determining annual caps, reasons and benefits as well as internal control procedures, are of the view that the terms of the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement, the 2026–2028 Construction Contracting Framework Agreement, the transactions to be contemplated thereunder and the annual caps thereunder are entered into on normal commercial terms in the ordinary and usual course of business of the Company, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IV. INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

To regulate the performance of connected transactions of the Company, the Company has formulated the Management Rules for Connected Transactions of China Railway Signal & Communication Corporation Limited* 《(中國鐵路通信信號股份有限公司關聯交易管理制度)》, and adopted a series of internal control and corporate governance measures in its daily operation. Such measures in relation to the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement and the 2026–2028 Construction Contracting Framework Agreement mainly include the following:

1. Each of the Framework Agreements shall be conducted on a non-exclusive basis;
2. The Company has formulated the Procurement Administrative Measures of China Railway Signal & Communication Corporation Limited* 《(中國鐵路通信信號股份有限公司採購管理辦法)》, which set out the review policy and management mechanism for pricing of transactions conducted by the Group. The Group's pricing management department is responsible for reviewing the reasonableness, truthfulness and accurateness of the applications of procurement pricing together with relevant materials submitted by the procurement department. When assessing the fairness of the relevant procurement prices, the Group's pricing management department shall refer to the established procurement principles and take various measures such as cost calculation and independent consultations. The person in charge of pricing management department of the Group is responsible for approving procurement pricing caps, which will be recorded in the Group's internal information system by relevant staff for implementation by all business departments;
3. The sales department, project management department and finance department of the Company are responsible for constantly monitoring and reviewing the procurement and sales prices of products as well as prices of services to ensure that the pricing of products and services complies with the principles set out in the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement and 2026–2028 Construction Contracting Framework Agreement;

4. The Company's internal audit department is responsible for monitoring and inspecting on the implementation of pricing, and examining and assessing whether the products have been sold or procured on normal or comparable commercial terms by comparing against procurement pricing and budget implementations of products offered by or to CRSC Corporation Group and those available from or to the independent third parties in the market. If the Company's internal audit department is of the view that the pricing of the products offered by or to CRSC Corporation Group is less favourable than that available from or to the independent third parties, it will report the issue to the management of the Company in order to re-consider and re-negotiate the prices of the procurement;
5. The Company's marketing department will conduct industry research and price inquiries every half year to obtain the latest industry standard, market price and breakdowns of costs of different kinds of products, and constantly update the reference resources in the Group's database so as to assess whether the pricing under the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement and 2026–2028 Construction Contracting Framework Agreement is on normal commercial terms;
6. The Company's finance department is responsible for providing statistical reports on continuing connected transactions under each of the Framework Agreements, explaining the applicable scope of various continuing connected transactions, and proposing reporting requirements to the finance departments of its subsidiaries, as well as coordinating and monitoring the compliance with the annual caps by its subsidiaries;
7. The Company's finance department and its subsidiaries' finance departments are responsible for summarizing the actual amount of continuing connected transactions of the Company and its subsidiaries incurred under each of the Framework Agreements, respectively, while the subsidiaries' finance departments shall submit reports on continuing connected transactions under each of the Framework Agreements to the Company's finance department on a monthly basis, and the Company's finance department is responsible for verifying, summarizing, analyzing and forecasting such monthly amount of the continuing connected transactions of the Company and its subsidiaries under each of the Framework Agreements;

8. The Company's finance department will strictly control the balance of the annual caps and ensure that the continuing connected transactions under each of the Framework Agreements will not exceed the relevant annual caps; when the statistical data indicates that those actual amounts incurred may exceed the annual caps, the office of the Board of the Company will organize the relevant departments to propose a handling plan as soon as possible and forecast new annual cap amounts, make an application to revise the annual caps pursuant to the relevant procedures, strictly fulfill the disclosure obligations under the Listing Rules, and ensure that the actual amount of the continuing connected transactions incurred under each of the Framework Agreements will not exceed the approved and/or disclosed annual caps before obtaining the relevant approvals and/or completion of the relevant disclosure;
9. The Company's finance department will work with the office of the Board and report the status of the continuing connected transactions under each of the Framework Agreements to the audit and risk management committee of the Company and the Board at least twice a year;
10. Prior to entering into any specific agreements with CRSC Corporation Group in accordance with each of the Framework Agreements, the Company's legal compliance department will review such agreements to ensure that the principal terms are in line with the relevant terms of each of the Framework Agreements; and
11. The independent non-executive Directors of the Company will review each of the Framework Agreements and the continuing connected transactions to be contemplated thereunder to ensure that such agreement is entered into on normal commercial terms, is fair and reasonable and conducted in accordance with the terms of such agreements. Meanwhile, the auditor of the Company will also conduct annual review of the pricing and annual caps for such continuing connected transactions.

After taking into account the internal control procedures, the Company believes that it has formulated sufficient mechanisms, internal control procedures and external supervision measures, to ensure that the continuing connected transactions comply with and strictly follow the relevant regulatory guidelines and the terms of each of the Framework Agreements.

V. OPINIONS OF THE BOARD

As Mr. LOU Qiliang and Ms. LUO Jing are deemed to be materially interested in the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement and the 2026–2028 Construction Contracting Framework Agreement and the transactions to be contemplated thereunder, therefore they have abstained from voting on the resolutions of the Board for approving such transactions. Save as disclosed above, none of the other Directors has material interests in such transactions and is required to abstain from voting on the resolutions of the Board for considering and approving such transactions.

VI. GENERAL

1. Information on the Company

The Company is a joint stock limited liability company established in the PRC on December 29, 2010. The principal business activities of the Company include design and integration of rail transit control systems, equipment manufacturing, system delivery business and construction contracting services and others.

2. Information on CRSC Corporation Group

CRSC Corporation Group is a wholly state-owned enterprise approved to be established by the former Ministry of Railway of the PRC (中國鐵道部) on May 8, 1981 and registered in the PRC on January 7, 1984, and is the sole controlling shareholder and one of the promoters of the Company. The principal business activities of CRSC Corporation Group include manufacturing of accessory parts and provision of services and provision of property leasing services for the Group. The ultimate beneficial owner of CRSC Corporation Group is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會).

VII. DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“2023–2025 Construction Contracting Framework Agreement”	the construction contracting framework agreement entered into between the Company and CRSC Corporation Group on May 23, 2023 (after trading hours)
“2023–2025 CRSC Corporation Group Purchases and Sales Framework Agreement”	the purchases and sales framework agreement entered into between the Company and CRSC Corporation Group on May 23, 2023
“2026–2028 Construction Contracting Framework Agreement”	the construction contracting framework agreement entered into between the Company and CRSC Corporation Group on December 30, 2025 (after trading hours)
“2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement”	the purchases and sales framework agreement entered into between the Company and CRSC Corporation Group on December 30, 2025 (after trading hours)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	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), a joint stock limited liability company incorporated in the PRC on December 29, 2010
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules

“CRSC Corporation Group”	collectively, China Railway Signal & Communication Corporation (中國鐵路通信信號集團公司) and/or its subsidiaries (excluding the Group), China Railway Signal & Communication Corporation is a wholly state-owned enterprise approved to be established by the former Ministry of Railway of the PRC (中國鐵道部) on May 8, 1981 and registered in the PRC on January 7, 1984, and the sole controlling shareholder and one of the promoters of the Company
“Director(s)”	the director(s) of the Company
“Framework Agreements”	the 2026–2028 CRSC Corporation Group Purchases and Sales Framework Agreement and the 2026–2028 Construction Contracting Framework Agreement
“Group”	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require), or where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company with nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on The Stock Exchange of Hong Kong Limited
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“%”	Percent

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

Beijing, the PRC
December 30, 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