



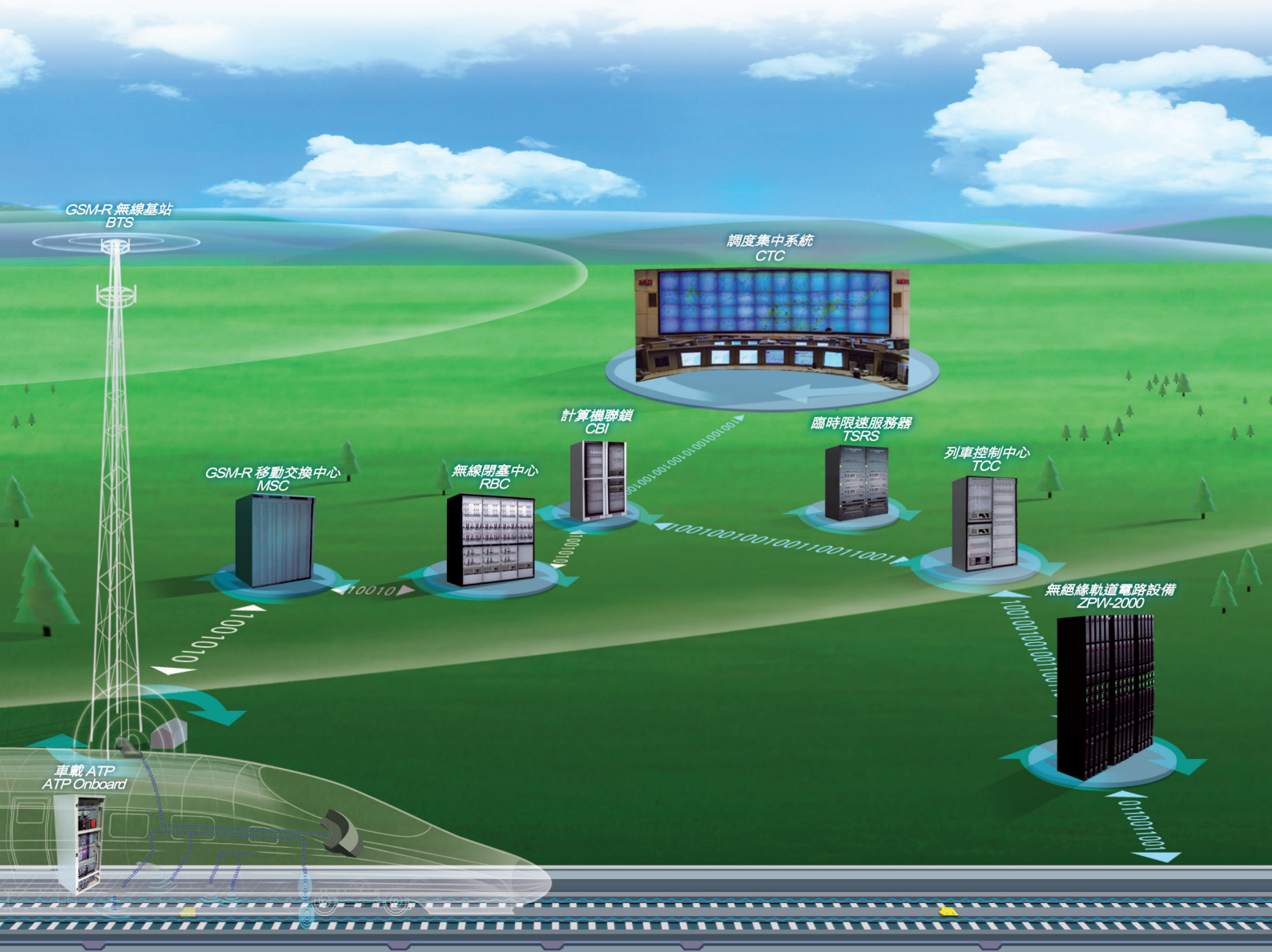
中国通号

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: 3969



2021 Interim Report

*For identification only

IMPORTANT NOTICE

I. THE BOARD AND THE SUPERVISORY COMMITTEE OF THE COMPANY AND THE DIRECTORS, SUPERVISORS AND MEMBERS OF THE SENIOR MANAGEMENT WARRANT THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE CONTENTS HEREIN AND CONFIRM THAT THERE ARE NO MISREPRESENTATIONS OR MISLEADING STATEMENTS CONTAINED IN, OR MATERIAL OMISSIONS FROM, THIS INTERIM REPORT, AND ACCEPT SEVERAL AND JOINT LEGAL RESPONSIBILITIES.

II. WARNING OF SIGNIFICANT RISKS

For the description of relevant risks, please refer to “Management Discussion and Analysis” under Section III of this report.

III. ALL DIRECTORS OF THE COMPANY ATTENDED THE BOARD MEETING HELD ON 25 AUGUST 2021.

IV. THIS INTERIM REPORT WAS UNAUDITED.

V. ZHOU ZHILIANG, PERSON-IN-CHARGE OF THE COMPANY, HU SHAOFENG, CHIEF FINANCIAL OFFICER, AND ZHANG SHIHU, HEAD OF THE FINANCE DEPARTMENT (PERSON IN CHARGE OF ACCOUNTING), CONFIRM THAT THE FINANCIAL REPORT IN THIS INTERIM REPORT IS TRUE, ACCURATE AND COMPLETE.

VI. PROFIT DISTRIBUTION PLAN OR RESERVES-TO-EQUITY TRANSFER PLAN DURING THE REPORTING PERIOD AS CONSIDERED BY THE BOARD

None

VII. WHETHER THERE ARE IMPORTANT MATTERS SUCH AS SPECIAL ARRANGEMENTS FOR CORPORATE GOVERNANCE

Applicable Not applicable

VIII. DISCLAIMER OF FORWARD-LOOKING STATEMENTS

Applicable Not applicable

For the future macroeconomic situation and policy changes at home and abroad, this report has made certain pre-conditional assumptions or certain predictive statements that may be made based on subjective judgments. Various variable factors have a relatively significant impact on relevant assumptions and judgments, and the final trend or results may differ from those foreseeable statements.

The forward-looking statements included in this report in relation to future plans, development strategies, etc. do not constitute any substantive commitment to investors by the Company. Investors should be reminded of such investment risks.

IX. WHETHER THE CONTROLLING SHAREHOLDER OR ITS RELATED PARTIES HAVE MISAPPROPRIATED THE COMPANY’S FUNDS FOR PURPOSES OTHER THAN FOR BUSINESS

No

X. WHETHER THE COMPANY HAS PROVIDED EXTERNAL GUARANTEES IN VIOLATION OF ANY PRESCRIBED DECISION-MAKING PROCEDURES

No

XI. WHETHER THE COMPANY HAS MORE THAN HALF OF THE DIRECTORS THAT CAN NOT GUARANTEE THE TRUTHFULNESS, ACCURACY AND COMPLETENESS OF THE INTERIM REPORT DISCLOSED BY THE COMPANY

No

XII. OTHERS

Applicable Not applicable

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SECTION I DEFINITIONS

Unless otherwise stated in context, the following terms should have the following meanings in this report:

Definition of common words

ATO	Automatic Train Operation, the automatic train operation system, a system that automatically adjusts the speed and operation status of trains to automatically control a train's operation
CBTC	Communication Based Train Control System, train control system for urban transit, the wireless communication-based automatic train control system, a wireless communication system for urban transit that enables bidirectional communication between vehicle and ground facilities to control the operation of trains
CNRG	China National Railway Group Co., Ltd. (中國國家鐵路集團有限公司)
CRSC Group	China Railway Signal and Communication (group) Corporation Limited (中國鐵路通信信號集團有限公司), the controlling shareholder of the Company
CRSC or our Company or Company	China Railway Signal & Communication Corporation Limited* (中國鐵路通信信號股份有限公司)
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
CTCS	Chinese Train Control System, developed by China for ensuring the safe operation of trains, which is divided into 0 to 4 levels based on function and equipment configuration according to the operational requirements of different lines. The higher the level, the faster the train speed applied and the higher the technical difficulty
EPC	Engineering Procurement Construction, the whole process or certain stages of the contract entrusted by the owner to the company to carry out the design, procurement, construction, and trial operation of the construction project in accordance with the contract
Hong Kong Stock Exchange	the Stock Exchange of Hong Kong Limited
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
SSE	the Shanghai Stock Exchange
TACS	Train Autonomous Circumambulation System, a signal system for a train to realize autonomous resource management and active interval protection based on the operation plan and real-time location of the train

BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS

I. CORPORATE INFORMATION

Chinese name of the Company	中國鐵路通信信號股份有限公司
Chinese abbreviation	中國通號
English name of the Company	China Railway Signal & Communication Corporation Limited
English abbreviation	CRSC
Legal representative of the Company	ZHOU Zhiliang
Registered office of the Company	20/F, CRSC Building A 1 Compound, Automobile Museum South Road Fengtai District Beijing
Historical change of registered office of the Company	In November 2017, the Company's registered office was changed from B 49 Xisihuan South Road, Fengtai District, Beijing to 20/F, CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing.
Principal place of business	CRSC Building 1 Compound, Automobile Museum South Road Fengtai District Beijing
Postal code of principal place of business	100070
Website of the Company	www.crsc.cn
E-mail	ir@crsc.cn
Index to changes during the Reporting Period	None

II. CONTACT PERSONS AND CONTACT METHODS

Name	Secretary to the Board (Domestic representative for information disclosure) QIU Wei
Correspondence address	20/F, CRSC Building A 1 Compound, Automobile Museum South Road Fengtai District Beijing
Telephone	010-50809077
Fax	010-50809075
E-mail	ir@crsc.cn

SECTION II

BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS

III. CHANGES IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers designated by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website designated by the CSRC for publishing the A share interim report of the Company	www.sse.com.cn
Website designated by the Hong Kong Stock Exchange for publishing the H share interim report of the Company	www.hkexnews.hk
Place of inspection of the interim report of the Company	Board Office of the Company
Index to changes during the Reporting Period	None

LANGUAGE AND MEANS OF RECEIPT OF CORPORATE COMMUNICATIONS

The Company provides corporate communications to the shareholders based on their respective selected language version and means of receipt. The shareholders have the following options:

- to read the online version of all corporate communications published on the Company's website by electronic means instead of receiving the printed version and receive written notice for the publication of the corporate communications published on the Company's website;
- to receive printed English version of all corporate communications only;
- to receive printed Chinese version of all corporate communications only; or
- to receive both printed English and Chinese version of all corporate communications.

The shareholders may choose and/or change their choice on the language version of our corporate communications and/or the way to receive the corporate communications at any time. The shareholders may notify the Company of their options by the following ways:

- By mail: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- By email: crsc.ecom@computershare.com.hk

For enquiry on the arrangement of selection of the language version and means of receipt of corporate communications, the shareholders may contact the hotline at +852 2862 8688 at any time.

IV. BASIC INFORMATION OF SHARES/DEPOSITARY RECEIPTS OF THE COMPANY

(I) Basic information of shares of the Company

Applicable Not applicable

Basic information of shares of the Company

Class of share	Place of listing and sector	Stock abbreviation	Stock code	Stock abbreviation before change
A share	SSE STAR Market	CRSC	688009	None
H share	Hong Kong Stock Exchange Main Board	CRSC	03969	None

(II) BASIC INFORMATION OF DEPOSITARY RECEIPTS OF THE COMPANY

Applicable Not Applicable



BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS

V. OTHER RELEVANT INFORMATION

Applicable Not Applicable

VI. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key accounting data

Unit: Yuan Currency: RMB

Key accounting data	For the Reporting	For the	Change as
	Period (from January to June)	corresponding period of last year	compared with the corresponding period of last year (%)
Revenue	17,864,747,289.30	14,620,778,851.32	22.19
Net profit attributable to shareholders of the listed company	1,840,504,747.38	1,774,925,442.85	3.69
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company	1,771,582,249.39	1,740,428,904.21	1.79
Net cash flows from operating activities	-425,939,991.41	-972,052,222.39	-
	As at the end of the Reporting Period	As at the end of last year	Change as compared with the end of last year (%)
Net assets attributable to shareholders of the listed company	42,168,526,134.79	42,563,468,050.40	-0.93
Total assets	107,792,905,498.91	105,328,082,320.59	2.34

(II) Key financial indicators

Key financial indicators	Reporting Period	Corresponding	Change as
	(from January to June)	period of last year	compared with the corresponding period of last year (%)
Basic earnings per share (RMB/share)	0.16	0.16	-
Diluted earnings per share (RMB/share)	0.16	0.16	-
Basic earnings per share after deduction of non-recurring profit or loss (RMB/share)	0.16	0.16	-
Weighted average rate of return on net assets (%)	4.24	4.23	Increased by 0.01 percentage point
Weighted average rate of return on net assets after deduction of non-recurring profit or loss (%)	4.08	4.15	Decreased by 0.07 percentage point
R&D investment as a percentage of revenue (%)	4.24	4.09	Increased by 0.15 percentage point

SECTION II

BASIC CORPORATE INFORMATION AND KEY FINANCIAL INDICATORS

Explanations on the key accounting data and financial indicators of the Company

Applicable Not Applicable

VII. DIFFERENCES IN ACCOUNTING DATA BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

Applicable Not Applicable

VIII. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Applicable Not Applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount	Notes (if applicable)
Gains or loss from disposal of non-current assets	25,298,364.85	
Government grants included in profit or loss for the period (except for those closely related to the Company's normal operation and which were granted on a recurring basis subject to certain amount or volume upon fulfilment of specific standards in compliance with the national policies and regulations)	29,750,387.16	
Gain or loss on debt restructuring	268,245.64	
Reversal of the impairment provision for receivables and contract assets which are tested individually for impairment	2,755,674.64	
Net donation income and expense	-60,000.00	
Other non-operating income and expenses apart from the aforesaid items	25,106,283.58	
Effect of income tax	-13,625,272.81	
Effect of minority interest	-571,185.07	
Total	<u>68,922,497.99</u>	

IX. EXPLANATION OF PERFORMANCE INDICATORS OF NON-ENTERPRISE ACCOUNTING STANDARDS

Applicable Not Applicable

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

I. DESCRIPTION OF THE INDUSTRY WHERE THE COMPANY OPERATED AND ITS MAJOR BUSINESSES DURING THE REPORTING PERIOD

(I) Major Businesses, Major Products or Services

As a core enterprise for ensuring safe operation of China's rail transportation, the Company has consistently taken as its own duty to develop national industry and technology in the course of production and operation. By focusing on the research and exploration of rail transportation control system technology, the Company provides safe and efficient core support for the operation of national rail transportation. As a world-class rail transportation control system solution provider, the Company has continued to enhance the construction of a complete industrial chain integrated with an industry-leading rail transportation control system design and development, equipment manufacturing and engineering services and improve capabilities to provide high-quality integrated services throughout the industrial chain of rail transportation control system to its customers.

The core businesses of the Company cover: 1) design and integration, mainly including provision of system integration services for related products of rail transportation control system and provision of design and consultancy services mainly for construction of rail transportation projects; 2) equipment manufacturing, mainly including production and sale of signal system, communication information system products and other related products; 3) system implementation, mainly including construction, equipment installation and maintenance services for rail transportation control system projects.

In recent years, the Company has kept up with the development trend of domestic and oversea industries, and actively adapted to changes in the industry and market. While maintaining the world's leading position in the core business in respect of the field of railway signal and communication, the Company has adhered to the development strategy of "one core business with diversification into related businesses" to strengthen the core business of railway signal and communication, and gradually built three industrial ecological clusters of "rail transportation, information engineering, and strategic emerging industries". Upholding the idea of technology-driven development, the Company continuously increased investment in scientific and technological research and development. On the basis of introducing, digesting, absorbing and re-innovating, the Company made full use of the accumulated big data resources to accelerate the pace of independent innovation, actively carry out pioneering and forward-looking research, and actively embrace the forefront of world science and technology. In the future, the Company will continue to carry out research and development of advanced technologies based on the big data and artificial intelligence, and continue to make breakthroughs in advanced rail transportation control, intelligent comprehensive operation and maintenance of rail transportation, special chips for rail transportation, smart city and relevant communication information and other fields, to lead the new direction of industry development.

There was no material change in the Company's major businesses since its establishment.

(II) Major Operating Models

The Company mainly obtains orders through public bidding, and mainly obtains production raw materials through centralized procurement. The Company provides integrated and comprehensive services of rail transportation control system to its customers under the mature business model of design and integration, equipment manufacturing and system implementation. During the Reporting Period, there was no material change on the Company's major operating models, such as sales model, production and service model and purchase and management model.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Relevant Industry Information

1. *Industrial development stage, basic characteristics and main technical thresholds*

Industries closely related to the Company's operations include the fields of railway and urban rail transit.

In the field of railway, although total railway mileage in the PRC has achieved rapid growth, the network density and per capita mileage still fall behind those of developed countries. Therefore, from a long-term perspective, there still exists an extensive railway market in the PRC. In August 2020, the National Railway Group released the Program of Building National Strength in Railway Transportation in the New Era (《新時代交通強國鐵路先行規劃綱要》), starting a new chapter of enhancing national strength in railway transportation, which states that by the year of 2035, 200,000 kilometers of railway network will be built, including 70,000 kilometers of high-speed rail (including some intercity railways), 130,000 kilometers of normal-speed railways (including some municipal railways). Railway coverage will be made in cities with a population of more than 200,000, and high-speed rail will be accessible to cities with a population of more than 500,000. The construction of the main high-speed railway of the “eight vertical and eight horizontal lines (八縱八橫)” will be the focus. According to the Belt and Road Initiative, domestic interregional express and large-capacity passages in the PRC and transportation passages with neighboring countries will be the focus of the expansion of various regions. For some railway projects under national development strategy, such as the Sichuan-Tibet Railway and the western land-sea new passage, expanding the coverage of the road network, improving the access to Xinjiang and Tibet, and promoting the opening up of the northeast and southwest borders will be the three major development directions, which require higher technical and project management capabilities. According to the Program of Building National Strength in Railway Transportation in the New Era, the future railway construction aims to build a modern integrated transportation hub with seamless and smooth connection, develop a station economy that integrates stations and cities; promote the integration of arterial railways, intercity railways, municipal (suburban) railways and urban rail transit network and their efficient connection with airports, improve the collection and distribution system of freight hubs, as well as multimodal transportation, reloading and transfer systems, and enhance the digitalization and intelligent level of freight stations; build smart high-speed rail and smart railway, and advance the digitalization and smartization of technologies and facilities; promote the standardization and simplification of industrial and electrical technologies and equipment; research and develop independent new intelligent railway control systems, intelligent traction industrial and electrical systems, intelligent integrated dispatch and command systems, and a new generation of railway mobile communication systems; develop smart construction sites and other intelligent construction equipment and technologies; research and develop new intelligent comprehensive inspection and comprehensive operation equipment, intelligent inspection and monitoring, operation and maintenance and other technologies; and promote the application of Beidou satellite navigation system.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

In the field of urban rail transit, seen from the perspective of the global urban rail transit industry, urban rail transit construction in emerging countries and regions is in the ascendant, while the rail transit systems of major cities in developed countries are constantly undergoing renovation and technological upgrading. Seen from the perspective of the domestic urban rail transit industry, in recent years, the national level urbanization development strategy has also continuously injected impetus into the urban rail transit industry. Some large cities have completed a number of projects in succession, which has significantly improved the urban traffic situation and played an important role in giving full play to the urban functions, improving the environment and promoting economic and social development. The 2020 Government Work Report put forward the focus on supporting the construction of new infrastructure, new urbanization initiatives and major projects (兩新一重), and the CPC Central Committee's Proposals for Formulating the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives through the Year 2035 《中共中央關於制定國民經濟和社會發展第十四個五年規劃和二〇三五年遠景目標的建議》 clearly stated that “speed up the city clusters and metropolitan rail transportation networks”, urban rail transit as one of the “new infrastructure” has been supported by national priority. As of the end of 2020, the national urban rail transit operation route length reached 7,545.5 kilometers, and the future market momentum will be sufficient. It is expected that by 2021, there will be 50 additional rail transit routes covering approximately 29 cities including Beijing, Shanghai, Guangzhou, Wuhan, Hangzhou, Nanjing, Dalian, Xiamen and Harbin with a total estimated length of over 1,000 kilometers commencing operation. Meanwhile, 22 lines in approximately 13 cities are expected to start construction with a total estimated length of over 500 kilometers, while another batch of lines is under planning. While the rail transit line mileage continues to increase, some subway lines built in the early stage also need to be upgraded to ensure safe operation. Urban rail transit industry has also ushered in a period of stable development in the PRC.

2. Analysis of relevant industrial status and changes thereof

The Company is a world-class provider of rail transportation control system solutions. In the field of railway, as of the first half year of 2021, the total contracted mileage covered by the Company's core products and services of high-speed railway control system continued to rank the first in the world. In the field of core equipment of high-speed railway control system produced by the Company, numerous core system products of the Company also continued to occupy the leading position in the industry in terms of market share. In the field of domestic urban transit, the Company is also the largest provider of urban transit control system solutions. Up to now, the Company's core products and services of urban transit control system have covered more than 120 urban transit routes in the PRC which have been in operation and completed the bidding of control system, and also have been in the leading position in the industry. While maintaining the continuous growth in the domestic market, the Company continues to accelerate the establishment of its overseas business layout, continuously strengthen investment in overseas markets, and make every effort to enhance the Company's brand power and influence in the global market.

Despite the fluctuations in the investment in the domestic railway infrastructure market in the first half of the year, the Company's consolidated market share in the high-speed railway control system remained above 60% and its market share continued to be stable. At the same time, the Company actively accelerates the deployment in the market in order to make adequate preparations for bidding in the market of four engineering, namely communication engineering, signal engineering, power engineering and electrification engineering, for the second half of the year. The Company will continue to grasp the favorable trends and opportunities in the industry, actively adapt to the new environment and new changes, seize market opportunities, consolidate its dominant position in the global rail transit control system industry, and seek further development.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

3. Development of new technology, new industry, new business type and new model during the reporting period and future development trend

With the rapid development of economy in the PRC and the acceleration of the development of city clusters, arterial railways, intercity railways, municipal (suburban) railways, urban rail transit and other systems have played a major role in the transportation in the city cluster regions. However, due to the limitation of management model and technological development, the various transportation modes in the region have not formed a linkage, which restricts the improvement of transportation efficiency and service quality. With the rapid development of big data analysis, Internet+, Internet of Things, artificial intelligence, image recognition, network communication and other technologies, the realization of the coordinated transportation in regional rail transit and the research on integrated service theory and technology have become feasible. Based on various advanced information technologies, the strongest “smart brain (智慧大腦)” for regional rail transit will be built, which can deduce the situation of passenger flow, train flow, and facilities and equipment in real time, provide coordinated preparation and dynamic adjustment of the entire network transportation plan, and strengthen comprehensive support and linkage response processing to achieve new reforms in regional rail transit to enhance the attractiveness of rail transit, alleviate urban traffic congestion, and promote the high-quality development of city clusters. At present, the coordinated transportation and service system for regional rail transit independently developed by the Company has been basically completed, and relevant demonstration applications are currently being carried out.

In addition, the proportion of municipal (suburban) railway/intercity railway construction led by local governments is gradually increasing in the field of railway infrastructure, with more decentralized bidding subjects, more diversified investment models, and more diversified bidding methods. Therefore, all aspects involved in the future railway construction, such as project approval, fund raising, and system selection, may be adjusted accordingly. The Company is actively adjusting the allocation of market resources, actively integrating into the market, and calmly responding to challenges, so as to ensure the stable and healthy development of core business.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

II. CORE TECHNOLOGY AND RESEARCH AND DEVELOPMENT PROGRESS

1. Core technology and its leading edges and changes during the reporting period

The Company focuses on technology research & development, and promotes sustainable development of its overall business by technology innovations. Since its establishment, the Company has been working in the field of rail transportation control system, and owned many industry-leading core technologies leveraging on its outstanding technology innovation strength. As of the end of June 2021, the Company has 2,955 registered patents to protect its core technologies in the PRC, and at the same time, the Company has signed special confidentiality agreements with relevant technicians regarding core technologies to ensure that core technologies will not be divulged or spread.

The core technologies owned by the Company primarily include but not limited to the below:

No.	Core technology	Source of technology	Technical level and degree of application
1	Train operation control technology	Independently researched and developed	Train operation control technology has been widely used in HSRs, ICRs and urban transit, which provides core technical guarantee for safe operation and highly efficient of rail transportation. Responding to the demand for highly safe and reliable operation of rail transportation, this technology has addressed certain significant technology issues such as dynamical control curve model of train, precise positioning of train, speed and distance detecting of train, onboard fully functional seamless switch, wireless redundancy coverage of multiple doubling railways, moving blocking and railway network connectivity.
2	Automatic train Operation technology	Independently researched and developed	Automatic unmanned train operation technology has been successfully applied in the fields of HSRs, ICRs and urban transit. Based on train control system, by using this technology, automatic train operation is realized; through advanced automatic driving control algorithm, certain significant technology issues such as calculation of desired speed curve of train operation, the algorithm of precise stop of train, intelligent control of multiple objects, perception of status in complex operation environment, remote safe control have been addressed, and multiple indicators such as punctuality rate of operation and train parking accuracy and ride comfort and operation consumption have been improved.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Core technology	Source of technology	Technical level and degree of application
3	Integrated automation technology of freight railway	Independently researched and developed	Integrated automation technology of freight railway has been widely used in many marshalling yards in national railway and dispatch centers of railway bureaus, which provides core technology guarantee in improving railway freight efficiency, benefit and safety. The technology has addressed some significant technology issues such as intelligent calculation of freight traffic, intelligent adjustment of running line of railway wagons, intelligent preparation of locomotive usage plan and shunting plan, smart issuance of periodical maintenance and repair plan of vehicles, source control of train operation, as a result, the railway freight efficiency and intellectualization level have been improved.
4	Train traffic control automation technology	Independently researched and developed	Train traffic control automation technology has been widely used in HSRs, ICRs, urban transit and some normal-speed railways. This technology integrates computer technology, network technology and control technology, forms a closed-loop system of train operation dispatch and instruction, addresses technology issues such as train tracing, automatic control for hump rolling routes, prevention and control of mistaken receiving-departure at multi-directional hub station, train dispatch management and control at sectional station and intermediate station and intelligent adjustment of operation plan, as a result, automation level of operation instruction and emergent handling level under fault conditions have been improved.
5	Intelligent detection, operation and maintenance technology of rail transportation	Independently researched and developed	Intelligent detection, operation and maintenance technology of rail transportation has been successfully used in the fields of HSRs, normal-speed railways, urban transit. This technology has used big data system and cloud service technology to promote the development of rail transit inspection operation and maintenance to the direction of digitization, intelligence and informatization. With the technologies such as diverse integration of intelligent perception, multi-drive engines integration of analysis and judgement, Big Data health assessment analysis as breakthrough points, through expert system, mode identification, trend analysis, comprehensive appraisal, comprehensive positioning and mobile internet, it has realized the advance prediction of rail transit operation risks, active maintenance and health management of key equipment during whole lifetime based on all factors such as personnel, equipment, environment and operation and maintenance processes, improved the maintenance efficiency of equipment, effectively shortened breakdown time, and significantly decreased the failure rate of equipment.

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MANAGEMENT DISCUSSION AND ANALYSIS

No.	Core technology	Source of technology	Technical level and degree of application
6	Train control integration technology	Independently researched and developed	The Train control integration technology has been widely used in the fields of HSRs, ICRs, urban transit. Through the integrated engineering software design platform integrating data platform technology and graphic software technology, the technology has been applied to make engineering design, data allocation, automatic compiling an organic entirety, resulting in the improvement of software integration; by summarizing features of domestic hub and utilization scenario, an integration process of site installation, commissioning, test and construction standardization has been built. This technology is appropriate for the connectivity of different modes of equipment with various operation grades at newly-built routes, reconstructed routes and complex hubs.
7	Safe computer platform technology	Independently researched and developed	The safe computer platform technology has been widely used at the train operation control system centers, stations, onboard safe control devices, which provides a very safe, reliable, high-performance and expandable basic software and hardware platform. This technology has addressed some core technology issues such as safe drive and collection based on electronic components, clock level multi-machine synchronous comparison, operation fault detection and fast redundancy switch, and it has been granted highest grade safety certification of International Functional Safety Standard.
8	Mobile frequency key control signal safety modulation technology	Independently researched and developed	Mobile frequency key control signal safety modulation technology has been widely used in the fields of HSRs, ICRs and normal-speed railways. This technology has built a set of fault-safety rail circuit system with mobile frequency key control signal as power and rail as conductor, addressed contactless safety signal source technology, mobile frequency key control signal digital spectrum analysis technology, all-region at transmission channel detection technology, and realized safe and core functions covering rail section occupancy-idling detection, transmitting information to train through rail, and real-time detection of completeness of rails.

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MANAGEMENT DISCUSSION AND ANALYSIS

No.	Core technology	Source of technology	Technical level and degree of application
9	Turnout switch technology	Independently researched and developed	Turnout switch technology has been widely used in the fields of HSRs, normal-speed railways, heavy-haul railways and urban transit in the PRC. This technology has addressed the major problems in large-size turnout switch synchronization technology, industrial and electrical interface integration, the switch technology of movable point frog of high speed turnout, external-locking technology of turnouts, established world-leading high speed turnout switch system technology system, and provides powerful safeguard to the development of railway in the PRC.
10	Rail transportation simulation test technology	Independently researched and developed	Rail transportation simulation test technology has been widely used in the fields of HSRs, ICRs, freight railways, urban transit, which provides support to test and verification processes at various stages of lifetime from plan verification, function development, system integration to engineering execution of train control system, freight and train operation instruction system. This technology has addressed some significant technology issues such as simulation test structure based on distribution semi-physical, modelling approach for complex engineering system, multi-source data at multi-level traceable test management method, automatic test, reappearance of fault and analysis, safe control system interface monitoring, test of optimization deployment of environmental resources, aiming at the requirements of large scale of simulation of tested object, greater isotacticity and strong instantaneity and higher automation, and the utilization of such technology improved the defect remediation rate and quality reliability of tested system.
11	High precision simulation technology based on coupling of multi-physics	Independently researched and developed	High precision simulation technology based on coupling of multi-physics enables ground rail circuit system to work safely and reliably under railway natural conditions, electromagnetic environment and complicated route conditions, including in the circumstances of coupling of multi-physics of high speed train rails contact electric shunt, high power electrification traction current disturbance, high-frequency transient signal shock caused by lightening, bridge-roadbed-tunnel multi-space structure routes, alternating dry-wet ballast bed and parallel running on complex hub multi routes. This technology has been applied to build a high precision simulation analysis platform with error within 0.5%. The platform was used for precise analysis of transmission features of approximately 10,000 typical deployment rail circuits at engineering.

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MANAGEMENT DISCUSSION AND ANALYSIS

No.	Core technology	Source of technology	Technical level and degree of application
12	Manufacture technology of rail transportation safety products	Independently researched and developed	The operation control system of rail transportation has a high requirement to safety and reliability. Based on complete identification of product manufacture risk, the manufacture technology of rail transportation safety products target the control in the whole process from material selection, manufacture equipment, production technology, test and detection, reliability verification to lifetime analysis, thus providing a systematic quality assurance basis for the safety and reliability of products.
13	Application technology in broadband wireless communication industry	Independently researched and developed	Application technology in broadband wireless communication industry is based on broadband wireless communication technology of LTE-M/R, which can actualize data transmission and integration of multiple operations, improve the efficiency and experience of trunking command direction system. This technology can meet the demand of wireless broadband, terminal intellectualization and business mobilization.
14	Comprehensive video monitoring technology for rail transportation	Independently researched and developed	Comprehensive video monitoring technology for rail transportation has been widely used in the transportation fields such as HSRs and ICRs, which provides comprehensive management system containing video monitoring, Big Data display and visualization for safe operation of rail transportation. Aiming at the demand for all-weather and full-coverage monitoring, this technology has addressed the technology issues such as decoding and forwarding of high definition video stream, concurrency of readwrite, unity and connect of railway three-stage platform, massive video retrieval, intelligent face recognition and certification, intelligent operation and maintenance, clustering of platform management, dynamic load balance of storage resource and engineering, thus, leading the development of comprehensive video monitoring technology for rail transportation.

The Company actively deployed innovation chain surrounding industrial chain, and it was dedicated to transformation and industrialization of core technology achievements. It applied its core technology to rail transportation core systems such as train control system of railway, train control system of ICRs, train control system of urban transit, freight automation system, operation command automation and detection system and communication information system. The development of core businesses such as design and integration, equipment manufacturing, system implementation of rail transportation control system of the Company will fully depend on its core technology.

During the Reporting Period, no material changes in the core technology occurred.

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2. Research and development achievements during the Reporting Period

During the Reporting Period, the Company has completed the pilot application of the railway comprehensive dispatching information system in Baoshen line and Shenshuo line of Shenhua Railway; conducted a dynamic test for the new train control system test line based on Beidou satellite positioning technology; completed the field installation of the master device of the regional coordinative transportation service system in Chongqing, carried out the field laboratory physical test on system interface and passed the inspection of security and technical experts on the access operation system; completed the specific application development of the Train Autonomous Circumambulate System (TACS) of urban rail train on Shenzhen Metro Line 20; completed the indoor test of the CBTC system based on full-electronic interlock system and carried out the field test on the Hangzhou-Haining Intercity Railway; completed the prototype development of urban rail intelligent dispatching system and conducted the simulation verification test in Zhengzhou and Shanghai. Regarding the Company's core technologies and main products, authorized patents increased by 394, and the total number of valid authorized patents reached 2,955. "A track circuit" was awarded the only special prize in the Sixth Invention Patent Award Ceremony of Beijing. The Development and Application of Safety Control Technology on Centralized Traffic Control System (CTC3.0) Based on Traffic Control Coordination was awarded the first prize by China Communications and Transportation Association. The Company has undertaken 24 research projects supported by governmental authorities at national, provincial and ministerial levels and industrial administration organizations and the preparations of 18 standards at national and industrial levels. As a sponsor of the authoritative journal Railway Signaling & Communication Engineering in the rail transportation control industry, the Company has published R&D and application achievements in those industrially authoritative journals, such as Railway Signaling & Communication sponsored by China State Railway Group, Journal of the China Railway Society and Railway Signaling & Communication Engineering sponsored by China Railway Society.

List of intellectual property rights obtained during the reporting period

	Increase for the period		Accumulative number	
	Number of applications	Number of approvals	Number of applications since 2017	Number of approvals
Invention patent	357	169	2,521	885
Utility model patent	163	200	2,239	1,914
Design patent	10	25	178	156
Software copyright	124	103	1,527	1,501
Others	0	0	2	2
Total	<u>654</u>	<u>497</u>	<u>6,467</u>	<u>4,458</u>

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3. Research and development investment

Unit: Yuan Currency: RMB

	This period	Last period	Change (%)
Expensed research and development investment	643,409,638.89	510,171,461.49	26.12
Capitalized research and development investment	113,565,159.12	87,832,056.70	29.30
Total research and development investment	756,974,798.01	598,003,518.19	26.58
Percentage of total research and development investment in revenue (%)	4.24	4.09	Increased by 0.15 percentage point
Percentage of capitalized research and development investment (%)	15.00	14.69	Increased by 0.31 percentage point

Reasons for material change on total research and development expenditure as compared to last year

Applicable Not applicable

Reasons for material change on percentage of capitalized research and development expenditure and its reasonable explanation

Applicable Not applicable

4. Projects under development

Applicable Not applicable

Unit: 0'000 Yuan Currency: RMB

No.	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
1	Collaborative transportation and service system of regional rail transportation	7,951.00	845.12	6,941.86	Carried out the application demonstration of Chongqing Rail Transit Dazhulin Center and South Square of Chongqing North Railway Station.	To form a collaborative theory system of regional rail transportation, realized integration of systems and equipment, and to achieve application on site.	At present, there is no complete multimode collaborative transportation and service theory system and relevant system of regional rail transportation in China. The research results will guide the development trend of regional rail transportation technology, promote industrial development and advancement, effectively upgrade rail operation and management, improve safety assurance ability and intellectualization of information services, and further satisfy demand of the public for safe, efficient, economical, convenient and green travelling.	It can be applied to multi-rail collaborative transportation and service of high-speed railway in city clusters and metropolitan areas, intercity (suburban) railways, and urban transit.

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No.	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
2	Development of train control equipment based on dynamic interval and application demonstration verification	6,605.63	986.41	7,070.52	Passed the indoor acceptance test conducted by the expert group; completed the loading and static commissioning of three rail trains on the test line; completed the equipment construction and commissioning on the pilot station.	To complete the development of train control equipment based on dynamic interval; complete the application demonstration verification.	This research uses the following pioneering domestic technologies: accurate train positioning based on multi-sensor fusion technology; on-board equipment with functions such as vehicle-to-vehicle communication, driving permit calculation and integrity check; multi-mode two-way wireless communication through multi-channels such as satellite, airship and public network; the system enables dynamic configuration of train tracking interval and moving block.	It can be applied to low-density railways as well as local railways.
3	Research on electromagnetic environmental effects of rail transportation and construction of test platform	3,319.00	849.83	1,156.72	Completed the renovation plan for the test plant; completed the field test on and verification of the protection scheme of transponders and BTM electromagnetic interference at the test site.	To complete the research on electromagnetic environmental effects of rail transportation and construction of test platform with the ability for carrying out simulation tests such as high-speed rail all-digital electromagnetic environment simulation, off-line electromagnetic interference test of pantograph network, and high-speed rail typical electromagnetic interference coupling simulation.	After the completion of the project platform, the testing capability and technical level in the field of electromagnetic environmental effects research of the train control system will reach the domestic leading level.	It can provide technical supports, including real-time collection, simulation analysis, faults reoccurrence and analysis for products electromagnetic interference problems, and it can also provide theoretical and data support for electromagnetic compatibility design.
4	Development and application of network security comprehensive protection platform of industrial enterprises	4,576.00	1,416.20	3,954.96	Completed the development of a comprehensive network security protection platform for industrial enterprises and conducted tests at the test site.	To complete the development of a comprehensive network security protection platform of industrial enterprises and launch a demonstration application of the comprehensive security protection platform.	This project research is suitable for the high-speed train control system network's requirements of high security, high real-time and high reliability requirements, can enhance the operability and timeliness of the high-speed train control system security protection, and improve the high-speed train control system security protection and early warning capabilities, to ensure the safe and stable operation of the rail transportation control network.	It can be used for network security protection of various rail transportation systems.

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No.	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
5	Research on “three standardizations” of train control system of urban transit based on full-electronic products	2,430.93	219.18	1,262.77	Completed the indoor test of the urban rail CBTC system based on full-electronic interlock system and carried out the field test on the Hangzhou-Haining Intercity Railway.	To complete the R&D, production, and construction related to the CBTC system based on full-electronic interlock system and achieve “standardized design, factory commissioning and on-site plugging and splicing” of the full-electronic interlock system of urban rail transit.	Full-electronic interlock system features small size, being convenient for construction, high maintainability and safety, and provides fundamental support for the digitalization, networking, intellectualization and standardization of urban rail transit signal system.	It has won the bidding of the extension and renovation project of Changchun Subway Line 3 and Changsha Subway Line 6 to meet the needs of urban rail transit line construction and renovation.
6	Research and development of a new generation of centralized traffic control system	11,500.00	1,169.47	7,849.35	Optimized functions related to automatic adjustment combined with the automatic adjustment requirements of high-speed railway operation plan; carried out the on-site application of CTC3.0 in Huangtai station and Xuzhou station.	To complete the research and development of a new generation of centralized traffic control system and apply it in engineering.	The new generation of centralized traffic control system adopts the principle of intelligent decentralized and self-discipline design to realize the unified control of train and shunting operation, and realize the safety management and card control of station-level operation.	It can be applied to national railway, intercity and regional railway, factories and self-owned railway of mining enterprises.
7	Research and application of high-density automatic operation control technology for ad-hoc network of heavy-haul train	21,337.00	511.86	1,361.46	Completed the detailed design of main control equipment and carried out software development; completed the simulation verification of wireless ad-hoc network communication technology.	To complete the research and development of equipment for the high-density automatic operation control system for ad-hoc network of heavy-haul train to assemble a full set of model machines, so as to complete on-site phrase tests.	Based on China's high-speed rail control and autonomous driving technology, the project aims to improve the efficiency and safety of heavy-haul freight rail transportation, which is at the leading level in China.	It can be applied to the domestic heavy-haul railways.

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No.	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
8	Development of a new train control system	6,276.00	1,201.27	2,975.96	Completed the development of a complete set of equipment of new train control system and carried out on-site dynamic test.	To complete the development of a complete set of equipment for the new train control system and the demonstration of its application in local railways.	Based on the mature technical application of the existing train control system and combined with the Beidou satellite positioning technology, to build a moving block technical scheme suitable for heavy-haul railway, shortening the train tracking interval and improving the overall transport capacity of heavy-haul railway.	It can be applied to the domestic heavy-haul railways.
9	Development of train fully-autonomous operation and control system	6,054.00	896.87	1,565.19	Completed the release of the first version of baseline software for Shenzhen Metro Line 20.	To complete the development of automatized general products of TACS system and meet the needs of the phase I project of Shenzhen Metro Line 20 to ensure the stable operation of the system.	The development of the first Train Autonomous Circumambulate System (TACS) based on vehicle-to-vehicle communication in China was completed in this project.	It can be applied to urban rail train operation control system.
10	Intelligent rail transit integrated video system	1,392.00	402.80	402.80	Completed the development of video train tracking system and security reinforcement software of video client.	To complete the design development and demonstration application of a new generation of video monitoring, train tracking system, video GIS visualization system and video security platform.	Based on artificial intelligence and big data technology, integrated video monitoring system in railway and subway industry has been upgraded in all aspects to enhance diversified application and security of video data.	It can be applied to the field of railway and subway integrated video system.
11	Intelligent manufacturing pipeline research	7,387.80	978.81	2,214.32	Completed the preparation for the manufacturing of the automatic test console for cabinet wiring, ICT automatic test system, intelligent storage bin, automatic packaging line, automatic spraying production line and other equipment.	To upgrade the overall maturity level of enterprises' intelligent manufacturing capabilities to the integrated level.	The project aims to enhance the intelligent manufacturing capability of enterprises and is at the advanced level in the industry.	It can improve the Company's manufacturing flexibility, level of process quality control and production delivery capability, and reduce production and operating costs.

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No.	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
12	Basic technology research	6,084.00	180.00	4,190.37	Completed the argumentation of the high speed and high current pantograph network discharge test scheme; completed the thorough assessment on the EMC and type test of safety computers.	To complete the fundamental and deep-level scientific mechanism research on lightning protection and electromagnetic compatibility of signal products in complex environment to provide scientific basis for subsequent product research and development.	The research aims to improve the safety and reliability of rail side signal equipment of railway and has the leading level in the industry.	It can provide basic technical support for the research, development and design of the Company.
13	Research on integrated dispatching & commanding management system for railway freight	1,239.60	322.08	929.70	Completed the demonstration application of Baoshen Line and Shenshuo Line on Shenhua Railway.	To complete the development of the integrated dispatching & commanding management system for railway freight, to meet the management needs of domestic freight railway.	By integrating independent innovative technologies such as intelligent preparation of freight railway plans, source control for safety, train life cycle management, and comprehensive dynamic operation diagrams, this system has improved dispatching and commanding management capabilities for freight railway and reaches the leading domestic level.	It can be applied to various railway dispatching stations, freight stations, depots, locomotive depots, local railways, special railway lines, and overseas freight railway markets.
14	Research on key technology and equipment development of train control system for normal-speed railways	7,420.54	961.34	4,031.54	Completed the safety certification of ground equipment, carried out the safety certification of vehicle equipment and conducted the system test.	To form a complete set of CTCS-1 system suitable for normal-speed railways and complete on-road review and field test.	The system can realize the detour of high-speed trains on normal-speed train lines, and the interconnection between high-speed railway network and normal-speed railway network, which has among the leading level in the industry.	It can be applied to the construction and overhaul of normal-speed railways in China.
15	Research on intelligent detection and perception technology of rail transit	1,021.00	200.38	737.38	Completed the research on crack detection algorithm and the verification of test site; completed the analysis of environmental impact factors; completed the installation and tooling of sensors and other devices.	To carry out the research on intelligent detection and perception technology of rail transit, and complete the research on technology such as rail breakage inspection of turnouts and monitoring of railway disaster intrusion.	Intelligent detection and perception technology of rail transit is helpful to the early warning and protection of various faults and disasters in the field of rail transit, and has the leading technical level in the industry.	It can be applied to national railway, intercity and regional railway, factories and self-owned railway of mining enterprise.

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No.	Project name	Estimated total investment	Investment amount in the current period	Cumulative investment amount	Progress or phased achievements	Intended goal	Technical level	Specific application prospects
16	Development and application of train control interlocking integration	9,770.80	2,705.58	6,199.25	Completed the equipment development and production and passed the test, type test and circular road test organized by the industry experts; entered into the on-board equipment testing stage and carried out preparation for equipment safety certification.	To complete the development of train control interlocking integration equipment; to complete the field test and application demonstration; to pass the industry test and certification to qualify for promotion.	The existing interlocking and train control system is optimized and integrated into a compact-structured and simplified system from a complex one, thus improving the maintainability and reliability of the signal system with higher cost performance.	It meets the needs of railway construction and development and is applicable to the construction of signal system of normal-speed railway and passenger line at home and abroad.
17	Development of basic signal equipment	2,390.00	400.22	539.00	Completed the trial production of small-sized relay prototype; completed the trial production of some power module prototypes; completed the formulation of the preliminary plan of switch machine in railroad type.	To complete the development of a new generation of rail transit signal basic equipment, such as small-sized relay, light-rail switch machine, safe, light-weighted and intelligent railway signal power supply.	This project aims to improve the technical level of signal basic products and develop a new generation of rail transit signal basic products that meet the international and domestic technical needs.	It can be applied in the fields of HSRs, normal-speed railways, heavy-haul railways and urban rail transit.
Total	/	106,755.30	14,247.42	53,383.15	/	/	/	/

5. Research and development personnel

Unit: 0'000 Yuan Currency: RMB

Basic information

	Amount for the current period	Amount for the corresponding period of last year
Number of research and development personnel in the Company (person)	4,226	4,216
Percentage of total research and development personnel in total personnel of the Company (%)	21.00	21.26
Total remuneration for research and development personnel	36,796.76	34,620.55
Average remuneration for research and development personnel	8.71	8.21

Educational background

Composition by education	Number (person)	Percentage (%)
Doctoral candidate	55	1.30
Master degree candidate	1,545	36.56
Bachelor's degree	2,424	57.36
College degree	202	4.78
Total	4,226	100

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Age structure

Range of age	Number (person)	Percentage (%)
35 and below	2,607	61.69
36 to 40	786	18.60
41 to 45	387	9.16
46 to 50	216	5.11
51 to 54	111	2.63
55 to 59	119	2.81
Total	4,226	100

6. Other explanations

Applicable Not applicable

III. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Analysis of Core Competitiveness

Applicable Not applicable

1. *Leading market position*

The Company is a world-leading provider of rail transportation control system solutions. In the first half of 2021, the contracted mileage covered by the core products and services of high-speed railway control system continued to rank the first. Each core subsystem also maintains a leading market share in China. The Company also holds a significant leading position in the urban transit control system market in China. According to Rail Transit, an independent third party platform, in the first half of 2021, among the 15 metro signal control system projects which bids have been opened for, CRSC won 8 bids which accounted for 53.33%, ranking first for consecutive years, to consolidate and expand the leading position.

2. *Outstanding comprehensive technology innovation strength and core technology reserves*

The Company has adhered to independent innovation with more than 2,900 registered patents and realized the absolute independent ownership of intellectual property rights and 100% domestic-production of products for the core technologies of train operation control, thus helping its technologies regarding high-speed railways and automatic control for freight marshaling yards hold a leading position among global peers. Relying on the Company's world-leading comprehensive research and development strength, the Company has developed core technologies of rail transportation control system with independent intellectual property rights and its products and services have been widely used in fields including railway and urban transit, which has established the Company's leading position in the industry.

The Company is the responsible department for the equipment standards, technical standards and product standards of China's rail transportation control system and has led the establishment of the most important and advanced technical standards for railway and urban transit control system in the PRC, such as CTCS and CBTC. The Company has constructed and operated more than 23,000 kilometers of high-speed railway control system, and had over 45,000 test cases in the Company's special database for railway control system. In addition, the Company also has advanced research and development ("R&D"), experiment and test institutions. The completeness and scale of its laboratory facilities are at a leading position in the world.

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3. *The whole-industry-chain characteristics of rail transportation control system industry*

As the only company in the world that can provide a full range of products and services independently in the entire industry chain of rail transportation control system, the Company provides customers with professional integrated services covering investment and financing, design and integration, equipment manufacturing, system implementation, supporting project construction and repair and maintenance for rail transportation control system, and is at the domestic leading and world-class position in all key sectors of rail transportation control system including core technologies, manufacturing crafts and construction methods. With its prominent capabilities of technology R&D and design and integration, the Company can provide the customers with targeted and customizable rail transportation control system solutions, reduce the system compatibility risk in the case of complex lines, and minimise the impact of renovation projects on normal operations. On the basis of sound capacity of product manufacturing and system delivery, the Company can render one-stop services to complete the production, on-site assembly and debugging and opening of a full set of system equipment, thus effectively reducing the construction, operation and management costs of customers. This “modular” business model not only satisfies common requirements, but also provides customers with a flexible combination of different products and services based on the actual needs of customers. In addition, it lays a good foundation for subsequent tracking and carrying out operation and maintenance and upgrading business, which is difficult for other domestic and international competitors. Furthermore, combining with the Company’s internal efficient and accurate informatization management measures, marketing cost can be effectively controlled.

4. *Highly reliable and safe core services and products*

The Company establishes classified enterprise standards according to relevant international, national and industrial standards, and implements strict and prudent quality and safety control measures, so as to ensure the high reliability and safety of rail transportation control system solutions and core products, and provide support for the safe and efficient operation of national rail transportation. The Company’s quality management follows the requirements of ISO9001: 2015 Standard, with quality control standards and system procedures to maintain continuous improvement and certification obtained from independent third parties. All subordinate enterprises of the Company which engage in the fields of R&D and design, system integration and industrial manufacturing have passed the ISO/TS22163: 2017 (the upgraded standard of International Railway Industry Standard (IRIS)) certification; all subordinate enterprises of the Company engaged in the field of R&D and design have passed the maturity assessment and certification of CMMI software. The Company’s rail transportation control system products meet the European EN50126 standard for railway product safety and meet the generally accepted international quality requirements regarding safety, reliability, availability and maintenance.

5. *Experienced management team and high-level technical professionals*

The management team of the Company is composed of professionals with extensive experience in rail transportation industry, stable in composition and strong in management, which plays an important role in efficiently leading the Company’s business development and enables the Company to become a global leader in the industry. The Company has many high-level technical professionals. More than 4,200 employees of the Company are engaged in technology research and development, representing almost 21% of the total employees, more than one-third of whom have graduate degrees or above. The excellent talent team has laid a solid foundation for the Company to develop core technologies and maintain technical advantages.

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(II) Events which have a Serious Impact on the Company's Core Competitiveness, Impact Analysis and Measures During the Reporting Period

Applicable Not applicable

IV. DISCUSSION AND ANALYSIS ON BUSINESS OPERATIONS

During the reporting period, the Company continued to adhere to the general working style of seeking improvement in stable work to get through the buffer period of investment adjustment in railway sector, maintain the leading position in the traditional railway sector and strengthen the efforts to capture market share in the urban transit sector. The Company also conducted diversified operations reasonably and efficiently, continuously improved its business strategic layout, optimized its business management model, and developed its advantages in integration of industry chain to ensure the market share of the Four Electric industrial market in rail transit; fully utilized the driving force of the urban transit market and further increased the market share of core business in the urban transit sector; took good advantages of its preliminary market layout and project cultivation to actively undertake business from overseas market; strengthened the screening and undertaking of municipal general undertaking business to lay a solid foundation for the development of rail transit, municipal informationization and other core business in the second half. The Company ensured the balanced development of various business segments through business undertaking, formed a coordinated development situation of the industrial structure with support from multiple aspects, and enhanced its ability to resist risks and for achieving sustainable development. The aggregate value of newly-signed external contracts of CRSC amounted to RMB32.507 billion, representing a year-on-year increase of 0.92%, among which, the value of newly-signed contracts in railway sector amounted to RMB7.344 billion, representing a year-on-year decrease of 54.86%; the value of newly-signed contracts in urban transit sector amounted to RMB6.540 billion, representing a year-on-year increase of 8.81%; the value of newly-signed contracts in overseas sector amounted to RMB0.702 billion, representing a year-on-year increase of 31.27%; the total value of contracts for general contracting and newly-signed contracts for other sectors amounted to RMB17.921 billion, representing a year-on-year increase of 90.70%. As of the end of June 2021, the Company's order in hand amounted to RMB137.431 billion.

In the first half of 2021, the bid opening mileages of the post-station Four Electric (四電) engineering of the high speed railways across the country reduced by over a half. In the railway sector, CRSC mainly won major projects including Guangzhou-Shanwei High-speed Railway, the Connections of Huzhou-Hangzhou High-speed Railway, the Railway Special Line EPC Project of Jincheng City Guorui Yuntong Logistics Co., Ltd. (晉城市國睿運通物流有限公司), the Railway Special Line Project of Huawang Reli, the subcontracting project of communications, signaling, information and electric power construction for the Lianjie-Leshan Line of a newly-built local railway, the Capacity Expansion and Reconstruction Project of Wubei-Jiangjunmiao Railway, and the capacity expansion and renovation project of Zhunchi Railway Wochang Station of the Xinshuo Railway, of which winning projects of newly constructed normal-speed railways, local railway special lines and the reconstruction of existing lines, to some extent, covered the decline in the high-speed railway market. In the urban transit sector, CRSC sought progress while maintaining stability. It undertook signal system integration projects for Changsha Subway Line 6, Tianjin Subway Line 11, Xi'an Subway Line 16, Suzhou Subway Line 8, the renovation project of Shanghai Subway Lines 3/4, the Shenzhen Metro Line 6 branch line and its second phase project, captured more than a half of the market share under the fierce competition from over ten companies across the country and further expanded its leading advantages; further strengthened the operations in the field of communication system integration in urban transit and won communication system integration projects for Hangzhou Airport Express, Taizhou City Railway Line S1, Dalian Subway Line 5 and Suzhou Subway Line 8, forming relatively stable economic growth points. In the overseas sector, there were still numerous uncertainties. Coupled with the impact of the pandemic and the increasingly complicated economic and political landscape, CRSC's

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strategy of “going global” was delayed to some extent. In the first half year, CRSC mainly undertook the project of signaling, communications and information system for the Stara Pazova (excluded)-Novi Sad (excluded) section of the Hungary-Serbia Railway in Serbia and the communication system procurement and installation project in respect of the trains, control system and overall rail modernization project of the Mexico City Public Transport System Line 1. In general contracting and other sectors, CRSC achieved significant business growth, mainly attributable to the significant increase in orders by virtue of the implementation of national major strategies, such as new urbanization, the accelerated construction of urban infrastructure and more projects fitting and driving the development of main business.

Business outlook for the second half year: In the railway sector, China Railway Group has basically completed the adjustment of investment. It is expected that there will be increasing projects entering into the bidding process in the railway Four Electric market in the second half year, projects available for contracting on the market will significantly increase compared to the first half year and projects available for contracting on the market throughout the year will be not less than those in 2020. In the urban transit sector, it is expected the project bidding will continue the pace in the first half year and the total project volume throughout the year will significantly exceed that in 2020. In the overseas market, despite the impact of the relapse of the pandemic and numerous uncertainties, the overall situation will be better than that in 2020. Though affected by national major strategies, such as new urbanization, the general contracting business has broad market space and the Company will continue to implement strict contracting principles to ensure that projects contracted are able to contribute to the development of its core business.

Significant Changes in the Operations of the Company during the Reporting Period and Events which had a Significant Impact on the Operations of the Company during the Reporting Period and would be Expected to have a Significant Impact on the Operations of the Company in the Future

Applicable Not applicable

V. RISK FACTORS

Applicable Not applicable

(I) Industry Risk

High-speed railway construction market showed new changes, with the projects of long-term and large trunk lines gradually decreasing, newly-built high-speed railway projects becoming smaller on a single basis and the number of projects increasing. Meanwhile, the railway construction mode was becoming more diversified by learning from and introducing the investment and financing construction modes in the urban rail transit and local railway fields, and emphasizing investment driven projects, which made the Company face certain challenges in its operating pattern and squeezed the room for the development of the Company’s traditional business.

Given the nature of the Company’s business, there is the potential possibility involving liabilities for compensation or punishment from the government incurred from the products or services of rail transportation control system.

Responsive measures: The Company has carried out industrial analysis and market operation in a coordinated manner, gave full play to the Company’s technical advantages, intensively cultivated the Company’s main business, and intensified its efforts on the cultivation and development of new markets, new businesses and new fields. In addition, the Company has strengthened its business risk-oriented compliance management and improved its compliance system and process prevention to prevent compliance risks.

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(II) Operating Risk

The domestic railway construction market still has a broad market prospect, but the main bodies of investment and construction have changed to some extent. The construction of trunk railways led by the State Railway Group has been shrinking, while the construction of suburban/intercity railways led by local governments has been growing. The intensified competition in the railway communication signal market has made the Company bear certain pressure on competitive advantages, which requires the Company to adapt to the new changes of the main construction bodies as soon as possible to prevent possible unfavorable competition.

In 2021, despite China basically get rid of the impact of the pandemic, and the growth momentum after the pandemic is obvious, the world continues being affected by the COVID-19 pandemic, and the countries around the world are facing great uncertainty and imbalance in their respective economic recovery, which would have an adverse impact on the investment in overseas infrastructure construction and the advancement of existing projects.

Responsive measures: The Company has conducted strategic research on market operation to improve market operation strategies and develop its strategic marketing capability, promoted the development of the urban (suburban)/intercity railway market in orderly and efficient ways, continuously tracked the political, economic, industrial and other relevant information and trends in countries and regions where the Company operates its overseas business, and strengthened the risk assessment of foreign-related projects to effectively prevent risks while expanding overseas markets.

(III) Macro-environmental Risk

As the changes in the international economic, political situations, economic and trade environment and other global patterns are becoming more complicated and uncertain, and economic and trade frictions and trade barriers have been increasing, which is compounded by the impact of the COVID-19 pandemic, the countries in the world are facing greater uncertainty and imbalance in their economic recovery, which has made an adverse impact on the investment in overseas infrastructure construction and the advancement of existing projects. Additionally, it has hindered the undertaking and advancement of the Company's overseas business to some extent, affecting the newly signed overseas contracts amount and revenue of the Company.

Responsive measures: Leveraging China's leading advantages in foreign aid construction projects and its favorable overseas policies, the Company took the initiative to expand the overseas market, optimize the strategic layout of overseas operations, and accurately grasp the information on and trends of the policies in target countries to explore opportunities.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Risk of Core Competitiveness

The rail transit control system industry where the Company operates is still in a healthy development stage. However, with the iterative development of technologies in related fields, the Company needs to strengthen its technical research and development, introduce new technical achievements, and consolidate its leading position in innovation on an on-going basis. If the achievements made by the Company in technological research and development are lower than expected, it may have an adverse impact on the Company's operating results.

Responsive measures: Keeping abreast of domestic and overseas technical developing trends of the industry to grasp the market development tendency, the Company has strengthened the linkage between scientific and technological research and development and market operation by intensifying its efforts on market research, improving its innovation ability, accelerating the research and development of independent core technologies, in order to improve its product quality.

(V) Risks of long recovery periods for account receivables:

The railway and urban rail transit projects undertaken by the Company are characterized by long construction period, large investment and prolonged settlement, which easily led to the risks of long recovery periods for account receivables.

Responsive measures: The Company has established a normalized control mechanism of account receivables to strengthen its source and process control and regularly analyze and dynamically monitor account receivables, and improved its appraisal mechanism to mobilize its staff's initiative.

VI. MAIN OPERATIONS DURING THE REPORTING PERIOD

For details, please see "IV. DISCUSSION AND ANALYSIS ON BUSINESS OPERATIONS" of this section.

(I) Analysis of major businesses

1 Table of analysis of changes in relevant items in financial statements

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Revenue	17,864,747,289.30	14,620,778,851.32	22.19
Cost of sales	13,740,680,321.90	11,050,086,661.65	24.35
Selling and distribution expenses	361,627,986.51	304,082,038.25	18.92
General and administrative expenses	981,981,072.26	797,141,410.58	23.19
Finance costs	-204,776,458.57	-266,332,423.09	-
Research and development expenses	643,409,638.89	510,171,461.49	26.12
Net cash flows generated from operating activities	-425,939,991.41	-972,052,222.39	-
Net cash flows generated from investing activities	569,075,003.01	297,623,441.97	91.21
Net cash flows generated from financing activities	-591,795,946.94	348,933,470.39	-

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Performance of major businesses by segment, terminal market and region

Explanation on reasons for changes in revenue: Revenue increased by 22.19% as compared to the corresponding period of last year mainly due to that in the first half of 2021, the COVID-19 pandemic was effectively contained, and the Company gave full play to its leading role in brand and technical advantages, made double efforts to exploit the market, vigorously promoted a craftsmanship spirit and expedited the construction of key railway projects, driving rapid growth in revenue.

Explanation on reasons for changes in cost of sales: Cost of sales increased by 24.35% as compared to the corresponding period of last year mainly due to that the Company's construction of projects and supply of goods were normal for the current period, resulting in the increase in cost of sales as compared to the corresponding period of last year.

Main Businesses by Segment, Terminal Market and Region

Unit: Yuan Currency: RMB

Main Businesses by Segment						
Segment	Revenue	Cost of sales	Gross profit margin (%)	Increase/decrease in revenue as compared to the corresponding period of last year (%)	Increase/decrease in cost of sales as compared to the corresponding period of last year (%)	Increase/decrease in gross profit margin as compared to the corresponding period of last year (%)
Rail transit control system	12,821,909,015.50	9,218,667,215.75	28.10	17.16	18.74	Decreased by 0.96 percentage point
Equipment manufacturing	2,856,026,614.05	1,747,605,941.60	38.81	9.47	20.86	Decreased by 5.76 percentage points
Design and integration	4,931,172,024.78	3,016,897,019.79	38.82	31.13	30.18	Increased by 0.45 percentage point
System implementation business	5,034,710,376.67	4,454,164,254.36	11.53	10.05	11.35	Decreased by 1.04 percentage points
Construction contracting	5,010,111,175.27	4,502,813,866.38	10.13	37.21	37.54	Decreased by 0.21 percentage point
Others	32,727,098.53	19,199,239.77	41.34	30.51	50.04	Decreased by 7.63 percentage points

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

Main Businesses by Terminal Market

Terminal market	Revenue	Cost of sales	Gross profit margin (%)	Increase/decrease in revenue as compared to the corresponding period of last year (%)	Increase/decrease in cost of sales as compared to the corresponding period of last year (%)	Increase/decrease in gross profit margin as compared to the corresponding period of last year (%)
Railway	8,801,153,140.84	6,234,411,930.98	29.16	23.53	26.86	Decreased by 1.86 percentage points
Urban transit	3,594,659,690.75	2,715,694,831.61	24.45	-2.47	-1.71	Decreased by 0.59 percentage point
Construction contracting	5,010,111,175.27	4,502,813,866.38	10.13	37.21	37.54	Decreased by 0.21 percentage point
Others	32,727,098.53	19,199,239.77	41.34	30.51	50.04	Decreased by 7.63 percentage points
Overseas businesses	426,096,183.91	268,560,453.16	36.97	219.04	212.37	Increased by 1.34 percentage points

Main Businesses by Region

Region	Revenue	Cost of sales	Gross profit margin (%)	Increase/decrease in revenue as compared to the corresponding period of last year (%)	Increase/decrease in cost of sales as compared to the corresponding period of last year (%)	Increase/decrease in gross profit margin as compared to the corresponding period of last year (%)
China	17,438,651,105.39	13,472,119,868.74	22.75	20.37	22.87	Decreased by 1.57 percentage points
Other countries and regions	426,096,183.91	268,560,453.16	36.97	219.04	212.37	Increased by 1.34 percentage points

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

Explanation of main businesses by segment, terminal market and region

Segment and terminal market:

Revenue from equipment manufacturing, design and integration, and system implementation business under rail transit control system segment for the current period increased by 9.47%, 31.13%, and 10.05% respectively as compared to the corresponding period of last year. Revenue from construction contracting services increased by 37.21% as compared to the corresponding period of last year. Such increase in revenue for the current period as compared to the corresponding period of last year was mainly because the Company made efforts in epidemic prevention and control, and at the same time continued to increase investment in production and construction to promote the progress of the projects and steadily implement the infrastructure project construction. Gross profit margin for rail transit control system segment was 28.10%, representing a decrease of 0.96 percentage point as compared to the corresponding period of last year. Such decrease in gross profit margin was mainly due to the changes in product sales structure based on customers' demand and an increase in manufacturing costs for products resulting from increased bulk materials price in the first half year and an increase in staff costs upon the cancellation of social security exemption and preferential policies by the state in 2021.

Revenue from railway service for the current period increased by 23.53% as compared to the corresponding period of last year. Such increase was mainly because the Company has strengthened on-site management and control of projects, adhered to the standardization of on-site operations, built high-quality projects, and actively promoted the delivery of key railway projects such as Lhasa-Linzhi Railway, Lian-Xu High-speed Rail and Jintai Railway for operation as scheduled in the first half of the year, which has driven the increase in revenue. Revenue from urban transit market decreased by 2.47% as compared to the corresponding period of last year. Such decrease was mainly due to the slight decrease in revenue recognized over time because most of the new urban transit contracts in the first half of the year were undertaken in the second quarter and the construction of the projects commenced late.

Other business segments contributed to a small portion of revenue, mainly comprised of revenue from bidding agency and centralized procurement. In the first half of 2021, revenue from other business segments increased by 30.51% as compared to the corresponding period of last year.

Region:

Revenue from overseas business for the current period increased by 219.04% as compared to the corresponding period of last year. Such increase was mainly due to the significant increase in recognized revenue as compared to those in the corresponding period of last year driven by the Company's full efforts to promote the progress of overseas projects, such as the Hungary-Serbia Railway, on the basis of strengthening epidemic prevention and control. Gross profit margin from overseas market was 36.97%, representing an increase of 1.34 percentage points as compared to the corresponding period of last year. Such increase was mainly due to the increase in equipment sales revenue of overseas projects in the current period as well as active negotiation with the owners to alter the contracts leading to the increase in profit of the projects, which has improved gross profit margin of the overseas business segment.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(2) Expense

Explanation on reasons for changes in selling and distribution expenses: Selling and distribution expenses in the current period were RMB362 million, representing an increase of 18.92% as compared to the corresponding period of last year, primarily because the Company increased investment in operation to explore the market. In addition, the cancellation of the national preferential policy of social security has led to the increase in staff costs of sales personnel.

Explanation on reasons for changes in general and administrative expenses: General and administrative expenses in the current period were RMB982 million, representing an increase of 23.19% as compared to the corresponding period of last year. The main reason was that salaries, contributions to social security and other remuneration fees of the staff for the current period raised as compared to the corresponding period of last year due to the expiration of the interim policy of reduction and exemption of social insurance payment for the corresponding period of last year; and the increase in travel expenses, provision for production safety expenses and depreciation and amortization charges as a result of full recovery of production and operation of the Company.

Explanation on reasons for changes in finance costs: Financial income in the current period was RMB205 million, representing a decrease of 23.11% as compared to the corresponding period of last year, mainly due to decreased interest income and exchange losses incurred.

Explanation on reasons for changes in R&D expenses: R&D expenses in the current period were RMB643 million, representing an increase of 26.12% as compared to the corresponding period of last year, mainly due to the Company's continuous increase in investment in R&D while upholding science and technology innovation as the driver.

(3) Cash Flow

Explanation on reasons for changes in net cash flow from operating activities: Net cash flows from operating activities was a net outflow of RMB426 million, representing a decrease of RMB546 million as compared to the corresponding period of last year, mainly because the Company communicated more actively with owners for debt collection and enhanced efforts in appraisal on the net cash flow from operating activities of the subsidiaries of the Company, resulting in the improvement in the cash flow from operating activities.

Explanation on reasons for changes in net cash flow from investing activities: Net cash flows from investing activities was a net inflow of RMB569 million, while the net cash flows generated from investing activities during the corresponding period of last year was a net inflow of RMB298 million, mainly due to no large-scale fixed asset investment incurred for the current period, resulting in the increase in net cash flow from investing activities as compared to the corresponding period of last year.

Explanation on reasons for changes in net cash flow from financing activities: Net cash flows from financing activities was a net outflow of RMB592 million, while the cash flows from financing activities during the corresponding period of last year was a net inflow of RMB349 million, mainly due to the repayment of policy bank borrowings due in the current period.

2 *Particulars of material changes in business type, profit composition or source of the Company in the current period*

Applicable Not applicable

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(II) Explanation on material changes in profit due to non-major businesses

Applicable Not applicable

(III) Analysis of assets and liabilities

Applicable Not applicable

1. *Assets-liabilities analysis table*

Unit: Yuan Currency: RMB

Name of item	Amount at the end of the current period	Percentage of amount at the end of the current period to total assets (%)	Amount at the end of the corresponding period of last year	Percentage of amount at the end of the corresponding period of last year to total assets (%)	Change of the amount at the end of the current period as compared to that at the end of last year (%)
Cash and bank balances	21,559,808,251.91	20.00	22,740,631,687.08	21.59	-5.19
Accounts receivable	18,979,679,305.09	17.61	18,290,953,101.67	17.37	3.77
Receivables for financing	1,375,367,698.42	1.28	2,230,124,457.61	2.12	-38.33
Inventories	3,002,027,583.22	2.78	2,489,187,213.72	2.36	20.60
Contract assets	38,921,713,461.29	36.11	36,043,391,206.89	34.22	7.99
Long-term receivables	3,947,579,780.95	3.66	8,384,707,579.19	7.96	-52.92
Fixed assets	4,087,601,542.51	3.79	4,204,231,031.03	3.99	-2.77
Construction in progress	1,408,513,897.89	1.31	1,421,305,987.45	1.35	-0.90
Intangible assets	2,437,667,061.51	2.26	2,507,196,579.31	2.38	-2.77
Development expenditure	244,704,963.51	0.23	139,208,125.21	0.13	75.78
Other non-current assets	4,658,635,094.75	4.32	203,923,885.50	0.19	2,184.50
Short-term borrowings	39,524,573.51	0.04	491,584,392.53	0.47	-91.96
Bills payable	2,235,196,688.87	2.07	1,974,383,429.57	1.87	13.21
Accounts payable	46,123,168,488.64	42.79	44,705,884,497.10	42.44	3.17
Contract liabilities	6,815,308,212.19	6.32	6,832,166,619.11	6.49	-0.25
Taxes payable	657,413,738.06	0.61	930,587,455.57	0.88	-29.35
Long-term borrowings	2,194,322,028.80	2.04	1,995,641,575.20	1.89	9.96

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

Other Explanations

The decrease in cash and bank balances was mainly due to net cash outflows generated from operating activities, and higher cash paid on repayments for borrowings, cash paid for distribution of dividends or profits and for interest expenses for the current period.

The increase in accounts receivable was mainly due to the growth of sales scale in line with accounts receivable.

The decrease in receivables for financing was mainly due to the acceptance of the bills receivable received last year which were due for the current period.

The increase in inventories was mainly due to the increase in raw material reserves to manage the risk of higher price for raw material, and more efforts put into the production of stock goods based on the progress for projects by the Company.

The increase in contract assets was mainly due to certain projects yet to be inspected.

The decrease in long-term receivables and the increase in other non-current assets were mainly due to the reclassification of long-term receivables of “Build-Operate-Transfer” project to other non-current assets according to the applicable requirements of the Accounting Standards for Business Enterprises Interpretation 14 for the current period.

The decrease in construction in progress was mainly due to the projects transferred into fixed assets for the current period.

The increase in development expenditure was mainly because the Company continued to put more efforts into R&D and certain R&D projects are expected to be qualified for capitalization and included in development expenditure in the future.

The decrease in short-term borrowings was primarily due to the repayment of the due borrowings.

The increase in bills payable was mainly due to the increase in business for which the payment was settled by acceptance bills.

The increase in accounts payable was mainly due to the increase in payables for procurement on various raw materials and subcontracting costs in line with the increase of business volume for the current period.

The decrease in contract liabilities was mainly because the projects were progressed rapidly in the current period, and the contract liabilities formed by pre-settlement are recognized as engineering income in the current period.

The decrease in taxes payable was mainly because the payment of VAT, enterprise income tax and other taxes were regularly made in the current period.

The increase in long-term borrowings was mainly due to the increase in financing through pledging income rights of PPP projects in the current period.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

2. Information of overseas assets

Applicable Not applicable

3. Major assets subject to restriction by the end of the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing book value
Cash and bank balances	256,069,946.00
Receivables for financing	2,524,573.51
Accounts receivable	204,927,480.10
Other non-current assets	4,119,593,823.27

For details, please refer to “81. Assets with restricted ownership or right-of-use” in “VII. Notes to Items in the Consolidated Financial Statements” of Section IX Financial Report Review Report.

4. Other explanations

Applicable Not applicable

(IV) Analysis of investment

1. Overall analysis of investment in external equities

Applicable Not applicable

As of the end of the Reporting Period, the Group has long-term equity investments of RMB1.311 billion, representing an increase of RMB0.202 billion or 18.18% as compared to the beginning of the year. For details, please refer to “17. Long-term equity investment” in “VII. Notes to Items in the Consolidated Financial Statements” of Section IX Financial Report Review Report.

(1) Material equity investment

Applicable Not applicable

(2) Material non-equity investment

Applicable Not applicable

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(3) Financial assets measured at fair value

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Changes in fair value for the period	Accumulated changes in fair value recognized in equity	Impairment accrued for the period	Other changes (increase/decrease) for the period	Closing balance
Financial assets						
1. Other equity instrument investments	1,019,867,488.13	-	-	-	23,058,559.07	1,042,926,047.20
Including: non-listed equity investments	1,019,867,488.13	-	-	-	23,058,559.07	1,042,926,047.20
2. Receivables for financing	2,230,124,457.61	-	-	-	-854,756,759.19	1,375,367,698.42
Subtotal	<u>3,249,991,945.74</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-831,698,200.12</u>	<u>2,418,293,745.62</u>

(V) Disposal of significant assets and equity interest

Applicable Not applicable

(VI) Analysis of major companies controlled and invested by the Company

Applicable Not applicable

For details, please refer to "17. Long-term equity investment" in "VII. Notes to Items in the Consolidated Financial Statements" and "IX. Interests in Other Entities" of Section IX Financial Report Review Report.

(VII) Status of the structured entity controlled by the Company

Applicable Not applicable

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

VII. OTHER DISCLOSURES

Applicable Not applicable

(I) Use of proceeds raised from H shares

The proceeds raised from H shares amounted to approximately RMB9,104 million. As of 30 June 2021, a total of RMB8,372 million of proceeds raised from H shares have been used, of which RMB2,731 million was used in long-term research and development, including the construction of the CRSC Railway Transportation Research Center and technology research projects; RMB1,667 million was used in the fixed asset investments, including the technical overhaul of CRSC Xi'xin, the Company's subsidiary, and Changsha Industrial Park; RMB108 million was used in general equity acquisition; RMB1,253 million was used in investment of Tianshui Tramcar project and other PPP projects related to railway transportation; and RMB2,613 million was used to supplement working capital (On 12 June 2020, the Company convened the general meeting and considered and approved the Resolution on Change in the Use of Proceeds Raised from H Shares, according to which, the Company intends to change the portion of the proceeds of RMB1,713 million originally allocated for general domestic and overseas acquisition to general domestic and overseas purposes (supplementing working capital)). The Company confirms that, apart from RMB1,713 million allocated for general domestic and overseas acquisition, the aforesaid plan for the use of proceeds is consistent with the use of proceeds as disclosed in the prospectus.

Apart from the aforesaid use of funds, as of 30 June 2021, the Company's remaining proceeds raised from H shares amounting to RMB732 million have not been used and are expected to be used up in the coming three years, of which RMB154 million will be used for fixed asset investments, RMB568 million will be used for investments in PPP projects related to railway transportation and RMB10 million will be used to supplement working capital. The aforesaid plan for the use of proceeds is consistent with the use of proceeds as disclosed in the prospectus.

(II) Employees

As of 30 June 2021, the Company had a total of 20,906 full-time employees, including 20,692 employees in subsidiaries. The total labour cost in the first half of 2021 was RMB2.39 billion. The Company has established a comprehensive performance evaluation system, linking the annual operation targets with the performance evaluation of all departments and employees. The Company attaches great importance to corporate culture construction and focuses on improving the overall employee quality by proactively implementing a comprehensive staff training initiative by levels and layers. The Company, based on different position categories, has established a performance-and-capability-oriented employee remuneration system and has effectively safeguarded the capability to recruit, retain and incentivize talents.

SECTION III

MANAGEMENT DISCUSSION AND ANALYSIS

(III) Pension Schemes

Post-employment benefits

The post-employment benefit plans are classified into defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions; defined benefit plans are post-employment benefit plans other than defined contribution plans. For defined contribution plans, the Group pays contributions to basic pension insurance, enterprise annuity and unemployment insurance for the employees during the reporting period, while defined benefit plans are mainly supplementary retirement benefits.

1. Basic pension insurance

Pursuant to the relevant laws and regulations in the PRC, the Group has participated in basic pension insurance for the employees arranged by local labour and social security authorities.

The Group makes contributions to the pension insurance at the applicable rates based on the amounts stipulated by the local government organisations. The contributions are charged to the profit or loss on an accrual basis. When employees retire, the local labour and social security authorities are responsible for the payment of the basic pension benefits to the retired employees.

2. Enterprise annuity

In addition to these basic social pension plans, the employees of the Group joined in the Enterprise Annuity Plan of China Railway Signal & Communication Corporation Limited (the “Annuity Plan”) established by the Group according to the state enterprise annuity system. The Group contributes to the Annuity Plan based on certain percentages of the employees’ gross salaries, which are expensed in profit or loss when the contributions are made.

3. Supplementary retirement benefits

The Group pays supplementary retirement benefits for its employees in Mainland China who retired on or before 31 December 2012 in addition to the contributions made to statutory insurance plans. Such supplementary retirement benefits are defined benefit plans.

The Group’s obligations in respect of supplementary retirement benefits are calculated by estimating the amount of obligations that the Group is committed to paying to the employees after their retirement using actuarial techniques.

At the end of each reporting period, such obligations are discounted with interest yield of government bonds with similar duration. The service cost and net interest from the supplementary retirement benefits are recognised in profit or loss, and the remeasurements are recognised in other comprehensive income.

Pursuant to the requirements of accounting standards, the Group carries out actuarial evaluation for its defined benefit plans and makes provision for liabilities. However, no planned asset has been established for the defined benefit plans, and there is no funding as at 31 December 2020 and 30 June 2021.

SECTION IV

CORPORATE GOVERNANCE

I. BRIEF INTRODUCTION TO SHAREHOLDER'S GENERAL MEETINGS

Name of meeting	Time of meeting	Index of website designated for publication of the resolutions	Disclosure date of the publication of the resolutions	Resolutions
2021 First Extraordinary General Meeting	5 March 2021	www.hkexnews.hk www.sse.com.cn	5 March 2021	The following resolution was considered and approved at the meeting: 1. The Appointment of GUO Yonghong as Non-executive Director of the Third Session of the Board of Directors
2020 Annual General Meeting	11 June 2021	www.hkexnews.hk www.sse.com.cn	11 June 2021	The following resolutions were considered and approved at the meeting: 1. Resolution on Report of the Board of Directors for 2020 of China Railway Signal & Communication Corporation Limited 2. Resolution on Report of the Board of Supervisors for 2020 of China Railway Signal & Communication Corporation Limited 3. Resolution on Annual Report for 2020 of China Railway Signal & Communication Corporation Limited 4. Resolution on Final Account Report for 2020 of China Railway Signal & Communication Corporation Limited 5. Resolution on Profit Distribution Plan for 2020 of China Railway Signal & Communication Corporation Limited 6. Resolution on Plan of Appointment of Auditor for 2021 7. Resolution on Remuneration of Directors and Supervisors of the Company for 2020 8. Resolution on General Mandate to Issue Debt Financing Instruments

Shareholders of preference shares with restored voting rights request convening extraordinary general meetings

Applicable Not applicable

Explanation on the General Meetings

Applicable Not applicable

- On 5 March 2021, the Company held the first extraordinary general meeting in 2021 in the form of on-site meeting. For details, please refer to the Poll Results of the 2021 First Extraordinary General Meeting of China Railway Signal & Communication Corporation Limited dated 5 March 2021.
- On 11 June 2021, the Company held the 2020 Annual General Meeting in the form of on-site meeting. For details, please refer to the Poll Results of 2020 Annual General Meeting of China Railway Signal & Communication Corporation Limited dated 11 June 2021.

SECTION IV

CORPORATE GOVERNANCE

II. CHANGES IN DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS OF THE COMPANY

Applicable Not applicable

Name	Position held	Information on the change
WANG Jiajie	Independent Non-executive Director	Resigned
GUO Yonghong	Non-executive Director	Appointed

Explanation on changes in directors, supervisors, senior management and core technicians of the Company

Applicable Not applicable

On 29 January 2021, Mr. WANG Jiajie resigned as the Independent Non-executive Director of the third session of the Board of Directors of the Company due to age reasons. On the same date, the Proposal on the Nomination of Candidates for Non-executive Director of the Third Session of the Board of Directors of the Company was considered and approved at the 24th meeting of the third session of the Board of Directors for 2021 of the Company. Mr. GUO Yonghong was nominated as a candidate for Non-executive Director of the third session of the Board of Directors.

On 5 March 2021, the Proposal on the Appointment of GUO Yonghong as Non-executive Director of China Railway Signal & Communication Corporation Limited was considered and approved at the first extraordinary general meeting for 2021 of the Company.

As of the end of the Reporting Period, the executive Directors of the Company are Mr. ZHOU Zhiliang, Mr. XU Zongxiang and Mr. YANG Yongsheng, the non-executive Director is Mr. GUO Yonghong and the independent non-executive Directors are Mr. CHEN Jin'en, Mr. CHAN Ka Keung Peter and Mr. YAO Guiqing.

Explanation on recognition of core technicians of the Company

Applicable Not applicable

Core technicians of the Company are comprehensively recognized based on their professional capabilities, research results, leadership in the implementation of significant projects, working background, education background and other factors. During the Reporting Period, the Company has no core technicians to be recognized but not recognized.

SECTION IV CORPORATE GOVERNANCE

III. CHANGES IN SHAREHOLDING OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS OF THE COMPANY

(I) The changes in shareholding of current and resigned directors, supervisors, senior management and core technicians during the Reporting Period

Not applicable.

(II) The equity incentives granted to the directors, supervisors, senior management and core technicians during the Reporting Period

Not applicable.

(III) Interests and short positions of directors, supervisors and chief executives of the Company in shares, underlying shares and debentures of the Company and its associated corporations

As at 30 June 2021, none of the directors, supervisors and chief executives of the Company had any interest and/or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

(IV) Securities transactions conducted by directors and supervisors

The Company has adopted a code of conduct no less exacting than the code of conduct as provided in the Model Code as the code of conduct for all the directors and supervisors trading securities of the Company (the “code of conduct”). All the directors and supervisors of the Company have confirmed that they have complied with the standards as stipulated by the code of conduct for the period ended 30 June 2021.

IV. PROFIT DISTRIBUTION PLAN OR RESERVES-TO-EQUITY TRANSFER PLAN

The 2021 interim proposed profit distribution plan or reserve-to-equity transfer plan

Whether to distribute or transfer	No
Bonus shares for every 10 shares (shares)	–
Dividends distributed per 10 shares (yuan) (tax inclusive)	–
New shares for every 10 shares (shares)	–

Explanation of profit distribution plan or reserves-to-equity transfer plan

The Company has no plan for distribution of profits or transfer of capital reserve fund during the Reporting Period.

SECTION IV

CORPORATE GOVERNANCE

V. INFORMATION ABOUT THE COMPANY'S SHARE INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACTS

(I) Relevant incentive events disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable Not applicable

(II) Incentives not disclosed in the temporary announcements or with subsequent progress

Share incentives

Applicable Not applicable

Other explanations

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

Other incentive measures

Applicable Not applicable

SECTION V

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

I. ENVIRONMENTAL INFORMATION

- (I) **Explanation on environmental protection of companies and their significant subsidiaries classified as the key pollutant discharging units announced by the environmental protection department**

Applicable Not applicable

- (II) **Explanation on environmental protection of companies other than those classified as the key pollutant discharging units**

Applicable Not applicable

1. ***Administrative punishment on environmental issues***

Applicable Not applicable

2. ***Other environmental information disclosed with reference to the key pollutant discharging units***

Applicable Not applicable

Pollutant discharging information: CRSC is an environmentally friendly “general class” enterprise with “low pollution emission”. Pollutant discharge is mainly divided into three categories: air pollutants, water pollutants and hazardous wastes. Air pollution emissions mainly include a small amount of nitrogen oxide and sulfur dioxide produced by boiler heating in the factory, and a small amount of volatile organic compounds (VOCS) in the production process; water pollution emissions mainly include ammonia nitrogen and chemical oxygen demand (COD); the hazardous waste is HW08, HW09, HW13 and HW49, mainly including the organic solvents used in the mechanical processing, organic solvent produced in the process of electronic product assembly and cable extrusion, and emulsions and waste oils generated during equipment maintenance. In the first half of 2021, the COD emission in sewage was 0.62 ton, the ammonia nitrogen emission was 0.14 ton, and the hazardous waste treatment capacity was 95.1 tons, maintaining a reasonable level, the air pollutant sulfur dioxide emission was 0.007 ton, and the nitrogen oxide emission was 0.36 ton. The discharge method of wastewater is mainly based on recycling, and unified discharge after complying with the standard treatment. The discharge method of VOCS and exhaust boiler is based on organized emission after adsorption treatment. All hazardous wastes are entrusted to professional enterprises with hazardous waste operation license, road transport of dangerous cargos license and other qualifications to handle. Enterprises in relation to fixed pollutants have submitted the application for and obtained new pollutants discharge licenses or completed the registration of the fixed pollutants source discharge. The discharge of major pollutants meets the discharge requirements stipulated by the state or local authorities.

SECTION V

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

Construction and operation of pollution prevention and control facilities: CRSC has effectively treated the discharge outlets of pollution sources produced in all links of the production process, and the pollution control equipment is running well. For the links involved in the production of VOCS by cable processing, mechanical product processing, and electronic product assembly in industrial enterprises, treatment devices, such as flue gas electronic purification systems, activated carbon purification systems, low temperature plasma and UV photolysis purification systems, are also equipped to ensure the standard emission of volatile organic gas. The additional and upgraded enterprise-level sewage treatment stations resulted in a substantial increase in sewage treatment capacity and strong monitoring of water pollution discharge indicators. Hazardous wastes shall be stored and managed strictly in accordance with regulations. In the process of transfer and disposal of hazardous wastes, the joint bills of hazardous wastes transfer shall be filled out in accordance with the provisions of the Administrative Measures on the Joint Bills for the Transfer of Hazardous Wastes (《危險廢物轉移聯單管理辦法》), and qualified units shall be entrusted to carry out harmless and safe disposal according to law.

Environmental impact assessment and other administrative licenses in relation to environmental protection of construction projects: In the implementation of construction projects, CRSC implements the Environmental Impact Assessment Law (《環境影響評價法》) and the “three simultaneous” system of simultaneous design, construction and operation of environmental protection facilities and main projects. The total amount of pollutants shall be controlled and the principle of focusing on prevention, combining prevention with treatment shall be implemented to treat and bury all kinds of pollutants generated so as to ensure the discharge up to the standard. CRSC has formulated the Administrative Measures for Safety and Environmental Protection of Construction Projects (《建設項目安全環保管理辦法》) to ensure that the construction projects obtained the local government’s environmental assessment approval before the start of construction, and the environmental protection acceptance has been carried out in full accordance with the requirements of the Administrative Regulations on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》).

Emergency plan for contingent environmental incidents: According to the Safe Production Contingency Management Measures (《安全生產應急管理辦法》) issued by CRSC, CRSC has set up emergency organizations, classified emergency responsibilities at all levels, refined the classification of events, formulated emergency plans and conducted practical exercises, carried out relevant safety education and training, strengthened safety awareness and effectively improved the level of response to emergency.

Environmental self-monitoring program: CRSC strengthens the supervision and inspection of relevant enterprises’ pollution sources. Each of relevant enterprises has formulated pollution discharge monitoring and management systems and third-party testing plans according to the actual conditions of the enterprise. In order to improve the monitoring effects, some enterprises have installed on-line monitoring system for wastewater and exhaust gas at the key pollutant discharge outlets as required, realizing 24-hour monitoring and warning of pollutant discharge and establishing a sound pollutant emission monitoring system.

During the Reporting Period, the Company has not received any administrative penalties due to environmental issues.

SECTION V

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

3. *Reasons for non-disclosure of other environmental information*

Applicable Not applicable

(III) **Explanation of the follow-up progress of or changes in the disclosure of environmental information during the Reporting Period**

Applicable Not applicable

(IV) **Relevant information beneficial to ecological protection, pollution prevention and fulfillment of environmental responsibilities**

Applicable Not applicable

Guided by Xi Jinping's thought on ecological civilization, CRSC has been fully implementing the new development concept and adhering to ecological priority and green development. It unswervingly carries out significant deployments on the civilized development path with production development, prosperous life and pleasant ecology, firmly establishes the concept of socialist ecological civilization, and promotes the notion of green development. Focusing on protecting the environment and saving resources, CRSC follows the relevant laws and regulations of the state on ecological and environmental protection, implements pollutant reduction and environmental governance simultaneously and actively fulfills its social responsibility. None of subsidiaries under CRSC is a key pollutant discharging unit.

CRSC (Xi'an) Rail Industry Group Co., Ltd., a second-tier subsidiary of the Company, has completed the installment of ventilation facilities in production processes with exhaust gas and ensured that each discharge outlet is equipped with activated carbon adsorption treatment devices or photo catalyzing devices. It equipped spray towers and activated carbon adsorption devices in the cleaning process with alcohol to ensure the standard emission of waste gas. It completed the VOCs treatment in the electronic equipment workshop and the penetration and flaw detection working areas of the Inspection Department. The discharge method of VOCs is based on organized emission after treatment to meet the requirements on environmental protection.

SECTION V

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

(V) Measures adopted for reducing its carbon emission during the Reporting Period and the effects thereof

Applicable Not applicable

CRSC actively practices the national high-quality and green development targets on carbon peak and carbon neutrality, boosts innovation in construction process, production equipment and materials, undertakes the responsibilities and contributes the strength of central enterprises to the green and sustainable development of the state. CRSC Cables Company Ltd., a cables manufacturer under CRSC, adopts new silicone cross-linked EPR materials, reducing the time for steam cross-linking from 10 hours to 5 hours and saving energy consumption by 50%. Meanwhile, it adopts the new UV-LED ultraviolet light cross-linked equipment in processing cross-linked polyethylene insulated cables, saving energy by 80% as compared with the original mercury lamp equipment and reducing the emission of carbon dioxide.

II. DETAILS ON CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF SHAKING OFF POVERTY AND RURAL REVITALIZATION

Applicable Not applicable

The Company and its controlling shareholder, CRSC Group, earnestly implement the policies issued by the CPC Central Committee in relation to effective convergence of consolidating and expanding the achievements of shaking off poverty and the rural revitalization; continue to select our management to serve as the Deputy County Chief of Sheqi County, select our management to serve as the First Secretary of Yuanlaozhuang Village, and maintain our ongoing efforts in the follow-up supervision; and continue to implement “SIX” assistance measures to ensure that our efforts, work and vigor in providing our assistance are not reduced, so as to continue to consolidate the achievements we have obtained in the poverty alleviation battle, and help rural revitalization.

I. THE PERFORMANCE OF UNDERTAKINGS

(I) Undertakings during or carried forward to the Reporting Period by the Company's actual controller, shareholders, related parties, acquirers and the Company and other relevant parties

✓ Applicable Not applicable

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Undertakings associated with the initial public offering	Restricted shares	CRSC Group	CRSC Group has made following undertakings in respect of shares lock-up: (1) within 36 months from the date when the CRSC's A shares upon initial public offering are listed on the Shanghai Stock Exchange, the CRSC's A shares held by CRSC Group shall not be transferred or entrusted to others to manage the CRSC's domestic shares directly or indirectly held by it prior to the issuance, nor shall CRSC repurchase such shares. (2) If the closing price of CRSC's stocks for 20 consecutive trading days (except for all-day suspension of CRSC's stocks) is lower than the issue price of this offering within six months after the listing of CRSC, or the closing price at the end of six months after listing (if the day is not a trading day, it is the first trading day after that day) is lower than the issue price of this offering, the lock-up period of CRSC's A shares held by CRSC Group will be automatically extended for six months after the expiration of the above lock-up period. The issue price refers to the issue price of this offering of CRSC. If CRSC, after being listed, performs the ex-dividend and ex-right for reasons such as profit distribution, capital reserves to increase share capital, additional issuance, placement, it shall do so in accordance with the relevant provisions of the Shanghai Stock Exchange. (3) If CRSC Group violates the above undertakings, it will assume all legal liabilities arising therefrom. (4) If relevant laws, regulations and regulatory documents or other securities regulatory authorities such as China Securities Regulatory Commission and Shanghai Stock Exchange have other requirements for the lock-up period of shares, CRSC Group agrees to adjust the lock-up period of CRSC's shares held by it accordingly.	Time of undertakings: 15 April 2019; term: within 36 months from the date of the listing of CRSC's A shares	Yes	Yes	-	-

SECTION VI

SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Undertakings associated with the initial public offering	Profit distribution	CRSC	CRSC has made the following undertakings in respect of profit distribution policies: the Company will distribute profits to shareholders in strict accordance with the profit distribution policies stipulated by relevant laws and regulations, the Articles of Association of China Railway Signal & Communication Corporation Limited, and Dividend Distribution Plan within the Three Years after the Initial Public Offering and Listing of A Shares of CRSC (2019 – 2021), and strictly implement the review procedures for the profit distribution plan. If the violation of the above undertakings causes losses to the investors, the Company shall be liable to the investors according to law.	Time of undertakings: 15 April 2019, term: long-term effective	No	Yes	-	-

SECTION VI SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Undertakings associated with the initial public offering	Non-competition undertakings	CRSC Group	CRSC Group have made the following undertakings in respect of the non-competition undertakings: (1) as of the date of the issuance of letter of undertakings, CRSC Group and the holding enterprises of CRSC Group (excluding CRSC and its holding enterprises, same hereinafter) have not engaged in or participated in the businesses or activities that constitute or may constitute a direct or indirect competitive relationship with the principal business currently engaged in by CRSC and its holding enterprises in any form domestically or abroad. (2) CRSC Group and its holding enterprises do not, currently or in the future, solely or jointly with others, directly or indirectly, in any form (including but not limited to investment, merger and acquisition, associates, joint ventures, cooperation, partnership, contracting or leasing operation, purchase of shares of listed companies or equity participation) domestically or abroad engage in or participate in, or assist to engage in or participate in any businesses or activities which compete or is likely to compete with the principal business engaged currently or in the future by CRSC and its holding enterprises. (3) If CRSC Group or its holding enterprises find any new business opportunities which directly or indirectly compete or is likely to compete with the principal business of CRSC and its holding enterprises, they will immediately notify CRSC in writing and try their best to procure that these business opportunities are first provided to CRSC and its holding enterprises on reasonable and fair terms and conditions. (4) If CRSC and its holding enterprises waive the above new business opportunities and CRSC Group or its holding enterprises engage in these competitive businesses, CRSC and its holding enterprises have the right to acquire any equity, assets and other interests in the above-mentioned competitive business from CRSC Group or its holding enterprises at one or multiple times at any time, or CRSC may choose to entrust operation, lease or contract to operate the assets or business of the above-mentioned competitive business in accordance with the PRC laws and regulations. (5) If CRSC Group or its holding enterprises intend(s) to transfer, sell, lease, license or otherwise transfer or permit to use the asset and business which competes or is likely to compete, directly or indirectly, with the principal business of CRSC and its holding enterprises, CRSC Group and its holding enterprises will provide priority transfer rights to CRSC and its holding enterprises. (6) CRSC Group will indemnify CRSC and its holding enterprises against all actual loss, damage and expenses suffered/occurred for CRSC Group or its holding enterprises' breach of any terms in the letter of undertaking. (7) The letter of undertakings takes effect from the date of issuance and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the suspension of trading of CRSC's stock for any reason).	Time of undertakings: 15 April 2019; term: the letter of undertakings takes effect from the date of issuance and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the suspension of trading of CRSC's stock for any reason)	Yes	Yes	-	-

SECTION VI

SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Undertakings associated with the initial public offering	Related Party Transactions	CRSC Group	<p>CRSC Group have made the following undertakings in respect of regulating Related Party Transactions: (1) CRSC Group and the holding enterprises of CRSC Group (excluding CRSC and its holding enterprises, same hereinafter) will try their best to minimize the Related Party Transactions with CRSC and its holding enterprises. (2) for the Related Party Transactions related with operating activities of CRSC that are not avoidable, CRSC Group and the holding enterprises of CRSC Group will perform the decision-making procedures of Related Party Transactions to ensure fair pricing and timely fulfill information disclosure obligations in strict compliance with the relevant laws and regulations and regulatory documents as well as the relevant requirements in CRSC's internal system related with Related Party Transactions. (3) CRSC Group will not take advantage of its position as a controlling shareholder to seek any favorable conditions or benefits over independent third parties for CRSC Group and its holding enterprises from CRSC and its holding enterprises in business operation and other business. (4) CRSC Group will indemnify CRSC and its holding enterprises against all actual loss, damage and expenses suffered/occurred for CRSC Group and its holding enterprises' violation of above-mentioned undertakings. (5) the above-mentioned undertakings remain effective when CRSC Group has the control right over CRSC and cannot be changed or cancelled.</p>	Time of undertakings: 15 April 2019; term: the letter of undertakings takes effect from the date of issuance and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the suspension of trading of CRSC's stock for any reason)	Yes	Yes	-	-

SECTION VI SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Undertakings associated with the initial public offering	Others	CPSC	<p>CPSC has made the following undertakings in respect of restraints on failure to comply with relevant public undertakings: (1) if the relevant undertakings made publicly by the Company in the prospectus has already contained the restraints, such restraints specified in those undertakings shall prevail; if the Company breaches those undertakings, the Company agrees to adopt the restraints already specified in those undertakings. (2) if the Company fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled (except for the objective reasons beyond the control of the Company such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), the Company will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) make supplementary or substitute undertakings to the Company and its shareholders to protect the rights and interests of the Company and its shareholders as much as possible. 3) if the public investors suffer losses due to their reliance on the undertakings of the Company in transactions, the Company will compensate them in the way and amount determined by the securities regulatory authorities or judicial authorities. (3) in the event that the Company fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled due to objective reasons beyond the control of the Company such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, the Company will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) make supplementary or substitute undertakings to the Company and its shareholders to protect the rights and interests of the Company and its shareholders as much as possible.</p>	Time of undertakings: 15 April 2019; term: long-term effective	No	Yes	-	-

SECTION VI

SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Undertakings associated with the initial public offering	Others	CRSC Group	CRSC Group has made the following undertakings in respect of restraints on failure to comply with relevant public undertakings: (1) CRSC Group will strictly implement the public undertakings made by CRSC Group in the prospectus for this issue and actively accept public supervision. (2) if CRSC Group fails to fulfill its undertakings, confirms that it is unable to perform or fails to perform as scheduled (except for the objective reasons beyond the control of the Group such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), CRSC Group will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible. 3) in case of any gains (if any) due to the failure to perform the relevant undertakings, the gains shall be owned by CRSC. 4) if the public investors suffer losses due to their reliance on the undertakings of CRSC Group in transactions, CRSC Group will compensate them in the way and amount determined by the securities regulatory authorities or judicial authorities. (3) in the event that CRSC Group fails to perform its undertakings, confirms that it is unable to perform or fails to perform as scheduled due to objective reasons beyond the control of CRSC Group such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, CRSC Group will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC. 2) make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible.	Time of undertakings: 15 April 2019; term: long-term effective	No	Yes	-	-

SECTION VI SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Undertakings associated with the initial public offering	Others	The Company's Directors, Supervisors and senior management	<p>The Company's Directors, Supervisors and senior management have made the following undertakings in respect of restraints on failure to comply with relevant public undertakings: (1) I will strictly perform the public undertakings made in the prospectus for this issue and actively accept public supervision; (2) if I fail to perform my undertakings, confirm that I am unable to perform or fail to perform as scheduled (except for the objective reasons beyond my control such as changes in relevant laws and regulations and policies, natural disasters and other force majeure), I will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC; 2) make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible; 3) in case of any gains (if any) due to the failure to perform the relevant undertakings, the gains shall be owned by CRSC; 4) if the public investors suffer losses due to their reliance on my undertakings in transactions, I will compensate them in the way and amount determined by the securities regulatory authorities or judicial authorities; if I receive the salary from CRSC, I agree that CRSC can stop paying the salary to me and use it directly to perform my unfulfilled undertakings or to compensate for the loss caused to CRSC and its shareholders by my unfulfilled undertakings; (3) in the event that I fail to perform my undertakings, confirm that I am unable to perform or fail to perform as scheduled due to objective reasons beyond my control such as changes in relevant laws and regulations and policies, natural disasters and other force majeure, I will take the following measures: 1) publicly explain the specific reasons for the failure to perform, inability to perform or to perform as scheduled, the undertakings in the media designated by the CSRC; 2) make supplementary or substitute undertakings to CRSC and its shareholders to protect the rights and interests of CRSC and its shareholders as much as possible.</p>	Time of undertakings: 15 April 2019; term: long-term effective	No	Yes	-	-

SECTION VI

SIGNIFICANT EVENTS

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertakings	Time and term of undertakings	Is there a term for performance	Whether or not timely and strictly performed	If the undertaking fails to be performed timely, please explain the specific reasons for the failure	If the undertaking fails to be performed timely, please state the plan in the next step
Other Undertakings	Others	CRSC	The Company undertook to the Hong Kong Stock Exchange that the Company would not use the proceeds from the global offering, as well as any other funds raised through the Hong Kong Stock Exchange, to finance or assist any activities or business, directly or indirectly, (i) relating to or with the target of any sanction, or relating to, with, or in any countries subject to sanctions administered by the U.S., the E.U., Hong Kong, Australia or the U.N. authorities, or (ii) relating to CRSC International, one of the Company's subsidiaries, considering the amount of its annual revenue related to projects in Iran during the Track Record Period. In addition, the Company also undertook to the Hong Kong Stock Exchange that the Company would not undertake any sanctionable transactions that would expose the relevant persons or us to risk of being sanctioned.	Time of undertakings: 28 July 2015; term: long-term effective	No	Yes	-	-
Other undertakings	Non-competition undertaking	CRSC Group	On 20 July 2015, CRSC Group issued to us a letter of non-competition undertakings, which is effective in the Relevant Period (as defined in the H share prospectus). Pursuant to the letter of non-competition undertakings, CRSC Group has confirmed that, as at the date of the letter of non-competition undertakings, CRSC Group has not engaged in or participated in any form of business activities which, directly or indirectly, compete with the Company's principal businesses. For further details of the letter of non-competition undertakings, please refer to the H share prospectus of the Company.	Time of undertakings: 20 July 2015; term: the letter of undertakings takes effect from the date of issuance and is terminated upon the occurrence of the following circumstances (whichever is earlier): CRSC Group is no longer the controlling shareholder of CRSC; CRSC terminates its listing (except for the suspension of trading of CRSC's stock for any reason)	Yes	Yes	-	-

SECTION VI SIGNIFICANT EVENTS

II. MISAPPROPRIATION OF FUNDS FOR PURPOSES OTHER THAN FOR BUSINESS BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Applicable Not applicable

III. ILLEGAL GUARANTEES

Applicable Not applicable

IV. AUDIT OF THE INTERIM REPORT

Applicable Not applicable

V. CHANGES TO AND HANDLING OF MATTERS INVOLVED IN NON-STANDARD AUDIT OPINIONS IN ANNUAL REPORT LAST YEAR

Applicable Not applicable

VI. EVENTS REGARDING BANKRUPTCY AND RESTRUCTURING

Applicable Not applicable

VII. MATERIAL LITIGATION AND ARBITRATION

The Company was involved in material litigation or arbitration during the Reporting Period The Company was not involved in material litigation or arbitration during the Reporting Period

VIII. SUSPECTED VIOLATION OF LAWS AND REGULATIONS, PUNISHMENTS AND RECTIFICATIONS INVOLVED BY THE LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

Applicable Not applicable

IX. EXPLANATION ON CREDIBILITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER DURING THE REPORTING PERIOD

Applicable Not applicable

SECTION VI SIGNIFICANT EVENTS

X. MATERIAL RELATED PARTY TRANSACTIONS

(I) The related party transactions in relation to the ordinary operations

1. *Events disclosed in the temporary announcements and with no progress or change in subsequent implementation*

Applicable Not applicable

2. *Events disclosed in the temporary announcements but with progress or change in subsequent implementation*

Applicable Not applicable

Unit: 0'000 Yuan Currency: RMB

Category of related party transactions	Related parties	Estimated amount in 2021	Accumulated amount from the beginning of the year to the end of the Reporting Period
Purchasing products/ materials from related parties	China Railway Signal and Communication (group) Corporation Limited and its subsidiaries	13,000.00	1,937.41
Receiving services from related parties	China Railway Signal and Communication (group) Corporation Limited and its subsidiaries	5,000.00	36.47
Lease of houses/fixed assets from related parties	China Railway Signal and Communication (group) Corporation Limited and its subsidiaries	50.00	–
Selling products/materials to related parties	China Railway Signal and Communication (group) Corporation Limited and its subsidiaries	3,000.00	825.07
Provision of labor services to related parties	China Railway Signal and Communication (group) Corporation Limited and its subsidiaries	60,000.00	35,136.85
Rental of houses/fixed assets to related parties	China Railway Signal and Communication (group) Corporation Limited and its subsidiaries	1,500.00	26.76

3. *Events not disclosed in the temporary announcements*

Applicable Not applicable

SECTION VI SIGNIFICANT EVENTS

(II) Related party transactions arising from acquisition of assets or acquisition and disposal of equity interests

1. *Events disclosed in the temporary announcements and with no progress or change in subsequent implementation*

Applicable Not applicable

2. *Events disclosed in the temporary announcements but with progress or change in subsequent implementation*

Applicable Not applicable

3. *Events not disclosed in temporary announcements*

Applicable Not applicable

4. *Where an agreement on performance is involved, the performance achievements during the Reporting Period shall be disclosed*

Applicable Not applicable

(III) Significant related party transactions on the joint external investment

1. *Events disclosed in the temporary announcements and with no progress or change in subsequent implementation*

Applicable Not applicable

2. *Events disclosed in the temporary announcements but with progress or change in subsequent implementation*

Applicable Not applicable

3. *Events not disclosed in temporary announcements*

Applicable Not applicable

SECTION VI

SIGNIFICANT EVENTS

(IV) Claims and liabilities between related parties

1. *Events disclosed in the temporary announcements and with no progress or change in subsequent implementation*

Applicable Not applicable

2. *Events disclosed in the temporary announcements but with progress or change in subsequent implementation*

Applicable Not applicable

3. *Events not disclosed in temporary announcements*

Applicable Not applicable

(V) Financial business between the Company and related financial companies, holding financial companies and related parties

Applicable Not applicable

(VI) Other material related party transactions

Applicable Not applicable

(VII) Others

Applicable Not applicable

SECTION VI SIGNIFICANT EVENTS

XI. MAJOR CONTRACTS AND PERFORMANCE

1. Trust, contracting and leasing matters

Applicable Not applicable

2. Significant guarantees performed and not fully performed during the Reporting Period

Applicable Not applicable

Unit: Yuan Currency: RMB

External guarantees provided by the Company (excluding guarantees provided for its subsidiaries)	
Total guarantee incurred during the Reporting Period (excluding those provided to subsidiaries)	–
Total balance of guarantee as at the end of the Reporting Period (A) (excluding those provided to subsidiaries)	–
Guarantees provided by the Company and its subsidiaries to its subsidiaries	
Total guarantee to its subsidiary incurred during the Reporting Period	66,493,092.36
Total balance of guarantee to subsidiaries as at the end of the Reporting Period (B)	6,276,192,335.16
Aggregate guarantee of the Company (including those provided to subsidiaries)	
Aggregate guarantee (A+B)	6,276,192,335.16
Percentage of aggregate guarantee to net assets of the Company (%)	14.88%
Representing:	
Amount of guarantee provided for shareholders, actual controller and related parties (C)	–
Amount of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratio over 70% (D)	5,077,987,059.93
Excess amount of aggregate guarantee over 50% of net assets (E)	–
Aggregate amount of the above three categories (C+D+E)	5,077,987,059.93
Statement on the contingent joint and several liability in connection with unexpired guarantee	
Statement on guarantee	

Percentage of the total guarantee amount to net assets of the Company = guarantee amount/equity attributable to owners of the parent company. As at 30 June 2021, the balance of guarantee amounted to RMB6,276 million, accounting for 14.88% of the Company's net assets, of which, the balance of guarantees for wholly-owned subsidiaries was RMB6,269 million; the balance of guarantees for controlling subsidiaries was RMB7 million. The Company did not provide any guarantee for any of its controlling shareholders, actual controllers or related parties. As at the end of the Reporting Period, the balance of guarantee provided by the Company for its subsidiaries with an asset-liability ratio of more than 70% amounted to RMB5,078 million.

3. Other material contracts

Applicable Not Applicable

XII. EXPLANATION ON PROCESS IN USE OF PROCEEDS

✓ Applicable Not applicable

Unit: 0'000 Yuan Currency: RMB

Total proceeds	1,035,434	Total proceeds invested for the year	35,582
Total proceeds with use changed	-	Accumulated total proceeds invested	400,144
Percentage of total proceeds with use changed (%)	-		

The difference

	Projects already changed, including part of changes (if any)	Total promised investment amounts of proceeds	Total investment after adjustments	Promised investment amount as of the end of the period ①	Investment amount for the year	Accumulated investment amount as of the end of the period ②	The difference between accumulated investment amount and promised investment amount as of the end of the period ③=②-①	Process of investment as of the end of the period (%) ④=②/①	Date when projects reached expected available status	Efficiency achieved for the year	Whether achieved expected efficiency	Whether feasibility of projects change significantly
Promised investment projects Advanced and intelligent technology research and development projects (Note 1)	No	460,000	-	460,000	35,582	100,763	-359,237	21.91	2023	Not applicable	Not applicable	No
Advanced and intelligent manufacturing base project	No	250,000	-	250,000	-	-	-250,000	-	-	Not applicable	Not applicable	No
Information construction project	No	30,000	-	30,000	-	1,381	-28,619	4.6	2022	Not applicable	Not applicable	No
Supplement liquidity (Note 2)	No	295,434	-	295,434	-	298,000	0	100	Not applicable	Not applicable	Not applicable	No
Total	-	1,035,434	-	1,035,434	35,582	400,144	-637,856	-	-	-	-	-

Reasons for not achieving scheduled process (depending on specific investment projects)
 Up to now, the implementation progress of the advanced and intelligent manufacturing base project has been lagging behind, mainly due to the impact of the COVID-19 pandemic in 2020, and the implementation conditions of this project have changed compared with the previous ones. It has prepared the feasibility study report on the project in January 2021. However, due to significant changes to the contents of the production line and the construction of the R&D building in the project, it is currently preparing a new feasibility study report.

Explanation on significant changes to feasibility of project

Initial investment and replacement of projects with funds raised

Temporarily supplement working capital with idle proceeds

Cash management against idle proceeds to invest on relevant products

Not applicable

Not applicable

Not applicable

On 28 August 2020, the Company held the 21st meeting of the third session of the Board to consider and approve the Proposal on Using Temporarily Idle Raised Funds for Cash Management (關於使用暫時閒置募業資金進行現金管理的議案), and agreed that the Company's use limit shall not exceed RMB2.7 billion (inclusive). The idle raised funds shall be used for cash management under the condition that it does not affect the progress of the investment plan of the raised funds, does not affect the normal production and operation of the Company, and ensures the safety of funds, and is used to purchase investment products with high security, good liquidity, and capital protection agreements (including but not limited to structured deposits, time deposits and large deposit certificates), and the maturity does not exceed 12 months. As of 30 June 2021, the balance of large deposit certificates was RMB2.7 billion, and a total of RMB178.35 million interest of cash management was obtained. No risks have been found in existing cash management products.

Permanently supplement liquidity with over-raised proceeds or repay bank loans

Amount of and reasons for proceeds balance

Other use of proceeds

Not applicable

Not applicable

Not applicable

SECTION VI SIGNIFICANT EVENTS

Note 1: A total of RMB355.82 million was invested in advanced and intelligent technology research and development projects from January to June 2021, of which RMB252.18 million was invested in research on advanced rail transit control systems and key technologies, RMB38.79 million was invested in research on intelligent integrated operation and maintenance systems and technologies for rail transit, and a total of RMB64.85 million was invested in other technology research and development projects.

Note 2: As of 30 June 2021, in the comparison table for the use of raised funds, the actual supplement working capital project investment amount was RMB2,980,000,000.00, including the total initial committed investment of RMB2,954,342,373.23 and the current interest of RMB25,657,626.77 incurred in the corresponding special bank account.

XIII. CORPORATE GOVERNANCE

(I) Corporate governance practices

The Company strives to maintain high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value and accountability.

In order to ensure that the Company is able to fully perform its obligations under Hong Kong Listing Rules, the Company has established an effective corporate governance structure and, from time to time, reviews and improves its internal control and corporate governance mechanism.

The Company also operates in strict compliance with the Articles of Association of the Company, operating procedures for Board Committees, the Company Law and the requirements of relevant laws, regulations and regulatory documents, as well as the relevant rules and regulations of Hong Kong Stock Exchange in relation to corporate information disclosure and investors' relations management and services.

The Company's corporate governance practices are based on the principles and code provisions as provided by the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules. The Board is of the view that the Company had complied with all the code provisions as set out in the Corporate Governance Code during the Reporting Period.

(II) Repurchase, sale or redemption of listed securities of the Company

During the Reporting Period, neither the Company nor its subsidiaries repurchase, sell or redeem any of the listed securities of the Company.

(III) Review of the interim results by the Audit and Risk Management Committee

Members of the Audit and Risk Management Committee of the Company comprise of Mr. CHAN Ka Keung Peter (an independent non-executive director, chairman of the Committee), Mr. GUO Yonghong (a non-executive director) and Mr. CHEN Jin'en (an independent non-executive director).

The Audit and Risk Management Committee of the Company has reviewed the unaudited interim condensed consolidated financial statements, the interim results announcement and interim report of the Company for the six months ended 30 June 2021.

(IV) Subsequent events

There were no other significant subsequent events which have occurred since 30 June 2021 and up to the date of this report.

XIV. EXPLANATION ON OTHER SIGNIFICANT EVENTS

Applicable Not applicable

SECTION VII

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. THE MOVEMENTS IN SHARE CAPITAL

(I) Table of changes in shares

1. *Table of changes in shares*

There were no changes in the total number of ordinary shares or share capital structure of the Company during the Reporting Period.

2. *Explanation on changes in shares*

Applicable Not applicable

3. *The impact of changes in shares on financial indicators such as earnings per share, net asset per share from the end of the Reporting Period to the disclosure date of the Interim Report (if any)*

Applicable Not applicable

4. *Other discloseable contents that the Company deemed necessary or were required by securities regulatory authorities*

Applicable Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

(II) Changes in shares subject to trading moratorium

Applicable Not applicable

II. PARTICULARS OF SHAREHOLDERS

(I) Total number of shareholders

Total number of ordinary shareholders as at the end of the Reporting Period (account)	106,191
Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (account)	Not applicable
Total number of shareholders holding shares with special voting rights as at the end of the Reporting Period (account)	Not applicable

Number of depositary receipt holders

Applicable Not applicable

SECTION VII

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

(II) Particulars of shareholdings of the top ten Shareholders and the top ten Shareholders not subject to trading moratorium as at the end of the Reporting Period

Particulars of shareholdings of the top ten Shareholders through ordinary securities accounts and client credit trading guarantee securities accounts of securities companies

✓ Applicable □ Not applicable

Unit: share

Name of shareholder (full name)	Change of shareholding during the Reporting Period	Particulars of shareholdings of the top ten Shareholders				Number of restricted shares including lending shares for securities financing	Shares pledged, marked or frozen		Nature of shareholder
		Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Status of shares		Number of shares		
China Railway Signal and Communication (group) Corporation Limited ^{Note 1}	-	6,604,426,424	62.37	6,604,426,424	6,604,426,424	No	-	State-owned corporation	
HKSCC NOMINEES LIMITED ^{Note 2}	-28,000	1,967,737,950	18.58	-	-	Unknown	-	Overseas corporation	
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Exchange Traded Fund	-2,712,979	64,593,761	0.61	-	-	Unknown	-	Other	
China National Machinery Industry Corporation	-	63,507,192	0.60	-	-	Unknown	-	State-owned corporation	
Hong Kong Securities Clearing Company Limited	-	47,266,099	0.45	-	-	Unknown	-	Overseas corporation	
Industrial and Commercial Bank of China Limited-E Fund SSE STAR 50 Exchange Traded Fund	-16,435	35,044,711	0.33	-	-	Unknown	-	Other	
China Railway Investment Co., Ltd.	-	34,188,000	0.32	-	-	Unknown	-	State-owned 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	-	Other	
Huatai Securities Co., Ltd.	19,673,677	20,967,247	0.20	-	-	Unknown	-	State-owned corporation	

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

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}	1,967,737,950	Overseas listed foreign shares		1,967,737,950
China Merchants Bank Co., Ltd – China AMC SSE STAR 50 Exchange Traded Fund	64,593,761	RMB ordinary shares		64,593,761
China National Machinery Industry Corporation	63,507,192	RMB ordinary shares		63,507,192
Hong Kong Securities Clearing Company Limited	47,266,099	RMB ordinary shares		47,266,099
Industrial and Commercial Bank of China Limited-E Fund SSE STAR 50 Exchange Traded Fund	35,044,711	RMB ordinary shares		35,044,711
China Railway Investment Co., Ltd	34,188,000	RMB ordinary shares		34,188,000
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
Huatai Securities Co., Ltd.	20,967,247	RMB ordinary shares		20,967,247
China Merchants Bank Co., Ltd – SAM Sci-tech Innovation Board Three – year Regular Opening Hybrid Securities Investment Fund	15,414,572	RMB ordinary shares		15,414,572
Explanation on the special account for repurchase of the top ten shareholders	–			
Explanation on the above shareholders who entrusted, be entrusted with or waived voting rights	–			
Explanation on the related party relationship or acting-in-concert arrangement among the above shareholders		China Railway Signal and Communication (group) Corporation Limited, the largest shareholder, does not have any related party relationship with the other shareholders nor is it a person acting in concert with them. The Company is not aware whether the other shareholders have related party relationship or acting-in-concert arrangement.		
Explanation on the shareholders of preference shares with restored voting right and their shareholdings		Not applicable		

Note 1: As of 30 June 2021, apart from 6,604,426,424 A shares, China Railway Signal and Communication (group) Corporation Limited also holds 28,660,000 H shares of the Company.

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

Note 3: Apart from information set out in note 1 and note 2, shares held by shareholders in the table above are all A shares of the Company.

SECTION VII

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Number of shareholdings of the top ten Shareholders subject to trading moratorium and conditions of trading moratorium

Applicable Not applicable

Unit: Share

No.	Name of shareholder subject to trading moratorium	Number of shares held subject to trading moratorium	Time available for listing and trading	Shares subject to trading moratorium available for listing and trading	
				Number of additional shares available for listing and trading	Trading moratorium
1	China Railway Signal and Communication (group) Corporation Limited	6,604,426,424	22 July 2022	–	36 months from the date when the Company's shares are listed at the SSE
2	China CICC Wealth Management Securities Company Limited (formerly known as China Investment Securities Co., Ltd.)	10,800,941	22 July 2021	–	24 months from the date when the Company's shares are listed at the SSE
Explanation on the related party relationship or acting-in-concert arrangement among the above shareholders		The Company is not aware whether the shareholders have related party relationship or acting-in-concert arrangement.			

Particulars of the top ten domestic depository receipts holders of the Company as at the end of the Reporting Period

Applicable Not applicable

Number of shareholdings of the top ten holders of depository receipts subject to trading moratorium and conditions of trading moratorium

Applicable Not applicable

(III) Particulars of top ten shareholders with voting rights as at the end of the Reporting Period

Applicable Not applicable

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

(IV) Interests and short positions of substantial shareholders in shares and underlying shares of the Company

As at 30 June 2021, so far as is known to the Directors, the following persons (other than the directors, the supervisors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (“SFO”) and which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Class of Share	Capacity	Number of Shares held	Approximate percentage of shares in the relevant class of shares of the Company	Approximate percentage of shares in the total issued shares of the Company
China Railway Signal and Communication (group) Corporation Limited	A shares	Beneficial owner	6,604,426,424 (Long position)	76.61%	62.37%
Shanghai Zhenhua Heavy Industries Co., Ltd. ⁽¹⁾	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
Shanghai Zhenhua Port Machinery (Hong Kong) Company Limited ⁽¹⁾	H shares	Beneficial owner	123,063,000 (Long position)	6.25%	1.16%
China Railway Group Investment (Hong Kong) Limited ⁽²⁾	H shares	Beneficial owner	123,063,000 (Long position)	6.25%	1.16%
China Railway Engineering Corporation ⁽²⁾	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
China Railway Group Limited ⁽²⁾	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
China Railway International Group Co., Limited ⁽²⁾	H shares	Interests in a controlled corporation	123,063,000 (Long position)	6.25%	1.16%
FIL Limited ^{(3),(4)}	H shares	Interests in a controlled corporation	98,969,000 (Long position)	5.03%	0.93%
Pandanus Partners L.P. ⁽⁴⁾	H shares	Interests in a controlled corporation	98,969,000 (Long position)	5.03%	0.93%
Pandanus Associates Inc. ⁽⁴⁾	H shares	Interests in a controlled corporation	98,969,000 (Long position)	5.03%	0.93%
Brown Brothers Harriman & Co.	H shares	Approved lending agent	119,600,400 (Long position)	6.07%	1.13%
			119,600,400 (Shares available for lending)	6.07%	1.13%

SECTION VII

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Notes:

As at 30 June 2021, the number of issued shares of the Company was 10,589,819,000 shares, of which 1,968,801,000 shares were H shares and 8,621,018,000 shares were A shares.

1. Shanghai Zhenhua Heavy Industries Co., Ltd. had interests in such shares through Shanghai Zhenhua Port Machinery (Hong Kong) Company Limited.
2. China Railway Engineering Corporation had interests in such shares through China Railway Group Limited, China Railway International Group Co., Limited and China Railway Group Investment (Hong Kong) Limited.
3. FIL Limited had interests in such shares through the corporations it directly or indirectly held.
4. Pandanus Associates Inc. had interests of 37.01% in FIL Limited through Pandanus Partners L.P. and had interests in such shares held by FIL Limited.

Save as disclosed above, as at 30 June 2021, the Directors were not aware of any persons (other than the directors, the supervisors or chief executives of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were entered in the register required to be kept by the Company pursuant to section 336 of the SFO.

(V) Top ten shareholders from strategic investors or general legal persons participating in the placing of the new shares/depository receipts

Applicable Not applicable

III. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND CORE TECHNICIANS

(I) The changes in shareholding of current and resigned directors, supervisors, senior management and core technicians during the Reporting Period

Applicable Not applicable

Other explanations

Applicable Not applicable

During the Reporting Period, the indirect shareholding of directors, supervisors, senior management and core technicians of the Company remained unchanged. As of 30 June 2021, ZHANG Zhihui, vice president and chief engineer of the Company, FU Gang, chief engineer of CRSC Research & Design Institute Group Co., Ltd., MA Lilan, deputy chief engineer of CRSC Research & Design Institute Group Co., Ltd. and DENG Hongyuan, chief engineer of CRSC Urban Rail Transit Technology Co., Ltd. still indirectly held a total of 851,422 shares of the Company through the Fengzhong Asset Management Scheme (豐眾資管計劃).

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS**(II) The equity incentives granted to the directors, supervisors, senior management and core technicians during the Reporting Period****1. Stock option**

Applicable Not applicable

2. The first type of restricted stocks

Applicable Not applicable

3. The second type of restricted stocks

Applicable Not applicable

(III) Other explanations

Applicable Not applicable

IV. CHANGES IN THE CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

Applicable Not applicable

V. IMPLEMENTATION AND CHANGES OF ARRANGEMENTS RELATED TO DEPOSITARY RECEIPTS DURING THE REPORTING PERIOD

Applicable Not applicable

VI. SHARES WITH SPECIAL VOTING RIGHTS

Applicable Not applicable

SECTION VIII

PARTICULARS OF PREFERENCE SHARES

Applicable Not applicable

SECTION IX FINANCIAL REPORT REVIEW REPORT

Ernst & Young Hua Ming (2021) Zhuan Zi No. 61172338_A23
China Railway Signal & Communication Corporation Limited

To the Shareholders of China Railway Signal & Communication Corporation Limited

We have reviewed the accompanying interim financial statements of China Railway Signal & Communication Corporation Limited, which comprise the consolidated and company balance sheets as at 30 June 2021, and the consolidated and company statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the six months ended 30 June 2021, and the notes to the financial statements (collectively, the “Interim Financial Statements”). Management of China Railway Signal & Communication Corporation Limited is responsible for the preparation of the Interim Financial Statements in accordance with the Accounting Standards for Business Enterprises. Our responsibility is to issue a review report based on our review of the Interim Financial Statements.

We conducted our review in accordance with the Standards on Review Engagements for CPAs of China No. 2101 – Engagements to review financial statements, which requires that we plan and conduct the review to obtain limited assurance about whether the Interim Financial Statements are free from material misstatements. A review is limited primarily to enquiries of the relevant personnel of China Railway Signal & Communication Corporation Limited and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the abovementioned Interim Financial Statements are not prepared in accordance with the Accounting Standards for Business Enterprises, and do not present fairly, in all material respects, the financial position, operating results and cash flows of China Railway Signal & Communication Corporation Limited.

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: ZHANG Xiaoliang (章曉亮)

Chinese Certified Public Accountant: HE Qiongyi (賀瓊誼)

Beijing, China

25 August 2021

CONSOLIDATED BALANCE SHEET

30 June 2021

I. AUDIT REPORT

Applicable Not applicable

II. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

30 June 2021

Prepared by: China Railway Signal & Communication Corporation Limited

Unit: Yuan Currency: RMB

ITEM	Notes	30 June 2021	31 December 2020
Current assets:			
Cash and bank balances	VII.1	21,559,808,251.91	22,740,631,687.08
Balances with clearing companies		–	–
Placements with banks and other financial institutions		–	–
Held-for-trading financial assets		–	–
Derivative financial assets		–	–
Bills receivable		–	–
Accounts receivable	VII.5	18,979,679,305.09	18,290,953,101.67
Receivables for financing	VII.6	1,375,367,698.42	2,230,124,457.61
Prepayments	VII.7	800,228,862.15	605,757,702.28
Premiums receivable		–	–
Reinsurance accounts receivable		–	–
Deposits receivable from reinsurance treaty		–	–
Other receivables	VII.8	1,353,406,499.94	1,476,276,378.69
Including: Interest receivable		–	–
Dividends receivable		–	14,040,000.00
Financial assets held under resale agreements		–	–
Inventories	VII.9	3,002,027,583.22	2,489,187,213.72
Contract assets	VII.10	38,921,713,461.29	36,043,391,206.89
Assets held for sale		–	–
Non-current assets due within one year	VII.12	96,451,815.05	145,843,169.16
Other current assets	VII.13	1,189,387,783.87	1,046,543,972.68
Total current assets		87,278,071,260.94	85,068,708,889.78

CONSOLIDATED BALANCE SHEET

30 June 2021

ITEM	Notes	30 June 2021	31 December 2020
Non-current assets:			
Loans and advances to customers		–	–
Debt investment	VII.14	273,172,183.50	273,172,183.50
Other debt investment		–	–
Long-term receivables	VII.16	3,947,579,780.95	8,384,707,579.19
Long-term equity investments	VII.17	1,310,620,935.81	1,109,033,216.35
Other equity instrument investment	VII.18	1,042,926,047.20	1,019,867,488.13
Other non-current financial assets		–	–
Investment properties	VII.20	275,912,139.02	211,520,858.93
Fixed assets	VII.21	4,087,601,542.51	4,204,231,031.03
Construction in progress	VII.22	1,408,513,897.89	1,421,305,987.45
Productive biological assets		–	–
Oil and gas assets		–	–
Right-of-use-assets	VII.25	195,346,733.64	139,559,591.19
Intangible assets	VII.26	2,437,667,061.51	2,507,196,579.31
Development expenditure	VII.27	244,704,963.51	139,208,125.21
Goodwill	VII.28	305,324,128.58	305,324,128.58
Long-term prepaid expenses	VII.29	34,453,301.44	52,132,184.27
Deferred tax assets	VII.30	292,376,427.66	288,190,592.17
Other non-current assets	VII.31	4,658,635,094.75	203,923,885.50
Total non-current assets		<u>20,514,834,237.97</u>	<u>20,259,373,430.81</u>
Total assets		<u>107,792,905,498.91</u>	<u>105,328,082,320.59</u>

CONSOLIDATED BALANCE SHEET

30 June 2021

ITEM	Notes	30 June 2021	31 December 2020
Current liabilities:			
Short-term borrowings	VII.32	39,524,573.51	491,584,392.53
Borrowings from central bank		–	–
Placements from banks and other financial institutions		–	–
Held-for-trading financial liabilities		–	–
Derivative financial liabilities		–	–
Bills payable	VII.35	2,235,196,688.87	1,974,383,429.57
Accounts payable	VII.36	46,123,168,488.64	44,705,884,497.10
Advance receipts		–	–
Contract liabilities	VII.38	6,815,308,212.19	6,832,166,619.11
Financial assets sold for repurchase		–	–
Customers deposits and deposits from banks and other financial institutions		–	–
Amount paid for agency securities trading		–	–
Amount paid for agency securities underwriting		–	–
Employee benefits payable	VII.39	685,089,582.75	600,135,460.14
Tax payable	VII.40	657,413,738.06	930,587,455.57
Other payables	VII.41	3,650,797,444.09	1,979,340,519.78
Including: Interest payable		–	–
Dividends payable		2,267,893,254.57	–
Fees and commissions payable		–	–
Reinsurance accounts payable		–	–
Liabilities held for sale		–	–
Non-current liabilities due within one year	VII.43	247,526,218.15	216,094,781.87
Other current liabilities	VII.44	375,140,265.28	338,315,519.02
Total current liabilities		60,829,165,211.54	58,068,492,674.69

CONSOLIDATED BALANCE SHEET

30 June 2021

ITEM	Notes	30 June 2021	31 December 2020
Non-current liabilities:			
Insurance contract reserve		—	—
Long-term borrowings	VII.45	2,194,322,028.80	1,995,641,575.20
Bonds payable		—	—
Including: Preference shares		—	—
Perpetual bonds		—	—
Lease liabilities	VII.47	118,851,427.38	80,677,106.29
Long-term payables	VII.48	68,996,272.20	77,846,656.30
Long-term employee benefits payable	VII.49	564,547,000.00	574,084,000.00
Provisions	VII.50	34,087,505.77	41,449,064.17
Deferred income	VII.51	178,026,217.45	150,934,432.75
Deferred tax liabilities	VII.30	36,569,297.49	41,619,296.79
Other non-current liabilities		—	—
Total non-current liabilities		<u>3,195,399,749.09</u>	<u>2,962,252,131.50</u>
Total liabilities		<u>64,024,564,960.63</u>	<u>61,030,744,806.19</u>
Shareholders' equity:			
Share capital	VII.53	10,589,819,000.00	10,589,819,000.00
Other equity instruments	VII.54	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	VII.55	15,964,549,500.25	15,964,304,189.86
Less: treasury stocks		—	—
Other comprehensive income	VII.57	-176,976,928.57	-207,690,607.13
Special reserve	VII.58	282,456,130.59	306,215,150.31
Surplus reserve	VII.59	1,597,958,257.98	1,597,958,257.98
General risk reserve		—	—
Retained earnings	VII.60	11,110,720,174.54	11,512,862,059.38
Total equity attributable to Shareholders of the parent company		<u>42,168,526,134.79</u>	<u>42,563,468,050.40</u>
Non-controlling interests		<u>1,599,814,403.49</u>	<u>1,733,869,464.00</u>
Total Shareholders' equity		<u>43,768,340,538.28</u>	<u>44,297,337,514.40</u>
Total liabilities and Shareholders' equity		<u>107,792,905,498.91</u>	<u>105,328,082,320.59</u>

Person-in-charge of the Company: ZHOU Zhiliang Chief Financial Officer: HU Shaofeng Head of Accounting Department: ZHANG Shihu

PARENT COMPANY'S BALANCE SHEET

30 June 2021

Prepared by: China Railway Signal & Communication Corporation Limited

Unit: Yuan Currency: RMB

Item	Notes	30 June 2021	31 December 2020
Current assets:			
Cash and bank balances		17,132,432,367.95	17,956,276,961.76
Held-for-trading financial assets		—	—
Derivative financial assets		—	—
Bills receivable		—	—
Accounts receivable	XVII.1	1,844,803,535.97	2,125,968,045.27
Receivables for financing		182,161,632.50	375,836,342.66
Prepayments		192,455,013.36	221,994,542.23
Other receivables	XVII.2	8,785,459,424.05	7,018,129,988.69
Including: Interest receivable		—	—
Dividends receivable		2,016,656,725.31	699,665,430.31
Inventories		6,970,351.29	31,462,526.72
Contract assets		1,792,214,192.05	1,741,149,049.63
Assets held for sale		—	—
Non-current assets due within one year		18,688,658.70	41,366,628.24
Other current assets		122,231,772.88	133,245,711.04
Total current assets		30,077,416,948.75	29,645,429,796.24
Non-current assets:			
Debt investment		273,172,183.50	273,172,183.50
Other debt investment		—	—
Long-term receivables		1,746,482,987.96	1,751,698,274.44
Long-term equity investments	XVII.3	16,997,569,030.82	16,987,641,187.31
Other equity instrument investment		476,408,221.20	476,408,221.20
Other non-current financial assets		—	—
Investment properties		1,479,468,852.11	1,498,455,649.52
Fixed assets		534,283,451.95	551,997,027.00
Construction in progress		712,876.28	712,876.28
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use-assets		432,452.12	648,678.18
Intangible assets		456,781,674.96	467,381,583.52
Development expenditure		—	—
Goodwill		—	—
Long-term prepaid expenses		—	—
Deferred tax assets		22,441,614.40	21,013,747.78
Other non-current assets		30,926,344.40	41,477,131.04
Total non-current assets		22,018,679,689.70	22,070,606,559.77
Total assets		52,096,096,638.45	51,716,036,356.01

PARENT COMPANY'S BALANCE SHEET

30 June 2021

Item	30 June 2021	31 December 2020
Current liabilities:		
Short-term borrowings	–	400,000,000.00
Held-for-trading financial liabilities	–	–
Derivative financial liabilities	–	–
Bills payable	124,198,567.77	110,307,696.00
Accounts payable	5,140,815,321.21	4,655,727,585.73
Advance receipts	–	–
Contract liabilities	804,377,890.92	808,883,636.03
Employee benefits payable	24,327,115.54	25,357,541.30
Tax payable	35,242,519.30	26,355,117.49
Other payables	12,823,372,960.92	12,115,806,084.42
Including: Interest payable	–	–
Dividends payable	2,117,963,800.00	–
Liabilities held for sale	–	–
Non-current liabilities due within one year	–	422,419.64
Other current liabilities	29,551,335.32	30,351,127.68
Total current liabilities	18,981,885,710.98	18,173,211,208.29
Non-current liabilities:		
Long-term borrowings	–	–
Bonds payable	–	–
Including: Preference shares	–	–
Perpetual bonds	–	–
Lease liabilities	442,484.57	20,064.93
Long-term payables	–	–
Long-term employee benefits payable	70,216,000.00	70,216,000.00
Provisions	686,646.49	686,646.49
Deferred income	3,869,841.68	4,229,365.49
Deferred tax liabilities	–	–
Other non-current liabilities	–	–
Total non-current liabilities	75,214,972.74	75,152,076.91
Total liabilities	19,057,100,683.72	18,248,363,285.20

PARENT COMPANY'S BALANCE SHEET

30 June 2021

Item	30 June 2021	31 December 2020
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 bond	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	-47,685,067.49	-47,706,142.52
Special reserve	34,751,554.19	30,739,738.39
Surplus reserve	1,597,958,257.98	1,597,958,257.98
Retained earnings	1,707,681,777.42	2,140,391,784.33
Total Shareholders' equity	<u>33,038,995,954.73</u>	<u>33,467,673,070.81</u>
Total liabilities and Shareholders' equity	<u>52,096,096,638.45</u>	<u>51,716,036,356.01</u>

Person-in-charge of the Company: ZHOU Zhiliang Chief Financial Officer: HU Shaofeng Head of Accounting Department: ZHANG Shihu

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

January to June 2021

Unit: Yuan Currency: RMB

Item	Notes	For the six months ended 30 June 2021	For the six months ended 30 June 2020
1. Total revenue		17,864,747,289.30	14,620,778,851.32
Including: Revenue	VII.61	17,864,747,289.30	14,620,778,851.32
Interest income		—	—
Premiums earned		—	—
Fees and commissions income		—	—
2. Total cost of sales		15,626,866,910.00	12,495,996,849.36
Including: Cost of sales	VII.61	13,740,680,321.90	11,050,086,661.65
Interest expenses		—	—
Fees and commissions expense		—	—
Surrenders		—	—
Net payments for insurance claims		—	—
Net provisions for insurance contract reserve		—	—
Policy dividend expenses		—	—
Reinsurance costs		—	—
Taxes and surcharges	VII.62	103,944,349.01	100,847,700.48
Selling and distribution expenses	VII.63	361,627,986.51	304,082,038.25
General and administrative expenses	VII.64	981,981,072.26	797,141,410.58
Research and development expenses	VII.65	643,409,638.89	510,171,461.49
Finance costs	VII.66	-204,776,458.57	-266,332,423.09
Including: Interest expenses		16,954,154.40	25,027,798.72
Interest income		251,485,060.60	286,378,402.62
Add: Other income	VII.67	114,953,008.64	111,335,071.74
Investment income (with “-” for losses)	VII.68	27,306,477.60	25,264,908.01
Including: Share of profits of associates and joint ventures		26,953,405.48	25,868,541.66
Derecognition of income from financial assets at amortized cost (with “-” for losses)		—	—
Foreign exchange gains (with “-” for losses)		—	—
Net gains from hedging exposure (with “-” for losses)		—	—
Gains from changes in fair value (with “-” for losses)		—	—
Credit impairment losses (with “-” for losses)	VII.71	-56,954,622.39	-23,333,045.01
Assets impairment losses (with “-” for losses)	VII.72	-1,415,392.23	3,262,138.97
Gains from disposal of assets (with “-” for losses)	VII.73	25,298,364.85	483,141.55
3. Operating profits (with “-” for losses)		2,347,068,215.77	2,241,794,217.22
Add: Non-operating income	VII.74	28,555,007.51	7,662,229.43
Less: Non-operating expenses	VII.75	2,266,632.79	1,755,663.46
4. Total profits (with “-” for total losses)		2,373,356,590.49	2,247,700,783.19
Less: Income tax expenses	VII.76	336,617,442.08	287,843,858.03

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

January to June 2021

Item	Notes	For the six months ended 30 June 2021	For the six months ended 30 June 2020
5. Net profit (with “-” for net loss)		2,036,739,148.41	1,959,856,925.16
(I) Classified by continuity of operation			
1. Net profit from continuing operation (with “-” for net loss)		2,036,739,148.41	1,959,856,925.16
2. Net profits from discontinued operations (with “-” for net loss)		—	—
(II) Classified by the ownership			
1. Net profit attributable to the owners of the parent company (with “-” for net loss)		1,840,504,747.38	1,774,925,442.85
2. Net profit attributable to non-controlling interests (with “-” for net loss)		196,234,401.03	184,931,482.31
6. Net other comprehensive income, net of tax	VII.77	30,713,678.56	-10,081,976.62
(I) Net other comprehensive income attributable to the owners of the parent company, net of tax	VII.77	30,713,678.56	-10,081,976.62
1. Other comprehensive income not to be reclassified to profit or loss	VII.77	-53,000.00	-20,334,000.00
(1) Changes of re-measurement of defined benefit plans	VII.77	-53,000.00	-20,334,000.00
(2) Other comprehensive income under equity method that cannot be reclassified into profit or loss		—	—
(3) Changes in fair value of other equity instrument investments		—	—
(4) Changes in fair value of the Company’s own credit risk		—	—
2. Other comprehensive income to be reclassified to profit or loss	VII.77	30,766,678.56	10,252,023.38
(1) Other comprehensive income under equity method that can be reclassified into profit or loss		—	—
(2) Changes in fair value of other debt investments		—	—
(3) The amount of financial assets reclassified into other comprehensive income		—	—
(4) Credit impairment provisions for other debt investments		—	—
(5) Hedging reserve arising from cash flows	VII.77	32,363,900.00	7,625,525.97
(6) Exchange differences on translation of foreign operations	VII.77	-70,857.66	33,952.72
(7) Credit impairment provisions for receivables for financing	VII.77	-1,526,363.78	2,592,544.69
(8) Others		—	—
(II) Other comprehensive income attributable to non-controlling interests, net of tax		—	—

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

January to June 2021

Item	For the six months ended 30 June 2021	For the six months ended 30 June 2020
7. Total comprehensive income	2,067,452,826.97	1,949,774,948.54
(I) Total comprehensive income attributable to Shareholders of the parent company	1,871,218,425.94	1,764,843,466.23
(II) Total comprehensive income attributable to non-controlling interests	196,234,401.03	184,931,482.31
8. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.16	0.16
(II) Diluted earnings per share (RMB/share)	0.16	0.16

Person-in-charge of the Company: ZHOU Zhiliang Chief Financial Officer: HU Shaofeng Head of Accounting Department: ZHANG Shihu

PARENT COMPANY'S STATEMENT OF PROFIT OR LOSS

January to June 2021

Unit: Yuan Currency: RMB

Item	Notes	For the six months ended 30 June 2021	For the six months ended 30 June 2020
1. Revenue	XVII.4	3,090,570,159.84	1,352,218,331.45
Less: Cost of sale	XVII.4	2,840,307,028.28	1,226,250,971.67
Taxes and surcharges		20,750,878.31	15,879,726.37
Selling and distribution expenses		3,341,809.07	3,519,479.29
General and administrative expenses		100,611,577.86	60,866,474.69
Research and development expenses		1,743,736.05	20,157,769.27
Finance costs		-143,026,732.95	-248,668,277.40
Including: Interest expenses		33,749,125.53	14,815,340.90
Interest income		186,886,631.57	247,841,897.25
Add: Other income		738,122.32	1,457,633.07
Investment income (with "-" for loss)	XVII.5	1,598,757,498.45	1,598,060,106.81
Including: Share of profits of associates and joint ventures		9,927,843.51	2,654,399.32
Derecognition of income from financial assets measured at amortized cost (with "-" for loss)		—	—
Net gains from exposure hedges (with "-" for loss)		—	—
Gains from changes in fair values (with "-" for loss)		—	—
Credit impairment losses (with "-" for loss)		-3,022,234.47	-8,985,199.36
Assets impairment losses (with "-" for loss)		111,671.93	384,275.59
Gains from disposal of assets (with "-" for loss)		3,977,506.70	6,275.72
2. Operating profit (with "-" for loss)		1,867,404,428.15	1,865,135,279.39
Add: Non-operating income		109,315.09	5,564.08
Less: Non-operating expenses		60,887.61	332,725.58
3. Total profit (with "-" for total loss)		1,867,452,855.63	1,864,808,117.89
Less: Income tax expenses		87,356,840.32	87,696,318.63
4. Net profit (with "-" for net loss)		1,780,096,015.31	1,777,111,799.26
(I) Net profit from continuing operations (with "-" for net loss)		1,780,096,015.31	1,777,111,799.26
(II) Net profit of discontinued operations (with "-" for net loss)		—	—

PARENT COMPANY'S STATEMENT OF PROFIT OR LOSS

January to June 2021

Item	For the six months ended 30 June 2021	For the six months ended 30 June 2020
5. Other comprehensive income, net of tax	21,075.03	-23,251.27
(I) Other comprehensive income not reclassified to profit or loss	-	-
1. Changes of the re-measurement of defined benefit plans	-	-
2. Other comprehensive income under equity method that cannot be reclassified to profit or loss	-	-
3. Change in fair value of other investments in equity instruments	-	-
4. Changes in fair value of the Company's own credit risks	-	-
(II) Other comprehensive income that will be reclassified to profit or loss	21,075.03	-23,251.27
1. Other comprehensive income that may be transferred to profit or loss under equity method	-	-
2. Change in fair value of other debt investments	-	-
3. Amount of financial assets reclassified to other comprehensive income	-	-
4. Provision for credit impairment of other debt investments	-	-
5. Hedging reserve arising from cash flows	-	-
6. Exchange differences on translation of foreign operations	21,075.03	-23,251.27
7. Others	-	-
6. Total comprehensive income	<u>1,780,117,090.34</u>	<u>1,777,088,547.99</u>
7. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-	-
(II) Diluted earnings per share (RMB/share)	-	-

Person-in-charge of the Company: ZHOU Zhiliang

Chief Financial Officer: HU Shaofeng

Head of Accounting Department: ZHANG Shihu

CONSOLIDATED STATEMENT OF CASH FLOWS

January to June 2021

Unit: Yuan Currency: RMB

Item	Notes	For the six months ended 30 June 2021	For the six months ended 30 June 2020
1. Cash flows generated from operating activities:			
Cash received from the sale of goods or rendering of services		18,065,643,294.26	13,748,865,734.96
Net increase in customer deposits received and interbank deposits		—	—
Net increase in borrowings from central bank		—	—
Net increase in placements from other financial institutions		—	—
Cash received from original insurance contract premium		—	—
Net cash received from reinsurance business		—	—
Net increase in savings and investment funds		—	—
Interests, service charges and commission received		—	—
Net increase in placements		—	—
Net increase of returned business capital		—	—
Net cash received from accounts payables to brokerage clients		—	—
Refunds of tax		180,016,279.49	96,105,149.60
Cash received relating to other operating activities	VII.78(1)	245,142,804.84	310,189,448.21
Subtotal of cash inflows from operating activities		18,490,802,378.59	14,155,160,332.77
Cash paid for goods and services		-14,818,888,204.69	-11,759,916,867.87
Net increase in loans and advances to customers		—	—
Net increase in deposits with the central bank and interbank funds		—	—
Cash paid for original insurance contract compensation		—	—
Net increase in placements with banks and other financial institutions		—	—
Interests, service charges and commission paid		—	—
Cash paid for bonus of guarantee slip		—	—
Cash paid to and on behalf of employees		-2,339,198,143.51	-2,046,414,894.67
Cash paid for all taxes		-1,226,397,040.59	-1,015,295,952.11
Cash paid relating to other operating activities	VII.78(2)	-532,258,981.21	-305,584,840.51
Subtotal of cash outflows from operating activities		-18,916,742,370.00	-15,127,212,555.16
Net cash flows generated from operating activities	VII.79(1)	-425,939,991.41	-972,052,222.39

CONSOLIDATED STATEMENT OF CASH FLOWS

January to June 2021

Item	Notes	For the six months ended 30 June 2021	For the six months ended 30 June 2020
2. Cash flows generated from investing activities:			
Cash received from disposal of investments		–	–
Cash received from return on investment		65,385,792.99	17,528,935.88
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		49,168,027.51	1,319,124.58
Net cash from disposal of subsidiaries and other operating units		–	–
Decrease in unsecured/pledged and unrestricted time deposits with maturity over three months		781,383,752.84	1,312,527,790.76
Cash received relating to other investing activities	VII.78(3)	181,524,717.52	139,226,133.38
Subtotal of cash inflows from investing activities		1,077,462,290.86	1,470,601,984.60
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		-281,495,298.11	-1,066,966,880.83
Cash paid for investments		-224,699,569.07	-90,386,180.00
Net increase in pledged loan		–	–
Net cash paid on acquisition of subsidiaries and other operating units		–	–
Cash paid relating to other investing activities	VII.78(4)	-2,192,420.67	-15,625,481.80
Subtotal of cash outflows from investing activities		-508,387,287.85	-1,172,978,542.63
Net cash flows generated from investing activities		569,075,003.01	297,623,441.97
3. Cash flows generated from financing activities:			
Cash received as capital contributions		–	–
Including: Cash received by subsidiaries from minority shareholders' investment		–	–
Cash received from borrowings		287,264,573.51	849,491,497.67
Cash received from other financing activities		–	–
Subtotal of cash inflows from financing activities		287,264,573.51	849,491,497.67
Cash paid on repayments for borrowings		-476,351,196.61	-188,295,196.52
Cash paid for distribution of dividends or profits and for interest expenses		-263,953,417.80	-122,754,643.06
Including: Dividend and profit of minority shareholder paid by subsidiaries		-152,157,041.18	-2,363,511.01
Cash paid for other financing activities	VII.78(6)	-138,755,906.04	-189,508,187.70
Subtotal of cash outflows from financing activities		-879,060,520.45	-500,558,027.28

CONSOLIDATED STATEMENT OF CASH FLOWS

January to June 2021

Item	Notes	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Net cash flows generated from financing activities		<u>-591,795,946.94</u>	<u>348,933,470.39</u>
4. Effect of foreign exchange rate changes on cash and cash equivalents		<u>-20,810,015.95</u>	<u>22,266,644.83</u>
5. Net increase in cash equivalents		<u>-469,470,951.29</u>	<u>-303,228,665.20</u>
Add: Balance of cash and cash equivalents at the beginning of the period		<u>18,184,861,073.07</u>	<u>17,854,952,684.12</u>
6. Balance of cash and cash equivalents at the end of the period	VII.79(1)	<u>17,715,390,121.78</u>	<u>17,551,724,018.92</u>

Person-in-charge of the Company: ZHOU Zhiliang

Chief Financial Officer: HU Shaofeng

Head of Accounting Department: ZHANG Shihu

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January to June 2021

Unit: Yuan Currency: RMB

Item	For the six months ended 30 June 2021	For the six months ended 30 June 2020
1. Cash flows generated from operating activities:		
Cash received from the sale of goods or rendering of services	3,505,621,362.90	1,874,371,489.09
Refunds of taxes	42,220,918.11	22,159,041.14
Cash received relating to other operating activities	205,956,904.29	272,897,217.99
Subtotal of cash inflows from operating activities	<u>3,753,799,185.30</u>	<u>2,169,427,748.22</u>
Cash paid for purchase of goods and services	-2,548,611,753.04	-1,490,284,426.99
Cash paid to and on behalf of employees	-84,794,476.73	-29,788,257.95
Cash paid for all taxes	-120,824,534.91	-122,981,996.27
Cash paid relating to other operating activities	-520,881,075.48	-352,708,934.07
Subtotal of cash outflows from operating activities	<u>-3,275,111,840.16</u>	<u>-1,995,763,615.28</u>
Net cash flows generated from operating activities	<u>478,687,345.14</u>	<u>173,664,132.94</u>
2. Cash flows generated from investing activities:		
Cash received from disposal of investments	-	-
Cash received from investment income	371,042,498.59	514,785,690.04
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	8,279,981.91	-
Net cash from disposal of subsidiaries and other operating units	-	-
Decrease in unsecured/pledged and unrestricted time deposits with maturity over three months	676,591,700.00	1,303,017,600.00
Cash received relating to other investing activities	200,065,838.90	257,146,840.87
Subtotal of cash inflows from investing activities	<u>1,255,980,019.40</u>	<u>2,074,950,130.91</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	-365,037.86	-53,523,290.19
Cash paid for investments	-	-678,048,680.00
Net cash paid on acquisition of subsidiaries and other operating units	-	-
Cash paid relating to other investing activities	-1,373,380,942.44	-1,210,127,596.69
Subtotal of cash outflows from investing activities	<u>-1,373,745,980.30</u>	<u>-1,941,699,566.88</u>
Net cash flows generated from investing activities	<u>-117,765,960.90</u>	<u>133,250,564.03</u>

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

January to June 2021

Item	For the six months ended 30 June 2021	For the six months ended 30 June 2020
3. Cash flows generated from financing activities:		
Cash received as capital contributions	—	—
Cash received from borrowings	—	400,000,000.00
Cash received relating to other financing activities	—	—
Subtotal of cash inflows from financing activities	—	400,000,000.00
Cash paid on repayments of borrowings	-400,000,000.00	—
Cash paid on distribution of dividends or profits and for interest expenses	-94,842,222.22	-95,363,333.33
Cash paid relating to other financing activities	—	—
Subtotal of cash outflows from financing activities	-494,842,222.22	-95,363,333.33
Net cash flows generated from financing activities	-494,842,222.22	304,636,666.67
4. Effect of fluctuations in exchange rate on cash and cash equivalents	-13,379,710.60	24,752,687.12
5. Net increase in cash and cash equivalents	-147,300,548.58	636,304,050.76
Add: Balance of cash and cash equivalents at the beginning of the period	13,737,400,620.01	13,492,113,566.38
6. Balance of cash and cash equivalents at the end of the period	13,590,100,071.43	14,128,417,617.14

Person-in-charge of the Company: ZHOU Zhiliang

Chief Financial Officer: HU Shaofeng

Head of Accounting Department: ZHANG Shihu



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

January to June 2021

Unit: Yuan Currency: RMB

Item	Equity attributable to owners of the Company											Total shareholders' equity				
	Pay-in capital (or state capital)	Preferred share	Perpetual bonds	Others	Capital reserve	Treasury stocks	Less: comprehensive income	Other	Special reserve	Surplus reserve	General risk reserve		Retained earnings	Others	Subtotal	Non-controlling interest
I. As at 31 December 2020	10,593,819,000.00	-	2,800,000,000.00	-	15,964,304,183.66	-	-207,630,607.13	-	306,215,130.31	1,597,938,257.98	-	11,512,892,059.38	-	42,553,463,050.40	1,733,869,464.00	44,297,337,514.40
Advt. changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination of entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. As at 1 January 2021	10,593,819,000.00	-	2,800,000,000.00	-	15,964,304,183.66	-	-207,630,607.13	-	306,215,130.31	1,597,938,257.98	-	11,512,892,059.38	-	42,553,463,050.40	1,733,869,464.00	44,297,337,514.40
III. Increases/(decreases) during the period (with "+" for increase)	-	-	-	-	245,310.39	-	30,713,678.56	-23,759,019.72	-	-	-	-402,141,864.84	-	-384,941,916.61	-134,055,060.51	-528,996,976.12
(I) Total comprehensive income	-	-	-	-	-	-	30,713,678.56	-23,759,019.72	-	-	-	1,840,304,747.38	-	1,871,218,425.94	196,234,401.03	2,067,452,826.97
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-2,242,646,632.22	-	-2,242,646,632.22	-380,756,865.75	-2,573,403,517.97
1. Appropriation of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Accual of general risk reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Profits distributed to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-	-2,117,963,800.00	-	-2,117,963,800.00	-302,086,495.75	-2,420,050,295.75
4. Profits distributed to other holders of equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Internal transfer of Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve into capital (or state capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or state capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Reversal of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Used in current period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	245,310.39	-	-	-	-	-	-	-	-	245,310.39	-	245,310.39
IV. As at 30 June 2021	10,593,819,000.00	-	2,800,000,000.00	-	15,964,549,500.25	-	-176,916,928.57	282,465,130.59	-	1,597,938,257.98	-	11,110,720,174.54	-	42,168,526,134.79	1,593,814,403.49	43,768,340,538.28

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

January to June 2021

For the six months ended 30 June 2020
Equity attributable to owners of the Company

Item	Paid-in capital (or share capital)		Other equity instruments			Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained earnings	Others	Subtotal	Non-controlling interest	Total shareholders' equity
	Preferred share	Perpetual bonds	Others	Capital reserve	Other										
I. As at 31 December 2019	10,588,819,000.00	-	2,800,000,000.00	15,984,396,557.22	-	-	-272,865,336.12	412,165,921.09	1,342,479,759.71	-	10,233,697,709.60	-	41,119,607,682.50	1,605,070,218.52	42,724,677,901.02
Add: changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of errors in prior period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination of entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. As at 1 January 2020	10,588,819,000.00	-	2,800,000,000.00	15,984,396,557.22	-	-272,865,336.12	412,165,921.09	1,342,479,759.71	-	10,233,697,709.60	-	-	41,119,607,682.50	1,605,070,218.52	42,724,677,901.02
III. Increases/(decreases) during the period (with "-" for decrease)	-	-	-	314,624.19	-	-10,081,976.62	-40,995,849.21	-	-	-	-438,401,630.48	-	-489,164,932.12	174,153,232.24	-315,011,699.88
(I) Total comprehensive income	-	-	-	-	-	-10,081,976.62	-	-	-	-	1,774,925,442.85	-	1,764,843,466.23	184,931,482.31	1,949,774,948.54
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-2,213,327,133.33	-	-2,213,327,133.33	-12,338,990.12	-2,225,666,123.45
1. Appropriation of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Accrual of general risk reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Profits distributed to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-	-2,117,963,800.00	-	-2,117,963,800.00	-12,338,990.12	-2,130,302,790.12
4. Profits distributed to other holders of equity	-	-	-	-	-	-	-	-	-	-	-56,363,333.33	-	-56,363,333.33	-56,363,333.33	
5. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Internal transfer of Shareholders' equity (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-40,995,849.21	-	-	-	-	-	-40,995,849.21	1,580,760.05	-39,415,089.16
1. Appropriated in current period	-	-	-	-	-	-	102,540,333.20	-	-	-	-	-	102,540,333.20	8,260,202.75	110,800,765.95
2. Used in current period	-	-	-	-	-	-	143,536,432.41	-	-	-	-	-	143,536,432.41	6,689,442.70	150,225,875.11
(VI) Others	-	-	-	314,624.19	-	-	-	-	-	-	-	-	314,624.19	-	314,624.19
IV. As at 30 June 2020	10,588,819,000.00	-	2,800,000,000.00	15,984,711,181.41	-	-282,947,312.74	371,170,071.88	1,342,479,759.71	-	9,945,238,019.12	-	-	40,650,442,470.38	1,779,223,470.76	42,429,665,941.14

Person-in-charge of the Company: ZHOU Zhiliang

Chief Financial Officer: HU Shaofeng

Head of Accounting Department: ZHANG Shihu

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

January to June 2021

Unit: Yuan Currency: RMB

Item	For the six months ended 30 June 2021										Total shareholder's equity
	Paid-in capital (or share capital)	Preferred share	Perpetual bonds	Others	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	
I. As at 31 December 2020	10,569,819,000.00	-	2,800,000,000.00	-	16,356,470,432.63	-	-47,706,142.52	30,739,738.39	1,597,568,257.98	2,140,391,784.33	33,467,673,070.81
Add: changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Corrections of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. As at 1 January 2021	10,569,819,000.00	-	2,800,000,000.00	-	16,356,470,432.63	-	-47,706,142.52	30,739,738.39	1,597,568,257.98	2,140,391,784.33	33,467,673,070.81
III. Increases/(decreases) during the period (with "*" for decrease)	-	-	-	-	-	-	21,075.03	4,011,815.80	-	-432,710,006.91	-428,677,116.08
(I) Total comprehensive income	-	-	-	-	-	-	21,075.03	4,011,815.80	-	-432,710,006.91	-428,677,116.08
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	-	-	-	-	-	1,780,096,015.31	1,780,117,090.34
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-2,212,806,022.22	-2,212,806,022.22
1. Appropriation of surplus reserves	-	-	-	-	-	-	-	-	-	-	-
2. Profits distributed to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-2,212,806,022.22	-2,212,806,022.22
3. Others	-	-	-	-	-	-	-	-	-	-	-
(IV) Internal transfer of Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-2,212,806,022.22	-2,212,806,022.22
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-	4,011,815.80	-	-	4,011,815.80
1. Appropriated in current period	-	-	-	-	-	-	-	4,011,815.80	-	-	4,011,815.80
2. Used in current period	-	-	-	-	-	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-	-	23,769,917.25	-	-	23,769,917.25
1. Used in current period	-	-	-	-	-	-	-	23,769,917.25	-	-	23,769,917.25
2. Used in current period	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	19,758,101.45	-	-	19,758,101.45
IV. As at 30 June 2021	10,569,819,000.00	-	2,800,000,000.00	-	16,356,470,432.63	-	-47,685,067.49	34,751,554.19	1,597,568,257.98	1,707,681,777.42	33,038,995,954.73

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

January to June 2021

For the six months ended 30 June 2020

Item	Other equity instruments					Less: treasury stocks	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholder's equity
	Paid-in capital (or share capital)	Preferred share	Perpetual bonds	Others	Capital reserve						
I. As at 31 December 2019	10,589,819,000.00	-	2,800,000,000.00	-	16,356,470,432.63	-	-49,451,003.24	37,577,577.81	1,342,479,759.71	2,149,775,766.60	33,226,671,533.51
Add: changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-
Corrections of errors in prior period	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-
II. As at 1 January 2020	10,589,819,000.00	-	2,800,000,000.00	-	16,356,470,432.63	-	-49,451,003.24	37,577,577.81	1,342,479,759.71	2,149,775,766.60	33,226,671,533.51
III. Increases/(decreases) during the period (with "*" for decrease)	-	-	-	-	-	-	-23,251.27	-551,230.08	-	-436,215,334.07	-436,789,815.42
(I) Total comprehensive income	-	-	-	-	-	-	-23,251.27	-551,230.08	-	1,777,111,799.26	1,777,088,547.99
(II) Capital contributions and withdrawals by shareholders	-	-	-	-	-	-	-	-	-	-	-
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-
2. Capital contributed by holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recorded in Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-2,213,327,133.33	-2,213,327,133.33
1. Appropriation of surplus reserves	-	-	-	-	-	-	-	-	-	-	-
2. Profits distributed to owners (or shareholders)	-	-	-	-	-	-	-	-	-	-2,117,963,800.00	-2,117,963,800.00
3. Others	-	-	-	-	-	-	-	-	-	-95,363,333.33	-95,363,333.33
(IV) Internal transfer of Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-
1. Transfer of capital reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
2. Transfer of surplus reserve into capital (or share capital)	-	-	-	-	-	-	-	-	-	-	-
3. Recover of loss by surplus reserve	-	-	-	-	-	-	-	-	-	-	-
4. Changes arising from defined benefit plan carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-
5. Other comprehensive income carried forward to retained earnings	-	-	-	-	-	-	-	-	-	-	-
6. Others	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-	-	-551,230.08	-	-	-	-551,230.08
1. Appropriated in current period	-	-	-	-	-	-	374,963.27	-	-	-	374,963.27
2. Used in current period	-	-	-	-	-	-	926,193.35	-	-	-	926,193.35
(VI) Others	-	-	-	-	-	-	-	-	-	-	-
IV. As at 30 June 2020	10,589,819,000.00	-	2,800,000,000.00	-	16,356,470,432.63	-	-49,474,254.51	37,026,347.73	1,342,479,759.71	1,713,560,432.53	32,789,881,716.09

Person-in-charge of the Company: ZHOU Zhiliang

Chief Financial Officer: HU Shaofeng

Head of Accounting Department: ZHANG Shihu

III. CORPORATE INFORMATION

1. Company profile

Applicable Not applicable

China Railway Signal & Communication Corporation Limited (the “Company”) is a joint stock company limited liability company jointly sponsored on 29 December 2010 by China Railway Signal and Communication (group) Corporation Limited, hereinafter referred to as the “CRSC Group”) as the promoter, in association with China National Machinery Industry Corporation, China Chengtong Holdings Group Ltd., China Reform Holdings Corporation Ltd., and CICC Jiacheng Investment Management Co., Ltd. (these four companies are collectively referred to as the “Other Promoters”) approved by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) (the “SASAC”) via Guo Zi Gai Ge [2010] No. 876 on 17 August 2010 in accordance with the relevant provisions of laws and administrative regulations of the PRC. The Company’s headquarters are at 20th floor of Block A, CRSC Building, 1 Compound Automobile Museum South Road, Fengtai District, Beijing.

Upon approval of the China Securities Regulatory Commission’s Reply on Issuance of Overseas Listed Foreign Shares by China Railway Signal & Communication Corporation Limited (Zheng Jian Xu Ke [2015] No. 1630), the Company has issued 1,789,819,000 H Shares with a nominal value of RMB1 each at an issue price of HK\$6.30 per share that were listed on the Hong Kong Stock Exchange from July to September 2015. The total amount of funds raised before deducting the issuance expenses was approximately HK\$11,275,859,700 and such H Shares commenced for trading on the Main Board of the Hong Kong Stock Exchange in August and September 2015. The Company’s four state-owned shareholders, CRSC Group, China National Machinery Industry Corporation, China Chengtong Holdings Group Ltd. and China Reform Holdings Corporation Ltd., converted a total of 178,982,000 state-owned legal person shares to H Shares during August and September 2015, which were then transferred to the National Council for Social Security Fund of the People’s Republic of China.

According to the China Securities Regulatory Commission’s Approval for Consent to the Registration of China Railway Signal & Communication Corporation Limited’s Initial Public Offering (Zheng Jian Xu Ke [2019] No. 1135), as of 16 July 2019, the Company has issued 1,800,000,000 ordinary shares with a nominal value of RMB1 each at an issue price of RMB5.85 per share that were listed on the Sci-Tech innovation board of the Shanghai Stock Exchange. The total amount of funds raised before deduction of issuance expenses was RMB10,530,000,000.00 and such ordinary shares were commenced for trading on the Shanghai Stock Exchange’s Sci-Tech innovation board on 22 July 2019.

NOTES TO FINANCIAL STATEMENTS

30 June 2021
RMB

III. CORPORATE INFORMATION (Continued)

1. Company profile (Continued)

As of 30 June 2021, the Company has accumulatively issued a total issued share capital of 10,589,819,000 shares with the accumulated share capital amounting RMB10,589,819,000.

The Company and its subsidiaries (collectively referred to as the “Group”) are mainly engaged in the following businesses: design and integration of rail transportation control system which mainly include the provision of comprehensive planning for investigation, design and control systems for rail transportation control system; equipment manufacturing of rail transportation control system which mainly includes production and sales of signal systems, communication systems, infrastructure equipment, information systems and other products; and system implementation services for rail transportation control system which include provision of construction, installation, testing, operation and maintenance services for rail transportation control system; and provision of services relating to municipal engineering projects and other construction projects.

The parent company and the ultimate controlling party of the Company is CRSC Group based in the PRC.

The financial statements were approved by resolution by the Board of Directors of the Company on 25 August 2021.

2. Scope of consolidated financial statements

Applicable Not applicable

The scope of consolidation of the consolidated financial statements was determined on the basis of control. For changes during the Reporting Period, please refer to Note IX. 1.

IV. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements have been prepared in accordance with Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance and the specific accounting standards, application guidelines, interpretations and other relevant provisions (collectively referred to as the “Accounting Standards for Business Enterprises”) promulgated and revised thereafter.

The financial statements are presented on a going concern basis.

The financial statements have been prepared under the historical cost as the pricing principle, except for certain financial instruments. If the assets are impaired, the corresponding provisions for impairment shall be made in accordance with related requirements.

2. Continuing operations

Applicable Not applicable

There were no events or circumstances that resulted in material doubts about the Group’s ability of continuing operations within 12 months since the end of the Reporting Period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates are as following:

Applicable Not applicable

According to the characteristics of its production and operation, the Group formulated a series of specific accounting policies and made accounting estimates, the detail of which are mainly reflected in:

1. Statement of compliance with accounting Standards for Business enterprises

The financial statements present fairly and fully the financial position at 30 June 2021 and operating results and cash flows of the Company and the Group as of 30 June 2021 in accordance with Accounting Standards for Business Enterprises.

2. Accounting period

The accounting year of the Company is from 1 January to 31 December of each calendar year. The reporting period of the financial statements is from 1 January to 30 June, 2021.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

RMB

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

3. Operating cycle

Applicable Not applicable

Operating cycle refers to the period from the purchase of assets of an enterprise for the purpose of processing to the realization of cash or cash equivalents. The Group's operating cycle is usually 12 months.

4. Functional currency

The functional currency of and the currency adopted for the preparation of these financial statements by the Group is RMB. Unless otherwise stated, all financial statements are denominated in RMB.

5. Accounting methods for business combinations involving entities under common control and business combinations involving entities not under common control

Applicable Not applicable

Business combinations are classified into business combinations involving entities under common control and business combinations involving entities not under common control.

Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. For a business combination involving entities under common control, the party that, on the combination date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is the acquiree. The combination date is the date on which the acquirer effectively obtains control of the acquiree.

Assets and liabilities (including the goodwill recognised by the ultimate controlling party in acquisition of the acquiree) that are obtained by the acquirer in a business combination shall be measured at their carrying amounts at the date of combination as recorded by the ultimate controlling party. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued as consideration) shall be adjusted to share premium under capital reserve and the balance of the capital reserve transferred under the original system. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

5. Accounting methods for business combinations involving entities under common control and business combinations involving entities not under common control (Continued)

Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. For a business combination involving entities not under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination involving entities not under common control shall be measured at their fair values on the acquisition date.

Goodwill is measured at cost being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree over the acquirer's interest in the fair value of the acquiree's net identifiable net assets. If the aggregate of the fair value of consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree is lower than the acquirer's interest in the fair value of the acquiree's net identifiable net assets, the difference is, after reassessment of the fair value of each identifiable asset, liability and contingent liability acquired from the acquiree and the fair value of consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree, recognised in profit or loss for the current period.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

6. Preparing methods of consolidated financial statements

Applicable Not applicable

The scope of consolidation in the consolidated financial statements is determined on the basis of control, including the financial statements of the Company and all of its subsidiaries. Subsidiaries refer to the entities controlled by the Company (including an enterprise, a separable part of the invested company, and the structured entities controlled by the Company, etc.).

When preparing the consolidated financial statements, the subsidiaries shall adopt the accounting year and accounting policies consistent with the Company. Assets, liabilities, equity, revenues, expenses and cash flows arising from all transactions between companies within the Group are eliminated in full on combinations.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of initial shareholders' equity of the subsidiary, the excess amount is still allocated against minority interests.

For a subsidiary that is acquired in a business combination involving enterprises not under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements from the date on which the Group obtains control, until the Group ceases its control. In the preparation of the consolidated financial statements, the financial statements of the subsidiaries shall be adjusted based on the fair values of the identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

For a subsidiary that is acquired in a business combination involving enterprises under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements from the beginning of the period of combination. In the preparation of the comparative consolidated financial statements, the relative items of the previous financial statements shall be adjusted, and treated as if the reporting entity formed after the combination has existed since the ultimate controlling party began to implement the control.

If changes in relevant facts and circumstances gives rise to one or more changes in controlling factors, the Group will reassess whether it controls the investee.

Changes in the equity of the minority shareholders without a loss of control is accounted for as an equity transaction.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

7. Accounting treatment of joint arrangement and joint operations

Applicable Not applicable

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

A party of joint venture recognises its interest in a joint operation: its assets held separately and its share of any assets held jointly; its liabilities, assumed separately and its share of any liabilities assumed jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses incurred separately and its share of any expenses incurred jointly.

8. Recognition Standard for cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be withdrawn on demand at any time; Cash equivalents are short-term, highly liquid investments held by an enterprise, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Foreign currency transactions and foreign currency translations

Applicable Not applicable

The Group translates the amounts of foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded using the functional currency spot exchange rate ruling at the date of transactions. At the balance sheet date, monetary items denominated in foreign currencies are translated into functional currencies at the spot exchange rates ruling at the balance sheet date. All differences are recognised in profit or loss, except those related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation for the purpose of acquisition or construction of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currencies using the foreign spot exchange rates at the transaction dates and do not change the amounts of functional currency. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange spot rate at the date the fair value is determined; the exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. Foreign currency transactions and foreign currency translations (Continued)

For foreign operations, the Group translates its functional currencies into RMB in preparing the financial statements. All assets and liabilities in the balance sheet are translated at the spot exchange rates ruling at the balance sheet date; the shareholders' equity, with the exception of "retained earnings", is translated at the spot exchange rates ruling at the transaction dates; income and expenditure in the statement of profit or loss are translated at an average rate of the period (however, if exchange rates fluctuate significantly, the use of the average rate for the period is inappropriate. It shall be translated at the spot exchange rates ruling at the transaction dates). Exchange fluctuations arising from the translations mentioned above are recognised as other comprehensive income. When an overseas business is disposed of, the component of other comprehensive income related to the overseas business will be transferred to profit or loss in the same period and part of the disposal will be calculated according to the disposal ratio.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated into RMB at the spot exchange rates ruling at the dates of the cash flows. The effect of changes in exchange rates on cash is presented as a reconciled item separately in the statement of cash flows.

10. Financial instruments

Applicable Not applicable

Financial instruments refer to contracts that form the financial assets of an enterprise and form financial liabilities or equity instruments of other units.

Recognition and derecognition of financial instruments

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

A financial asset (or part of a financial asset, or a portion of a group of similar financial assets) is derecognised if it meets the following conditions, that is, it is written off from its account and balance sheet:

- (1) The rights to receive cash flows from financial assets expire;
- (2) Transfer the right to receive cash flows from financial assets, or undertake the obligation to pay the full amount of received cash flows to third parties in a timely manner under the "pass-through agreement"; and (a) transfer substantially all the risks and rewards of ownership of the financial asset, or (b) abandon the control of the financial asset, although the Group does not substantially transfer or retain almost all of the risks and rewards of ownership of the financial asset.

If the liability of a financial liability has been fulfilled, revoked or expired, the financial liability shall be derecognised. If an existing financial liability is replaced by another financial liability of the same creditor with substantially different terms, or if the terms of the existing liability are substantially all modified, such replacement or modification shall be deemed to have derecognised the original liability and to have recognised the new liability, the difference of which shall be included in the profit or loss for the period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

Recognition and derecognition of financial instruments (Continued)

Financial assets traded in regular ways are recognised and derecognised on a trading date. Trading of financial assets in regular ways refers to the collection or delivery of financial assets within the time limit stipulated by regulations or common practices in accordance with the contractual terms. Trading day is the date on which the Group undertakes to buy or sell the financial assets.

Classification and measurement of financial assets

The financial assets of the Group are classified upon the initial recognition based on the business model of the Group's corporate management financial assets and the characteristics of the financial assets' contractual cash flows: financial assets measured at fair value through profit or loss (FVTPL), financial assets measured at amortised cost, and financial assets measured at fair value through other comprehensive income (FVTOCI). All affected financial assets would be reclassified if and only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value at initial recognition. However, if the accounts receivable or bills receivable arising from the sale of goods or the provision of services do not contain significant financing components or do not consider financing components not exceeding one year, the financial assets shall be initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, the related transaction costs are directly recognised in profit or loss for the period. Transaction costs of other types of financial assets are included in the value initially recognised.

Subsequent measurement of financial assets depends on their classification:

Debt instrument investments measured at amortised cost

Financial assets are classified as financial assets measured at amortised cost if they meet the following conditions: the business model for managing the financial assets is to collect contractual cash flows; the contractual terms of the financial assets stipulate that cash flows on a specific date are solely for the payments of the principals and interest incurred from the outstanding principal amount. Such financial assets are recognised as interest income using the effective interest rate method. The gains or losses arising from derecognition, modification or impairment are recognised in profit or loss for the period.

Debt instrument investments measured at fair value through other comprehensive income

Financial assets are classified as financial assets measured at fair value through other comprehensive income if they meet the following conditions: the Group's business model for managing the financial assets is to both collect contractual cash flows and sell the financial assets; the contractual terms of the financial assets stipulate that cash flows on a specific date are solely for the payments of the principals and interest incurred from the outstanding principal amounts. Such financial assets are recognised as interest income using the effective interest rate method. Other changes in fair values are included in other comprehensive income except for interest income, impairment losses and exchange differences which are recognised in profit or loss for the period. When the financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are transferred from it and included in profit or loss for the period.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

Classification and measurement of financial assets (Continued)

Subsequent measurement of financial assets depends on their classification (Continued):

Equity instrument investments measured at fair value through other comprehensive income

The Group irrevocably chooses to designate certain non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income, and only the relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is included in profit or loss for the period. Subsequent changes in fair value are included in other comprehensive income with no impairment provision required. When the financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are transferred from it and included in retained earnings.

Financial assets measured at fair value through profit or loss

Financial assets other than the above-mentioned financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognised in profit or loss for the period.

Classification and measurement of financial liabilities

Upon initial recognition, financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities measured at fair value through profit or loss, the relevant transaction fee is directly recognised in profit or loss for the period, and the related transaction fee of other financial liabilities is included in their initial amount recognised.

Subsequent measurement of financial liabilities depends on their classification:

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and those designated as financial liabilities at fair value through profit or loss upon initial recognition. Held-for-trading financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value. Except for hedging accounting, all changes in fair value are recognised in profit or loss for the period. Financial liabilities designated to be measured at fair value through profit or loss are subsequently measured at fair value. Changes in fair value caused by changes in the Group's own credit risk are recognised in other comprehensive income, while other changes in fair value are included in profit or loss for the period. When changes in fair value caused by changes in the Group's own credit risk included in other comprehensive income may result in or enlarge accounting mismatches in profit or loss, the Group shall include all changes in fair value (including the amount of impact of changes in its own credit risk) in profit or loss for the period.

Other financial liabilities

For such financial liabilities, subsequent measurement is made at amortised cost using effective interest method.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

Impairment of financial instruments

Based on expected credit losses, the Group performs impairment testing on the financial assets at amortised cost, debt instrument investments measured at fair value through other comprehensive income, lease receivables, contract assets, loan commitments, and financial guarantee contracts and recognises loss allowance.

For receivables that do not contain significant financing components and contractual assets, the Group uses a simplified measurement approach to measure loss allowance at the full lifetime expected credit loss.

For receivables that contain significant financing components and contractual assets, the Group uses a simplified measurement approach to measure loss allowance at the full lifetime expected credit loss.

In addition to the above-mentioned financial assets using the simplified measurement method, the Group assesses whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has not increased significantly since the initial recognition, it is at the first stage, and the Group measures loss allowance according to the amount of expected credit losses during the next 12 months and calculates the interest income according to the book balance and the actual interest rate; if the credit risk has increased significantly since the initial recognition, but no credit impairment has occurred, it is at the second stage, and the Group measures loss allowance at the full lifetime expected credit loss and calculates the interest income according to the book balance and the actual interest rate. If credit impairment occurs after the initial recognition, it is at the third stage, and the Group measures loss allowance at the full lifetime expected credit loss and calculates the interest income according to the amortised cost and the actual interest rate. For financial instruments with relatively low credit risk only on the balance sheet date, the Group assumes that their credit risk has not increased significantly since the initial recognition.

The Group evaluates the expected credit losses of financial instruments on individual items and portfolios. Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit losses of receivables and contract assets based on the combination of aging.

Please refer to Note X.3 for the Group's criteria for judging the significant increase in credit risk, the definition of credit-impaired assets, the assumption of measuring expected credit losses, and disclosures.

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of the financial assets, the Group will write down the carrying amount of the financial assets directly.

Offsetting of financial instruments

If the following conditions are met, financial assets and financial liabilities are presented in the balance sheet with the net amount after offsetting each other; there is a currently enforceable legal right to offset the recognised amount; net settlement, or simultaneous realisation of the financial assets and settlement of the financial liabilities is planned.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

10. Financial instruments (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract by which the issuer pays a specified amount to a contract holder who has suffered a loss when the specific debtor fails to pay the debt when due in accordance with terms of the debt instrument. Financial guarantee contracts are measured at fair value at initial recognition. Except for the financial guarantee contracts that are designated as financial liabilities at fair value through profit and loss, the other financial guarantee contracts are subsequently measured after initial recognition according to the amount of expected credit loss allowance determined on the balance sheet date and the balance of the initial recognition amount after deducting the accumulated amortisation amount recognised according to the revenue recognition principle, whichever is higher.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward contracts, forward commodity contracts and interest rate swaps, to hedge exchange rate risk, commodity price risk and interest rate risk, respectively. Derivative financial instruments are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at their fair values. Derivative financial instruments with a positive fair value are recognised as an asset, and that with a negative fair value is recognised as a liability.

Other than hedging accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the period.

Transfer of financial assets

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group does not derecognise the financial asset when it retains substantially all the risks and rewards of ownership of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the related accounting treatments of such financial assets are as follows: if the control of the financial assets is abandoned, the financial asset are derecognised and the assets and liabilities arising are recognised. If the control of the financial assets is not abandoned, the relevant financial assets are recognised according to the extent to which they continue to be involved in the transferred financial asset and the related liabilities are recognised accordingly.

If the transferred financial assets continue to be involved through the provision of financial guarantee method, the assets that continue to be involved are recognised according to carrying amount of the financial assets and the financial guarantee amount, whichever is lower. The amount of the financial guarantee is the maximum amount of the consideration received that will be required to be repaid.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

11. Bills receivable

Methods for determining and accounting of ECL of bills receivable

Applicable Not applicable

12. Accounts receivable

Method for determining and accounting of expected credit loss of accounts receivable

Applicable Not applicable

Please refer to Note V. 10.

13. Receivable for financing

Applicable Not applicable

Please refer to Note V. 10.

14. Other receivables

Methods for determining and accounting of ECL of other receivables

Applicable Not applicable

Please refer to Note V. 10.

15. Inventories

Applicable Not applicable

The Group's inventories include commodities, raw materials, semi-finished goods and turnover materials.

Inventories are initially measured at cost. Cost of inventories comprises costs of purchase, costs of processing and other costs. The actual cost of inventories transferred out is determined using the weighted average method. Turnover materials include low value consumables and packing materials, which are amortised using immediate write off.

Inventories are accounted for using the perpetual inventory system.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the cost is higher than the new realizable value, provision for impairment of inventories is made and recognized in profit or loss for the period. If the factors that give rise to the provision in prior years are not in effect in the current year, as a result that the net realisable value of inventories is higher than their carrying amount, the original amount of the written-down is reversed within previously impaired amount and the reversed amount is included in profit or loss for the period.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

15. Inventories (Continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated selling expenses and relevant taxes. Provision is considered on a category basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.

16. Contract assets

(1). *Method and standard for determination of contract assets*

Applicable Not applicable

The Group lists contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Group will present the net amount after offsetting the contract assets with the contract liabilities under the same contract.

Contractual assets are the right to receive consideration for goods or services that have been transferred to a customer, and that right depends on other factors beyond the passage of time.

(2). *Methods for determining and accounting of ECL of contract assets*

Applicable Not applicable

For details of how to determine the expected credit losses of contractual assets and accounting treatment methods, please refer to Note V.10.

17. Asset held for sale

Applicable Not applicable

18. Debt investments

Methods for determining and accounting of ECL of debt investments

Applicable Not applicable

Please refer to Note V.10.

19. Other debt investments

Methods for determining and accounting of ECL of other debt investments

Applicable Not applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**20. Long-term receivables*****Methods for determining and accounting of ECL of long-term receivables***

✓ Applicable Not applicable

Please refer to Note V.10.

21. Long-term equity investments

✓ Applicable Not applicable

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

Long-term equity investments are initially measured at its initial investment cost when acquired. For a long-term equity investment acquired through business combination involving enterprises under common control, the initial investment cost is the attributable share of the carrying amount of the shareholders' equity of the acquiree in the ultimate controlling party's consolidated financial statements on the date of combination. The difference between initial investment cost and the carrying amount of the consolidated consideration is adjusted to capital reserve (if the balance of capital reserve is not sufficient to absorb the difference, any excess shall be adjusted to retained earnings). For other comprehensive income before the combination date, the same basis as direct disposal of the related assets or liabilities of the investee is adopted when the investment is disposed of. Shareholders' equity recognised as a result of changes in Shareholders' equity other than net profit or loss, other comprehensive income and profits distribution of the investee is transferred to profit or loss for the period when the investment is disposed of. Among which, after the disposal, the long-term equity investments will still be carried forward in proportion, and if it is converted into financial instruments after the disposal, it will be carried forward in full. For a long-term equity investment acquired through business combination not involving enterprises under common control, the combination cost is taken as the initial investment cost (if the business combination not involving enterprises under common control is realised step by step through multiple transactions, the initial investment cost will be the sum of the carrying amount of the equity investment held by the acquiree prior to the acquisition date and the new investment cost on the acquisition date). The combination cost includes the sum of the assets paid by the purchaser, the liabilities incurred or assumed, and the fair value of the issued equity securities. For other comprehensive income held before the acquisition date and recognised as a result of the adoption of the equity method, the same basis as direct disposal of the related assets or liabilities of the invest is adopted when the investments are disposed of. Shareholders' equity recognised as a result of changes in Shareholders' equity other than net profit or loss, other comprehensive income and profit distribution of the investee is transferred to the profit or loss for the period when the investment is disposed of. Among which, after the disposal, the long-term equity investments will still be transferred in proportion, and if it is converted into financial instruments after the disposal, it will be transferred in full. In addition to the long-term equity investments acquired by the long-term investment formed by business combination, the initial investment cost is determined according to the following methods: if acquired by cash payment, the actual purchase price and the expenses, taxes and other required expenditures directly related to the long-term equity investment will be taken as the initial investment cost; if acquired through issuing equity securities, the fair value of the issued equity instruments will be taken as the initial investment cost.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

21. Long-term equity investments (Continued)

The long-term equity investments that the Company can exercise control over the investee is accounted for using the cost method in the Company's individual financial statements. Control refers to having the power to the investee to enjoy variable returns by participating in the relevant activities of the investee and having the ability to use the power of the investee to influence the amount of returns.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment shall be adjusted. The cash dividends or profits declared by the Investee are recognised as investment income for the period.

When the Group has joint control or significant influence over the investee, the long-term equity investments shall be accounted for using the equity method. Joint control is the contractually agreed sharing of control over an arrangement, and exists only when the decision making about the relevant activities requires the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, it will be classified as the initial investment cost of the long-term equity investment. Where the initial investment cost of the long-term investment is less than the Group's share of the fair value of the investee's identifiable net assets at the time of investment, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after a long-term equity investment is acquired, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period, respectively, and adjusts the carrying amount of the long-term equity investment. When recognizing the share of the net profit or loss of the investee to be entitled, based on the fair value of the investee's identifiable assets at the time of acquiring the investment, in accordance with the Group's accounting policies and accounting periods, the Group will offset the profits or losses arising from internal transactions between associates and joint ventures to calculate the portion attributable to the investor in proportion to be enjoyed (but if the losses of internal transaction are asset impairment losses, they shall be fully recognised). The net profit of the investee is recognised after the adjustment, except that the assets that are invested or sold constitute businesses. The portion to be enjoyed shall be calculated according to the profit or cash dividend declared to be distributed by the investee, and the carrying amount of the long-term equity investment shall be reduced accordingly. The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has incurred obligations to assume additional losses. For changes in shareholders' equity other than net profit or loss, other comprehensive income and profit distribution of the investee, the carrying amount of long-term equity investment shall be adjusted and recognised in shareholders' equity.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**21. Long-term equity investments (Continued)**

For disposal of a long-term equity investment, the difference between the carrying amount and the actual price is recognised in profit or loss for the period. For long-term equity investments under the equity method, if the equity method is adopted due to the termination of the disposal, other comprehensive income related to the original equity method is accounted for on the same basis as the investee's directly disposes of the related assets or liabilities. Shareholders' equity recognised as a result of changes in Shareholders' equity other than net profit or loss, other comprehensive income and profit distribution of the investee is all transferred to profit or loss for the period; under the equity method, other comprehensive income related to the original equity method is accounted for on the same basis as the investee's direct disposal of relevant assets or liabilities, and is transferred to the profit or loss for the period in proportion. Shareholders' equity recognised as a result of changes in Shareholders' equity other than net profit or loss, other comprehensive income and profit distribution of the investee is transferred to the profit or loss for the period according to the corresponding proportion.

22. Investment properties**(1). In respect of investment properties measured at cost:***Depreciation or amortisation method*

An investment property is a property held to earn rentals or for capital appreciation or for both purposes. It includes buildings held for lease.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment properties are included in the cost of the investment properties when it is probable that economic benefits associated with an investment property will flow to the Group and the cost can be measured reliably. Otherwise, they are recognised in profit or loss for the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties, and adopts a depreciation or amortisation policy for the investment properties which is consistent with that for buildings and land use rights.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

23. Fixed assets

(1). Recognition criteria

Applicable Not applicable

A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for the fixed asset that meet the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such subsequent expenditures shall be recognised in profit or loss for the period in which they are incurred.

Fixed assets are initially measured at cost. The purchase cost of a fixed asset comprises its purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use.

(2). Depreciation method

Applicable Not applicable

Depreciation is calculated on the straight-line basis to write off the cost of each item of fixed assets to its residual value over its estimated useful life. The estimated useful lives, estimated residual value and annual depreciation rates of fixed assets are as follows:

Categories	Depreciation method	Useful life (year)	Residual value rate	Annual depreciation rate
Houses and buildings	Average age method	20-40 years	3%-10%	2.25%-4.85%
Machinery equipment	Average age method	5-10 years	3%-10%	9.00%-19.40%
Means of transportation vehicles	Average age method	5-8 years	3%-10%	11.25%-19.40%
Electronic equipment and others	Average age method	3-10 years	3%-10%	9.00%-32.33%

The Group reviews the useful life, estimated net residual value of a fixed asset and the depreciation method applied at least once at each year-end, and make adjustments when necessary.

(3). The basis, valuation and depreciation method for the fixed assets acquired under financing leases

Applicable Not applicable

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**24. Construction in progress**

Applicable Not applicable

Construction in progress is recognised based on the actual construction expenditures incurred. It includes all types of expenditures necessary to be incurred during the construction period, capitalised borrowing costs on related borrowings before the asset is ready for intended use, and other relevant expenditures.

Construction in progress is transferred to fixed assets, intangible assets, investment properties or long-term prepaid expenses when the asset is ready for its intended use.

25. Borrowing costs

Applicable Not applicable

Borrowing costs refer to interest and other related costs arising from the Group's borrowing. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised when such costs fulfil the conditions of capitalisation, whereas other borrowing costs are recorded in profit or loss for the period. Qualifying assets are assets (fixed assets, inventories, etc.) that necessarily take a substantially long period of time for acquisition, construction or production to get ready for their intended use or sale.

The capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) Expenditures for the asset have been incurred;
- (2) Borrowing costs have been incurred; and
- (3) Activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset to get ready for its intended use or sale have commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs subsequently incurred shall be recognised in profit or loss for the period in which they are incurred.

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- (1) for specific borrowings, the borrowing costs eligible for capitalisation are the actual interest costs incurred during the current period deducted by any temporary interest or investment income;
- (2) for general borrowings, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the excess amounts of cumulative expenditures on the asset over the weighted average of cumulative expenditures on the asset of specific borrowings multiplying the weight average rate of general borrowings.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

25. Borrowing costs (Continued)

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of qualifying assets is interrupted abnormally for a continuous period of more than three months except the necessary procedures for the assets to get ready for their intended use or sale. The borrowing costs incurred during the suspension period shall be recognised as expenses in profit or loss for the period until the acquisition, construction or production of the asset is resumed.

26. Biological assets

Applicable Not applicable

27. Oil and gas assets

Applicable Not applicable

28. Right-of-use assets

Applicable Not applicable

The Group's right-of-use assets include houses and buildings, means of transportation vehicles.

On the commencement date of the lease term, the Group recognises its right to use the leased assets over the lease term as right-of-use assets, the amount of which includes: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date of the lease term less any lease incentives already received; any initial direct costs incurred by the lessee; an estimate of costs to be incurred by the lessee in dismantling and removing the leased asset, restoring the site on which it is located or restoring the leased asset to the condition required by the terms and conditions of the lease. The Group depreciates the right-of-use assets by using the straight-line method. If it is reasonable to determine the ownership of the leased asset at the expiration of the lease term, the Group shall depreciate the leased assets over the remaining useful life. If it is not reasonable to determine that the ownership of the leased assets can be obtained at the expiry of the lease term, the Group shall depreciate the leased assets over the lease term or the remaining useful life of the leased assets, whichever is shorter.

The Group shall remeasure lease liabilities according to the present value of the changed lease payments and adjust the book value of the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets is reduced to zero, yet there is still a further reduction in the measurement of the lease liabilities, the Group recognises any remaining amount of the remeasurement in profit or loss for the period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Intangible assets

(1). Valuation methods, useful life and impairment test

Applicable Not applicable

Intangible assets are recognised only when it is probable that the economic benefits associated with the asset will flow into the Group and the costs can be measured reliably. Intangible assets are measured initially at cost. Intangible assets acquired through business combination not involving enterprises under common control with a fair value that can be reliably measured are recognised separately as intangible assets and measured at fair value.

The useful life of the intangible assets shall be determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset shall be regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

The useful lives of each category of intangible assets are as follows:

Item	Useful life
Land use rights	50 years
Patents	5-8 years
Software	5 years
Unfinished contract	2-3 years
Customer relationships	5-9 years

Land use rights obtained by the Group are usually accounted for as intangible assets. The land use rights of the self-developed buildings including plants are measured as intangible assets and buildings are measured as fixed assets, respectively. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Intangible assets with finite useful lives are amortised over their useful lives using the straight-line method. The Group reviews the useful lives and the amortisation method for intangible assets with finite useful lives at least once at each year-end, and makes adjustments when necessary.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

29. Intangible assets (Continued)

(2). Accounting policies for internal research and development expenditure

Applicable Not applicable

The Group classifies the expenditure in an internal research and development project into expenditure at the research phase and expenditure at the development phase. Expenditure at the research phase is recognised in profit or loss for the period in which it is incurred. Expenditure at the development phase is capitalised when the Group can demonstrate all of the followings: the technical feasibility of completing the intangible asset so that it will be available for use or sale; the intention to complete the intangible asset and use or sell it; how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and its ability to measure reliably the expenditure attributable to the intangible asset during its development. Expenditure at the development phase that does not meet the above criteria is recognised in profit or loss for the period in which it is incurred.

30. Long-term impairment of assets

Applicable Not applicable

The Group determines the impairment of assets other than inventories, contract assets, deferred income taxes and financial assets based on the following methods:

The Group assesses at the balance sheet date whether there is any indication that the assets may be impaired. If any indication exists that such assets may be impaired, the Group estimates the recoverable amount of the asset and performs impairment tests. Goodwill arising in a business combination and an intangible asset with an indefinite useful life shall be tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis. If it is difficult to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group shall be based on whether major cash inflows generated by the asset group are independent from the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount by the Group. The reduced amount is recognised in profit or loss for the current period. A provision for impairment loss of the asset is recognised accordingly.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

30. Long-term impairment of assets (Continued)

For the purpose of impairment testing for goodwill, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is difficult to allocate to the related asset groups, it is allocated to each of the related set of asset groups. Each of the related asset groups or set of asset groups is an asset group or set of asset groups that is able to benefit from the synergies of the business combination and is not larger than a reportable segment determined by the Group.

In testing an asset group or a set of asset groups including goodwill for impairment, if there is indication of impairment, the Group shall first test the asset group or the set of asset groups excluding goodwill for impairment. It shall determine and compare the recoverable amount with the related carrying amount and recognise any impairment loss. After that, the Group shall test the asset group or set of asset groups including goodwill for impairment. The carrying amount of the related asset group or set of asset group is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, an impairment loss is first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups and then, the carrying amount of other assets (excluding goodwill) within the asset group or set of asset groups pro rata based on the carrying amount of each asset.

Once the above impairment loss is recognised, it shall not be reversed in subsequent accounting periods.

31. Long-term prepayments

Applicable Not applicable

Long-term prepayments are amortised on the straight-line basis. The amortisation period is as follows:

	Amortisation period
Costs of improvements to fixed assets under operating leases	2-5 years

32. Contract liabilities

Methods for determining contract liabilities

Applicable Not applicable

Contractual liabilities are the obligation spent to transfer goods or services to customers at a price received or receivable, such as amounts that the business has received prior to the transfer of promised goods or services.

The Group will present the net amount after offsetting the contract assets with the contract liabilities under the same contract.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Employee benefits

Employee compensation includes short-term compensation, and after-service benefits, termination benefits and other long-term employee benefits provided in various forms of consideration other than share-based payment given by the Group in exchange for service rendered by employees or compensations for the termination of employment relationship. The benefits that the Group provides to the spouse, children and dependents of the employees, the late employees' family and other beneficiaries also shall be deemed as employee benefits.

(1). Accounting methods for short-term remuneration

Applicable Not applicable

During an accounting period when employees render services, short-term remuneration actually incurred are recognised as a liability, and charged to profit or loss or in related costs of assets for the current period.

(2). Accounting methods for post-employment benefits

Applicable Not applicable

Post-employment benefits (defined contribution plan)

The employees of the Group participate in the pension insurance and unemployment insurance plans managed by local governments. The Group makes contributions to the social security insurance at the applicable rates based on the amounts stipulated by the local government, the relevant expenditures are recorded in the relevant asset costs or profit or loss for the current period when incurred. In addition to these basic social pension plans, the employees of the Group join in the Enterprise Annuity Plan of China Railway Signal & Communication Corporation Limited established by the Group according to the state enterprise annuity system, the relevant expenditures are recorded in the relevant asset costs or profit or loss for the current period when incurred. The contribution made by the Group for its employees are calculated based on a certain percentage of the total salary of the employees and the length of service.

The Group may not utilize any forfeited contributions to reduce the current contributions.

Post-employment benefits (defined benefit plans)

In addition to the above-mentioned benefit plans, the Group provides supplementary retirement benefits to its retired employees. These plans include monthly pension benefits, medical reimbursement benefits, annual medical insurance premiums and funeral benefits for employees after their retirement. The amount of the subsidies is determined based on the period during which the employee serves the Group and the relevant subsidy benefit policy.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Employee benefits (Continued)

(2). Accounting methods for post-employment benefits (Continued)*Post-employment benefits (defined benefit plans)* (Continued)

These benefit plans beyond the scope of overall planning are considered to be based on a defined benefit plan. The defined benefit plan is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligations determined at the market yield of the government bonds during the defined benefit obligation period, and discounted over estimated future cash outflow. If there is an asset in the defined benefit plan, the present value of the defined benefit obligation minus the fair value of the asset of the defined benefit plan will be recognised as the net liability or net asset of the defined benefit plan. The change in the net liability or net asset of the defined benefit plan is divided into three parts: service cost, net interest on the net liability or net asset of the defined benefit plan, and changes due to re-measurement of net liability or net asset of the defined benefit plan for other comprehensive income.

Any remeasurement caused by the defined benefit plans, including actuarial gains or losses, changes in the impact of the asset cap (net of the amounts included in the net interest on defined benefit plan obligation) and return on the asset in the plan (net of the amounts included in the net interest on defined benefit plan obligation) is recognised in the balance sheet immediately and recorded in shareholders' equity through other comprehensive income in the accounting period the re-measurement occurred, and shall not be reversed to profit or loss in the subsequent accounting periods.

The previous service costs should be recognised as current expenses at the earlier of the following dates: when the Group modifies the defined benefit plans; and when the Group recognises relevant restructuring costs or termination benefits.

Net interest equals to the net liability or asset in defined benefit plan multiply by the discount rate. The Group recognised changes in the net defined benefit plan obligation as management expenses in the statement of profit or loss and other comprehensive income. Those changes include service costs, including current service costs, previous service costs and gains and losses on settlement, and net interest, including the interest income of the asset in the plan, interest expenses of the obligation under the plan and interest of the impact of the asset cap.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

33. Employee benefits (Continued)

(3). Accounting methods for termination benefits

Applicable Not applicable

The Group recognises a liability for employee remuneration arising from termination benefits, and charged to current profit or loss at the earlier of the following dates: when the Group can no longer withdraw the offer of those benefits unilaterally due to proposed termination of employment or proposal for rundown; and when the entity recognises costs or expenses for restructuring that related to the payment of termination benefits.

For the employee's internal retirement plan, the Group will use the salary of the early retired employee to be paid by the enterprise on a monthly basis and the social insurance premium as the termination benefits from the period when the employee stops providing the service to the normal retirement date, and account for them adopting the same principle as the above-mentioned termination benefits. The specific terms of each termination benefit and the employee's internal retirement plan vary according to the relevant employee's position, service years and regions and other factors.

(4). Accounting methods for other long-term employee benefits

Applicable Not applicable

34. Lease liabilities

Applicable Not applicable

On the commencement date of the lease term, the Group recognises the present value of the lease payments that have not been paid as lease liabilities, except for short-term leases and low-value asset leases. In calculating the present value of the lease payments, the Group uses the leased interest rate as the discount rate; if the interest rate of the lease cannot be determined, the lessee's incremental borrowing rate is used as the discount rate. The Group calculates interest expenses of lease liabilities in each period of the lease term based on the constant periodic interest rate and recognises the interest expenses in profit or loss for the current period, except for those that are stipulated to be recognised in related asset costs. The variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss when incurred, except for those that are stipulated to be recognised in related asset costs.

After the commencement date of the lease term, in the event of change in the actual fixed payment amount, change in the amount expected to be payable under a residual value guaranteed, change in the index or ratio used to determine the lease payment, or change in the assessment results or actual exercise rights of the call option, renewal option or termination option, the Group re-measures the lease liability based on the present value of the changed lease payments.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

35. Provisions

Applicable Not applicable

Except for contingent consideration and contingent liabilities assumed in business combinations involving enterprises not under common control, the Group recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (1) the obligation is a present obligation assumed by the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation;
- (3) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with a comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at each balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimation.

36. Share-based payment

Applicable Not applicable

37. Preference shares, perpetual bonds and other financial instruments

Applicable Not applicable

The perpetual bonds issued by the Group have no maturity date. After the maturity date, the Group has the right to make unlimited renewals. For coupon interest of perpetual bonds, the Group has the right to make deferred payment. Those that the Group has no contractual obligation to pay cash or other financial assets shall be classified as equity instruments.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

38. Revenue

(1). *Accounting policies adopted for revenue recognition and measurement*

✓ Applicable Not applicable

The Group recognises revenue when a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Acquiring “control” of the goods or services means being able to dominate the use of the goods or the provision of the services and obtain almost all of the economic benefits therefrom.

Sales agreement of goods

The sales agreement of goods entered into between the Group and its customers usually only includes the performance obligations of the transferred goods. The Group usually recognises the revenue at the time of transfer of control, taking into account the following factors: obtaining the current collection rights of the goods, transfer of the key risks and rewards of the ownership of the goods, transfer of the legal ownership of the goods, transfer of physical assets of goods and customers’ acceptance of the goods.

Service agreement

The service agreement entered into between the Group and its customers usually includes performance obligations such as system integration. As the services provided by the Group during the performance of the agreement have irreplaceable uses, and during the entire contract period, the Group has the right to take the revenue from the completion of performance of the agreement accumulated to date as the performance obligation performed within a certain period of time, and recognise the revenue based on the performance progress, except where the performance progress cannot be reasonably determined. The Group determines the performance progress for the services provided in accordance with the input method. When the performance progress cannot be reasonably determined, if the costs incurred by the Group are expected to be compensated, the revenue will be recognised based on the amount of costs incurred, until the performance progress can be reasonably determined.

Construction contract

The construction contract entered into between the Group and its customers usually includes performance obligations such as construction services. As the customers can control the assets under construction in the performance of the Group, the Group considers them as performance obligations within a certain period of time, and recognises the revenue based on the performance progress, except where the performance progress cannot be reasonably determined. The Group determines the performance progress for the services provided in accordance with the input method and the costs occurred. When the performance progress cannot be reasonably determined, if the costs incurred by the Group are expected to be compensated, the revenue will be recognised based on the amount of costs incurred, until the performance progress can be reasonably determined.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**38. Revenue (Continued)****(1). Accounting policies adopted for revenue recognition and measurement (Continued)****Variable considerations**

The contracts between the Group and its certain customers containing changes, claims and reward arrangements, which forms a variable consideration. The Group determines the best estimate of the variable consideration based on the expected value or the most probable value. However, the sales price including variable considerations should not exceed the amount accumulatively recognised which is not likely to be significantly reversed when the uncertainty disappears.

Return clauses

In connection with sales with a return clause, revenue is recognised according to the amount of consideration it expects to be entitled to for the transfer to a customer when the customer acquires control of the relevant. Amounts expected to be refunded for the return of sales are recognised as estimated liabilities. At the same time, the balance of the carrying value of the product expected to be returned upon transfer less expected costs for the recall of such product (including impairment loss of the recalled product) shall be recognised as an asset (i.e. cost of return receivables), and the net amount of the carrying value of the transferred product upon the transfer less the aforesaid asset cost shall be transferred to cost. At each balance sheet date, the Group reassesses the future return of sales and re-measures the above assets and liabilities.

Significant financing component

If the contract includes significant financing component, the Group determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when “control” of the goods is obtained by the customer. By discounting the nominal amount of the contract consideration to the discount rate of the current selling price of the goods, the difference between the transaction price determined and the contract consideration of the contract committed shall be amortised within the contract period using effective interest rate method.

If the Group expects that the period between when the Group transfers a promised good to a customer and when the customer pays for that good will be one year or less, the Group needs not to consider the significant financing component.

Quality assurance obligation

According to the contractual agreement, legal provisions, etc., the Group provides quality assurance for the goods sold or assets constructed. For assurance-type quality assurance to the customers to ensure that the goods sold meet the established standards, the Group performs accounting treatment in accordance with Note V. 35. For service-type quality assurance for a separate service provided in addition to ensuring to the customers that the goods sold meet the established standards, the Group considers it as a single performance obligation, and according to the relative proportion of the individual selling prices for providing quality assurance for goods and services, amortises part of the transaction price to the service-type quality assurance, and recognises the revenue when the customer obtains control of the service. In assessing whether the quality assurance provides a separate service in addition to ensuring to the customers that the goods sold meet the established standards, the Group considers whether the quality assurance is a statutory requirement, a quality assurance period and the nature of the Group’s commitment to perform its tasks and other factors.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

38. Revenue (Continued)

(1). *Accounting policies adopted for revenue recognition and measurement* (Continued)

Principal/agent

For the Group to obtain control of the goods or other assets from a third party and then transfer it to the customer, the Group has the right to determine the price of the goods traded at its own discretion, that is, the Group is a principal if it controls the specified good before that good is transferred to a customer, and the revenue shall be recognised based on the total consideration received or receivable; otherwise, the Group is an agent, and the revenue shall be recognised based on the amount of commission or handling fee that is expected to be charged, and such amount shall be determined based on the net amount of the total consideration received or receivable after deducting the prices payable to other related parties or according to the established commission amount or proportion.

Change in contract

When there is a change to the construction contract entered into between the Group and its customers:

- (1) If the change in contract adds a clearly distinguishable construction service and contract price, and the new contract price reflects the individual selling price of the new construction service, the Group will consider the change in contract as a separate contract for accounting treatment;
- (2) If the change in contract does not fall within the circumstances stated in item (1) above, and the transferred construction service and the construction service which has not been transferred can be clearly distinguished at the date of change in contract, the Group considers it as termination of the original contract, and at the same time, the non-performance part of the original contract and the modified part of the contract will be combined into a new contract for accounting treatment;
- (3) If the change in contract does not fall within the circumstances stated in item (1) above, and the transferred construction service and the construction service which has not been transferred cannot be clearly distinguished at the date of change in contract, the Group will make the modified part of the contract as an integral part of the original contract for accounting treatment, of which the impact on the recognised revenue as a result of such change will be adjusted as the revenue for the period on the date of change in contract.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

38. Revenue (Continued)

(1). Accounting policies adopted for revenue recognition and measurement (Continued)**Franchise contract (“BOT Contract”)**

The franchise activities under the BOT Contract usually include building, operation and transfer.

During the construction phase, the Group recognizes the contractual income for construction services in accordance with the accounting policy of the construction contract above and determines whether the Group is a principal responsible person or an agent in accordance with the accounting policy of the principal responsible person/agent above, and if the Group is the principal responsible person, the revenue of the construction service is recognized for performance progress. The Group recognises contract assets while recognising the revenue to the extent that it has an unconditional contractual right to receive a definite amount of cash or another financial asset from the grantor within a certain period after the completion of the infrastructure prescribed in the contract; If the Group is an agent, the construction service revenue is not recognised, and contract assets shall be recognised after considering the provisions in the contract with reference to the project consideration payable in the course of construction.

During the operation phase, the contract assets and the revenue are both recognised when services are provided and a receivable is recognised to the extent that the Group has the right to receive the consideration (such right is conditional only on the passage of time); the daily maintenance or repair costs incurred are recognised as current expenses.

Build and transfer contract (“BT Contract”)

The activities under the BT Contract usually include building and transfer. For the construction services provided by the Group, during the construction phase, the relevant construction service contract revenue is recognised in accordance with the accounting policies of the construction contract mentioned above. The construction contract revenue is measured at the fair value of the consideration receivable and the “long-term receivable” is recognised by using the effective interest rate and measured at amortized cost, and is eliminated upon the receipt of payment from the owner.

(2). Differences between the accounting policies for revenue recognition due to different business models adopted by similar business

Applicable Not applicable

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

39. Contract costs

Applicable Not applicable

40. Government grants

Applicable Not applicable

Government grants are recognised only when the attached conditions are met and they can be received. Government grants are measured at the amount received or receivable when in the form of a monetary asset, and at fair value when in the form of a non-monetary asset. Where the fair value is not reliably determinable, the government grants are measured at the nominal amount.

Government documents stipulate that if the long-term assets are obtained by acquisitions, constructions or other forms, the grants should be recognised as the government grants related to assets. If the government documents are unclear, they should be judged on the basis of the basic conditions necessary for obtaining such grants, if the long-term assets are obtained by acquisitions, constructions or other forms, the grants should be recognised as the government grants related to assets, and the others should be recognised as income-related government grants.

For government grants related to income, where the grant is a compensation for related expenses or losses to be incurred in the subsequent periods, the grant is recognised as deferred income, and included in profit or loss over the periods in which the related costs are recognised or adjusted against the relevant cost; where the grant is a compensation for related expenses or losses already incurred by the Group, the grant is recognised immediately in profit or loss for the current period or is adjusted against the relevant cost.

Government grants related to assets are adjusted against the book value of the assets or recognised as deferred income and evenly distributed in profit or loss over the useful period of related assets in a reasonable and systematic way. Government grants measured at their nominal amounts shall be recognised immediately in profit or loss for the current period. If the relevant assets are sold, transferred, disposed of or ruined before their useful life ends, the undistributed relevant deferred income shall be transferred to the gain from asset disposal for the current period.

41. Deferred tax assets/deferred tax liabilities

Applicable Not applicable

Income tax comprises current and deferred tax. Income tax is recognised as income tax expense or income in profit or loss for the current period, except for the adjusted goodwill resulting from a business combination or those relating to a transaction or event which is included directly in shareholders' equity, they are included in the shareholder's equity.

Current income tax liabilities or assets for the current and prior periods are measured at the amount of income tax expected to be paid or recovered according to the requirements of tax laws.

For temporary differences between the carrying amounts of assets and liabilities at the balance sheet date and tax bases, and temporary differences between the carrying amounts and the tax bases of items which have not been recognised as assets and liabilities but the tax bases of which can be determined for tax purposes, deferred taxes are provided using the liability method of the balance sheet.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**41. Deferred tax assets/deferred tax liabilities (Continued)**

A deferred tax liability is recognised for all taxable temporary differences, except:

- (1) where the taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which contains both of the following characteristics: the transaction is not a business combination; and at the time of the transaction, it affects neither accounting profit nor taxable profit or deductible loss;
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

A deferred tax asset is recognised for deductible temporary differences, carry forward of unused deductible tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of deductible tax losses and tax credits can be utilised, except:

- (1) where the deferred tax asset arises from a transaction that is not a business combination and, at the time of the transaction, neither the accounting profit nor taxable profit or deductible loss is affected;
- (2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures that satisfy all of the following conditions simultaneously, a deferred tax asset is only recognised to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available for deducting against the deductible temporary differences in the future.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences of the manner by which the Group expects to recover the assets or settle the liabilities at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable to obtain sufficient taxable profit in future periods to deduct the income of deferred income tax assets. Deferred tax assets which have not been recognised are reassessed at the balance sheet date and are recognised to the extent that it is probable to have sufficient taxable profit available to deduct all or part of the deferred tax asset to be recovered.

When all of the following conditions are satisfied simultaneously, the deferred income tax assets and deferred income tax liabilities are listed in the net amount after offsetting: the Group has a legal right to settle current tax assets and income tax liabilities on a net basis; the deferred income tax assets and deferred income tax liabilities are related to the income tax payable by the same tax payer to the same taxation authority or related to different tax payers, but during the period when each of the significant deferred income tax assets and deferred income tax liabilities is reversed, the tax payer involved intends to settle the current income tax asset and current income tax liability on a net basis, or simultaneously obtain assets and pay off the debts.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

42. Leases

(1). Accounting method for operating leases

✓ Applicable Not applicable

Recognition of lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period of time in exchange of consideration. To determine whether the right to control the use of identified assets within a certain period of time under a contract has been transferred, the Group assesses whether a client in the contract has the right to use almost all of the economic benefits arising from the use of the identified assets during the period of use, and has the right to dominate the use of identified assets during this period of use.

Recognition of separate lease

Where a contract concurrently contains multiple separate leases, the Group splits the contract and conducts accounting treatment for all separate leases respectively. Where the following conditions are concurrently met, use of the rights of identified assets shall constitute a separate lease in the contract:

- (1) A lessee may earn profits from separate use of the assets or joint use with other resources readily available;
- (2) There is no high dependence or high correlation between the assets and other assets in the contract.

Split of leased and non-leased parts

Where a contract concurrently includes both leased and non-leased parts, the Group, as the lessor, shall split the leased and non-leased parts and conduct accounting treatment.

Assessment of lease term

The lease term is the period during which the Group has the right to use the leased asset and is irrevocable. The Group has the option to renew the lease, that is, it has the right to choose to renew the lease, and reasonably determine that the option will be exercised. The lease term also includes the period covered by the option to renew the lease. The Group has the option to terminate the lease, that is, it has the right to choose to terminate the lease of the asset but reasonably determine that the option will not be exercised. The lease term includes the period covered by the option to terminate the lease. In the event of a major event or change within the Group's controllable scope, and affecting whether the Group reasonably determines that the option will be exercised, the Group reassesses whether it reasonably determines that it will exercise the option to renew the lease, call option or not to exercise the option to terminate the lease.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

42. Leases (Continued)

(1). Accounting method for operating leases (Continued)

As a lessee

For the general accounting treatment of the Group as a lessee, please refer to Note V. 28 and Note V. 34.

Modification of lease

Modification of lease is the modification of lease scope, lease consideration, and lease term beyond the original contract terms, including the addition or termination of the rights of use of one or more leased assets, and the extension or shortening of the lease period stipulated in the contract.

If the modification of lease happens and meets the following conditions, the Group will conduct accounting treatment for the modification of lease as a separate lease:

- (1) the modification of lease expands the scope of lease by increasing the rights of use of one or more leased assets;
- (2) the increased consideration and the individual price of the expanded part of lease are equivalent after adjustment is made in accordance with the contract situation.

If accounting treatment for the modification of lease as a separate lease is not conducted, the Group shall redetermine the lease term on the effective date of modification of lease and discount the modified lease payments using the revised discount rate, in order to remeasure the lease liabilities. When calculating the present value of the lease payments after modification, the Group adopts the interest rate contained in the lease for the remaining lease periods as the discount rate; if the lease interest rate contained in the lease for the remaining lease periods cannot be readily determined, the Group's incremental borrowing increase shall then be used as the discount rate on the effective date of modification of lease.

In view of the consequences of the above adjustment of the lease liabilities, the Group conducts accounting treatment based on each of the following cases accordingly:

- (1) if the modification of lease results in a narrower scope of lease or a shorter lease term, the Group reduces the book value of the right-of-use assets to reflect the partial or complete termination of the lease. The Group recognises the gain or loss relevant to the partial or complete termination of the leases in the current profit or loss;
- (2) for other modification of lease, the Group adjusts the book value of the right-of-use assets accordingly.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

42. Leases (Continued)

(1). Accounting method for operating leases (Continued)

As a lessee (Continued)

Short-term leases and low-value asset leases

On the commencement date of the lease term, the Group shall recognise leases with a lease term of less than 12 months and not including a call option as a short-term lease; single leases with a value of less than RMB50,000 when being a new asset are recognised as low-value asset leases. If the Group subleases or expects to sublease the leased assets, the original leases shall not be recognised as low-value asset lease. The Group chooses not to recognise short-term leases and low-value asset leases as right-of-use assets and lease liabilities. During each period over the lease term, short-term leases and low-value asset leases shall be recognised in the related asset cost or current profit and loss on a straight-line basis.

As a lessor

On the commencement date of the lease term, all leases with risks and rewards incident to the ownership of the leased assets are substantially transferred into finance leases, and all other leases are operating leases. The Group classifies the sublease with reference to the right-of-use assets arising from the original lease as a sub-lessor.

As a lessor of a finance lease

At the commencement date, the Group recognises finance lease receivables and derecognises financial leased assets. The Group initially measures finance lease receivables in the amount of net investment in the lease. Net investment in the lease is the sum of unguaranteed residual value and the present value of lease payments not received at the commencement date being discounted at the interest rate contained in the lease.

The Group calculates and recognises interest income in each period during the lease term based on a constant periodic rate of interest. The variable lease payments that are not included in the measurement of the net investment in the lease are recognised in profit or loss when incurred.

As the lessor of a finance lease

Lease payments under an operating lease are recognised in current profit or loss on a straight-line basis in each period over the lease term. Contingent rents are recognised in profit or loss in the period in which they actually arise.

In case of modification of an operating lease changes, the Group shall treat it as a new lease from the effective date of modification, and the amount of the advance receipt or receivable related to the lease before the modification shall be regarded as the collection amount of the new lease.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

42. Leases (Continued)

(2). Accounting method for financing leases

Applicable Not applicable

(3). Methods for determining and accounting of lease under new lease standards

Applicable Not applicable

Please refer to Note V. 42(1) for details.

43. Other significant accounting policies and estimates

Applicable Not applicable

(1) Hedge accounting

For the purposes of hedging accounting, the Group's hedging is classified as cash flow hedging, which is a hedge against the risk of changes in cash flow derived from a particular type of risk associated with an identified asset or liability, an expected transaction that is likely to occur, or exchange rate risks contained in an unrecognized determination of commitments.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

43. Other significant accounting policies and estimates (Continued)

(1) *Hedge accounting* (Continued)

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documentation of the hedge relationship, risk management objectives and risk management strategies. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in cash flow of hedging instruments can offset the cash flow of hedged items caused by hedged risk. Such hedges are assessed on an ongoing basis to meet the requirements for hedge effectiveness on the initial designated date and beyond.

If the hedging instrument expires or is sold, terminated or exercised (but the rollover or replacement of part of a hedging instrument under the hedging strategy is not treated as an expiration or a contract termination), or due to a change in the risk management objective, the hedging relationship no longer meets the risk management objective, or when the hedging no longer meets other conditions of the hedge accounting method, the Group terminates the use of hedge accounting.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

Hedges which meet the criteria for hedge accounting are accounted for as follow:

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss and other comprehensive income.

If an anticipated transaction under hedge is subsequently recognised as non-financial assets or non-financial liabilities, or an anticipated transaction of non-financial assets or non-financial liabilities forms a definitive undertaking in fair value hedging, cash flow hedging reserve previously recognised in other comprehensive income shall be transferred out and included in the amount of initial recognition of such assets or liabilities. In respect of the remaining cash flow hedge, if an anticipated sale occurs in the same period when the expected cash flow under hedge affects profit or loss, cash flow hedging reserve recognised in other comprehensive income shall be transferred out and included in current profit or loss.

When stops using hedging accounting for cash flow hedge, if the hedged future cash flow is still expected to occur, the amount previously included in other comprehensive income will not be transferred out until the expected transaction occurs or the commitment is confirmed to be fulfilled. If the hedged future cash flow is expected to no longer occur, the amount of accumulated cash flow hedging reserve recognised in other comprehensive income shall be transferred out and included in current profit and loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**43. Other significant accounting policies and estimates (Continued)****(1) Hedge accounting (Continued)***Cost of hedging*

The Group separates the intrinsic value and time value of an option contract and designates as the hedging instrument only the change in intrinsic value of an option; or separates the forward element from the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element; or separates the foreign currency basis spread of the financial instruments and designates as the hedging instrument only the financial instruments which foreign currency basis spread is separated, the Group recognises the time value of an option, forward element of a forward contract and the part of the hedged items that are relevant to the fair value changes of foreign currency basis spread of the financial instrument into other comprehensive income. If the characteristics of the hedged items are related to the transaction, the same accounting treatment with the cash flow hedge reserve shall be applied. If the characteristics of the hedged items are related to the period of time, the above fair value change shall be amortised on a systematic and reasonable basis over the time when the hedged item affects the profit or loss or other comprehensive income, transferred from other comprehensive income to profit or loss for the current period.

(2) Profit distribution

The Company's cash dividends are recognised as liabilities upon approval by the Shareholders' general meeting.

(3) Production safety expenses

Production safety expenses provided for as required were included in cost of product or the current profit and loss, and credited in special reserve. And the funds are treated separately depending on whether fixed assets are resulted when being used: funds related to expenditure is offset against special reserve directly while those forming fixed assets will consolidate expenditure incurred and recognized as fixed assets when such assets are ready for their intended use, at the same time offsetting equivalent amounts in the special reserve and recognizing equivalent amounts of accumulated depreciation.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

43. Other significant accounting policies and estimates (Continued)

(4) Fair value measurement

The Group measures receivables for financing and other equity instruments investment at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or in the most advantageous market for the asset or liability when a principal market is absent. The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other supporting information are available to measure fair value, giving priority to the use of relevant observable inputs, and using unobservable inputs only when observable inputs are unavailable or not feasible to obtain.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities; Level 2-Input that is observable for related assets or liabilities, either directly or indirectly, but other than the input of the Level 1; Level 3-Input that is unobservable for related assets or liabilities.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**43. Other significant accounting policies and estimates (Continued)****(5) Significant accounting judgments and estimates**

The preparation of the financial statements requires management to make judgements, estimations and assumption that affect the reported amounts and disclosures of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. However, uncertainty about these assumptions and estimations could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Operating leases – the Group as lessor

The Group has entered into operating leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Determination of progress towards completion of the performance of obligations for construction contracts

The Group uses the input method to determine the progress towards completion of the performance obligations for the construction contracts. To be specific, the Group determines the progress towards completion of the performance obligations on the basis of the percentage of the accumulative actual construction costs incurred to the expected total costs. The accumulative actual costs include the direct and indirect costs incurred during the process of transferring goods to the customers. The Group believes that the construction contract price with the customers is determined on the basis of the construction costs, and the actual construction costs as a percentage of the estimated total costs can accurately reflect the progress of the construction service. The Group determines the progress of contract performance based on the proportion of the cumulative actual construction costs to the estimated total costs, and recognizes revenue accordingly. In view of the long duration of construction contracts, which may span several accounting periods, the Group will review and revise the budget as the construction contracts progress, and adjust the income recognition amount accordingly.

The division of research stage and development stage of research and development project

The Group distinguishes between the research and development stages of internal research and development projects, the research phase for original planned surveys to acquire and understand new scientific or technical knowledge, and the application of research results or other knowledge to a programme or design prior to commercial production or use to produce new or substantially improved materials, installations, products, etc.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

43. Other significant accounting policies and estimates (Continued)

(5) *Significant accounting judgments and estimates* (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Construction contracts and labour service results

The Group recognises revenue based on the percentage of completion of individual contracts providing construction contracts and labour services. The management estimates the percentage of project completion based on the actual costs involved in the total budgeted costs and also estimates the relevant contract revenue. Due to the nature of the activities carried out in the contracts, the dates of the activities and the dates of completion of the activities are usually classified into different accounting periods. The Group will review and revise the budget and contract cost estimates as the contracts progress (if the actual contract revenue is less than the estimated or actual contract costs, provision for the estimated contract losses is to be made).

Impairment of financial instruments and contract assets

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgement and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgement and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc. Differences in estimates may have an impact on the provision for Impairment. A provision for impairment may not be equal to the actual amount of impairment losses in the future.

Impairment of non-current assets other than financial assets (excluding goodwill)

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets as at the balance sheet date. Non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value of future cash flows. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)**43. Other significant accounting policies and estimates** (Continued)**(5) Significant accounting judgments and estimates** (Continued)**Estimation uncertainty** (Continued)*Impairment of goodwill*

Goodwill is tested for impairment at least annually. For the purpose of impairment testing, the present value of future cash flows, which are generated from asset groups or sets of asset groups considered together with allocated goodwill, is estimated. The Group estimates the present value of future cash flows from asset groups or sets of asset groups by forecasting the related cash flow and selecting a suitable discount rate.

Fair value of non-listed equity investments

Non-listed equity investments are valued as expected future cash flows based on the current discount rate of other financial instruments with similar contractual terms and risk characteristics. This requires the Group to estimate future cash flows, credit risks, fluctuations and discount rates and is therefore uncertain.

Impairment of inventories

The Group determines the write-down for obsolescence of inventories. These estimates are made with reference to aged inventory analyses, projections of expected future sales of goods and management experience and judgement. Based on this review, write-down of inventories will be made when the carrying amounts of inventories decline below their estimated net realizable values. Due to changes in market conditions, actual sales of goods may be different from estimation and profit or loss in the current period could be affected by differences in this estimation.

Development expenditures

Determination of the capitalisation amount requires estimation of future cash flows of the related assets, choosing a suitable discount rate and estimation of beneficial useful lives in order to calculate the present value by management.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

43. Other significant accounting policies and estimates (Continued)

(5) *Significant accounting judgments and estimates* (Continued)

Estimation uncertainty (Continued)

Measurement of defined benefit scheme obligations

The Group has recognised the supplementary retirement benefits under the defined benefit scheme as a liability. The estimated amount of these welfare expenses and liabilities shall be calculated and paid on the basis of various assumptions. These assumptions include the discount rate, the growth rate of welfare expenses during relevant period, as well as other factors. Deviations between actual results and actuarial assumptions will affect the accuracy of the relevant accounting estimates. Although the management believes that the above assumptions are reasonable, any changes in assumptions shall still affect the estimated liabilities of the relevant supplementary pension insurance and other external welfare plans.

Useful lives and residual values of fixed assets

The useful lives of fixed assets are estimated based on historical experience of the Group with similar assets used in a similar way. If useful lives of the fixed assets are estimated to be shorter than previously estimated, the Group will increase the depreciation rates accordingly, or dispose of those assets that are idle or technically obsolete.

In determining the useful lives and net residual values of fixed assets, the Group periodically reviews the changes in market conditions, estimated physical wear and tear, and the maintenance of an asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the net residual values of fixed assets are less than previous estimation. Useful lives and net residual values are reviewed, at the end of each reporting period, based on changes in circumstances.

Lessee's incremental borrowing rate

For a lease whose rate cannot be readily determined, the Group adopts lessee's incremental borrowing rate as the discount rate in estimating the present value of the lease payment. When determining the incremental borrowing interest rate, the Group uses the observable interest rate as a reference basis for determining the incremental borrowing rate according to the economic environment in which it is located and, on this basis, adjusts the reference interest rate according to the specific circumstances of the lease business, such as its own conditions, the underlying asset's condition, the lease term and the amount of the lease liability for obtaining an appropriate incremental borrowing rate.

Quality guarantee

The Group will make a reasonable estimate of the warranty rate for the contract combination with similar characteristics based on historical warranty data and current warranty conditions, taking into account all relevant information such as product improvement and market changes. The estimate of the warranty rate may not be equal to the actual warranty rate in the future. The Group re-evaluates the warranty rate at least on each balance sheet date and determines the estimated liabilities based on the re-evaluated warranty rate.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

44. Changes in significant accounting policies and estimates

(1). Changes in significant accounting policies

Applicable Not applicable

Changes in presentation of financial statement

To meet the requirements of Q&A On The Implementation of Accounting Standards For Business Enterprises issued by the Ministry of Finance in December 2020, the Group reclassifies the contract asset impairment loss originally included in “credit impairment loss” in the income statement to “contract asset impairment loss”, and retroactively adjusts the comparative data accordingly. The impact of the change of accounting policy has no impact on the merger and the company’s net profit and owner’s equity.

The changes in presentation of financial statement has the following impact:

For the six months ended 30 June 2021

The Group

Unit: Yuan Currency: RMB

	Carrying amount listed under the original standard Amount for the current period	Impact of other changes in financial statement presentation	Carrying amount listed under the new standard Amount for the current period
Credit impairment loss	-20,070,906.04	-3,262,138.97	-23,333,045.01
Asset impairment reversal/loss	—	3,262,138.97	3,262,138.97
Total	<u>-20,070,906.04</u>	<u>—</u>	<u>-20,070,906.04</u>

The Company

Unit: Yuan Currency: RMB

	Carrying amount listed under the original standard Amount for the current period	Impact of other changes in financial statement presentation	Carrying amount listed under the new standard Amount for the current period
Credit impairment loss	-8,600,923.77	-384,275.59	-8,985,199.36
Asset impairment reversal	—	384,275.59	384,275.59
Total	<u>-8,600,923.77</u>	<u>—</u>	<u>-8,600,923.77</u>

NOTES TO FINANCIAL STATEMENTS

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

44. Changes in significant accounting policies and estimates (Continued)

(1). *Changes in significant accounting policies* (Continued)

Accounting treatment of PPP project contract

A PPP project contract refers to a contract entered into between the Group and the government in respect of cooperation in a PPP project in accordance with laws and regulations, which also has the following features (the “Dual Features”):

- (1) The Group uses PPP project assets to offer public products and services on behalf of the government during the operation period prescribed in the contract;
- (2) The Group receives compensation for the public products and services offered by it within the period prescribed in the contract.

Since 1 January 2021, the Accounting Standards for Business Enterprises Interpretation No. 14 regulates PPP project contracts that satisfy simultaneously the following criteria (the “Dual Control”):

- (1) The government controls or regulates the types, recipients and prices of public products and services that must be offered by the private investors in the PPP project assets;
- (2) When the PPP project contract is terminated, the government controls the significant remaining interests in the PPP project assets through ownership, income rights or other means.

Construction, operation and handover activities are usually included under PPP contracts. During the construction phase, the Group recognizes the contractual income for construction services in accordance with the accounting policy of the construction contract and determines whether the Group is the principal responsible person or agent in accordance with the accounting policy of the principal responsible person/agent, and if the Group is the principal responsible person, the contractual income and contractual assets of the construction services are recognized accordingly, wherein the construction services recognize the revenue at the progress of performance. At the operational stage, the Group is recognized as accounts receivable when it has the right to collect the consideration, which depends only on factors over time, and is accounted for in accordance with the above-mentioned accounting policies for financial instruments.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

44. Changes in significant accounting policies and estimates (Continued)

(1). *Changes in significant accounting policies* (Continued)

Accounting treatment of PPP project contract (Continued)

The Group made retrospective adjustments to the relevant PPP project contracts that have not been completed as of 1 January 2021 in accordance with the above standards, and the cumulative impact amounts arising from the adoption of the above standards will be included in the retained earnings and other related items in the financial statements as at 1 January 2021. The information for the comparable period was not adjusted.

The impacts of adopting the above changes in the accounting policies on the financial statements are as follows:

The Group

Unit: Yuan Currency: RMB

	Prior to the changes in the accounting policies 31 December 2020	Impacts of the changes in the accounting policies	After the changes in the accounting policies 1 January 2021
Long-term receivables	8,384,707,579.19	-4,381,554,467.95	4,003,153,111.24
Other non-current assets	<u>203,923,885.50</u>	<u>4,381,554,467.95</u>	<u>4,585,478,353.45</u>
	<u>8,588,631,464.69</u>	—	<u>8,588,631,464.69</u>

The adoption of the above changes in the accounting policies has no impact on the financial statements of the Company.

NOTES TO FINANCIAL STATEMENTS

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V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

44. Changes in significant accounting policies and estimates (Continued)

(1). Changes in significant accounting policies (Continued)

Accounting treatment of PPP project contract (Continued)

The major impacts of retrospective adjustments due to the above changes in accounting policies on the financial statements for the six-month period ended 30 June 2021 are as follows:

30 June 2021

The Group

Unit: Yuan Currency: RMB

	Amounts reported	Amounts as per original standards	Impacts
Long-term receivables	3,947,579,780.95	8,368,057,900.12	-4,420,478,119.17
Other non-current assets	4,658,635,094.75	238,156,975.58	4,420,478,119.17
	<u>8,606,214,875.70</u>	<u>8,606,214,875.70</u>	<u>-</u>

The adoption of the above changes in the accounting policies has no impact on the financial statements of the Company.

(2). Changes in significant accounting estimates

Applicable Not applicable

(3). Relevant information about adjustment to the initial adoption of financial statement of the beginning of the current year by the initial adoption of new revenue standards or new lease standards since 2021

Applicable Not applicable

(4). Description of retrospective adjustment of the previous comparative data by the initial adoption of new revenue standards and new lease standards since 2021

Applicable Not applicable

45. Others

Applicable Not applicable

VI. TAXATION

1. Main taxes and tax rates

Main taxes and tax rates

Applicable Not applicable

Category	Tax determination basis	Tax rate
Value-added tax	Except for construction and installation enterprises of the Group, if the Group is recognized as general VAT taxpayer, it shall pay output tax at the tax rate of 6%, 9% and 13% of the taxable income, and the value-added tax is paid according to the difference after deducting the input tax amount that is allowed to be deducted in the current period.	6%-13%
Urban maintenance and construction tax	Levied on the basis of 5%-7% turnover taxes paid.	5%-7%
Educational surcharge	Levied on the basis of 3% turnover taxes paid.	3%
Local educational surcharge	Levied on the basis of 1%-2% turnover taxes paid.	1%-2%
Property tax	Based on 1.2% of the residual value of the original value of the property minus 10%-30%, or 12% of the rental income of the property.	—
Stamp duty	Based on the taxable amount and the applicable tax rate stated on the tax payment certificate.	—
Land use tax	Based on the actual area of land occupied and the applicable tax rate of the location of the land.	—

Each of the overseas subsidiaries of the Company calculates and pays taxes in accordance with applicable taxes and tax rates required by local tax laws.

Disclosure statement of taxable entities subject to different enterprise income tax rates

Applicable Not applicable

Please refer to note VI.2 for details

NOTES TO FINANCIAL STATEMENTS

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VI. TAXATION (Continued)

2. Tax preferential

Applicable Not applicable

Refund-upon-collection policy for VAT for software enterprises

According to the Notice of the State Council on Issuing Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries (Guo Fa [2011] No. 4) issued by the State Council, CRSC Research & Design Institute Group Co., Ltd., CASCO Signal Ltd., CRSC Communication & Information Group Company Ltd., and CRSC Wanquan Signal Equipment Company Ltd. enjoy the refund-upon-collection policy for VAT for software enterprises.

Tax preferential policy for high-new technology enterprises

Beijing Xiandai Signal & Communication Engineering Consultant Ltd.:

Beijing Xiandai Signal & Communication Engineering Consultant Ltd. applied in 2014 and was finally recognised as a high-new technology enterprise on 30 October 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020, and obtained the updated high-new technology enterprise certificate on 21 October 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

Shenyang Railway Signal Co., Ltd.:

Shenyang Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and obtained the updated high-new technology enterprise certificate on 12 October 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

Tianjin Railway Signal Co., Ltd.:

Tianjin Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and obtained the updated high-new technology enterprise certificate on 23 November 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

Xi'an Railway Signal Co., Ltd.:

Xi'an Railway Signal Co., Ltd. applied in 2015 and was finally recognised as a high-new technology enterprise on 19 November 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and obtained the updated high-new technology enterprise certificate on 29 October 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

VI. TAXATION (Continued)

2. Tax preferential (Continued)

Tax preferential policy for high-new technology enterprises (Continued)

Beijing Railway Signal Co., Ltd.:

Beijing Railway Signal Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020, and obtained the updated high-new technology enterprise certificate on 2 December 2020. The certificate is valid for three years. The company paid corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

Shanghai Railway Communication Co., Ltd.:

Shanghai Railway Communication Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020, and obtained the updated high-new technology enterprise certificate on 12 November 2020. The certificate is valid for three years. The company paid corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

Shanghai Deuta Electronic & Electrical Equipment Co., Ltd.:

Shanghai Deuta Electronic & Electrical Equipment Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and obtained the updated high-new technology enterprise certificate on 2 November 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

Tianshui Railway Cable Co., Ltd.:

Tianshui Railway Cable Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and obtained the updated high-new technology enterprise certificate on 23 July 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

Jiaozuo Railway Cable Co., Ltd.:

Jiaozuo Railway Cable Co., Ltd. was finally recognised as a high-new technology enterprise in 2013. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2019, and obtained the updated high-new technology enterprise certificate on 3 December 2019. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2019 to 2022.

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VI. TAXATION (Continued)

2. Tax preferential (Continued)

Tax preferential policy for high-new technology enterprises (Continued)

CRSC Research & Design Institute Group Co., Ltd.:

CRSC Research & Design Institute Group Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020, and obtained the updated high-new technology enterprise certificate on 2 December 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

Beijing Nera Stentofon Communication Equipment Co., Ltd.:

Beijing Nera Stentofon Communication Equipment Co., Ltd. applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020, and obtained the updated high-new technology enterprise certificate on 2 December 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

CRSC Communication & Information Group Company Ltd.:

CRSC Communication & Information Group Company Ltd. applied and was finally recognised as a high-new technology enterprise in 2011. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020, and obtained the updated high-new technology enterprise certificate on 2 December 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

Shanghai China Railway Communication & Signal Testing Co., Ltd.:

Shanghai China Railway Communication & Signal Testing Co., Ltd. applied in 2015 and was finally recognised as a high-new technology enterprise on 30 October 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and passed the vetting process of the Administration of the High-Tech Enterprises Certification of Shanghai Office on 27 November 2018, with the result announced. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

CRSC Wanquan Signal Equipment Co., LTD.:

CRSC Wanquan Signal Equipment Co., LTD. applied and was finally recognised as a high-new technology enterprise in 2012. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and obtained the updated high-new technology enterprise certificate on 30 November 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

VI. TAXATION (Continued)

2. Tax preferential (Continued)

Tax preferential policy for high-new technology enterprises (Continued)

CASCO Signal Ltd.:

CASCO Signal Ltd. applied in 2014 and was finally recognised as a high-new technology enterprise in 4 September 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020, and obtained the updated high-new technology enterprise certificate on 12 November 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

CRSC Communication & Information Group Shanghai Company Ltd.:

CRSC Communication & Information Group Shanghai Company Ltd. applied in 2014 and was finally recognised as a high-new technology enterprise on 4 September 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020, and obtained the updated high-new technology enterprise certificate on 18 November 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

CRSC Information Industry Co., Ltd.:

CRSC Information Industry Co., Ltd. applied in 2015 and was finally recognised as a high-new technology enterprise on 21 July 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and obtained the updated high-new technology enterprise certificate on 10 September 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

Shanghai Xinhai Information Transportation Information Technology Co., Ltd.:

Shanghai Xinhai Information Transportation Information Technology Co., Ltd. applied in 2016 and was finally recognised as a high-new technology enterprise on 24 November 2016. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2019, and obtained the updated high-new technology enterprise certificate on 28 October 2019. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2019 to 2022.

Chengdu Railway Communication Equipment Co., Ltd.:

Chengdu Railway Communication Equipment Co., Ltd. applied in 2014 and was finally recognised as a high-new technology enterprise on 9 July 2014. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020, and obtained the updated high-new technology enterprise certificate on 11 September 2020. The certificate is valid for three years. The Company shall pay corporate income tax at a preferential tax rate of 15% from 2020 to 2023.

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VI. TAXATION (Continued)

2. Tax preferential (Continued)

Tax preferential policy for high-new technology enterprises (Continued)

CRSCE Beijing Research & Design Experiment Center Ltd.:

CRSCE Beijing Research & Design Experiment Center Ltd. applied in 2015 and was finally recognised as a high-new technology enterprise on 24 November 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and obtained the updated high-new technology enterprise certificate on 31 October 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

CRSC Engineering Bureau Group Information Technology Co., Ltd.:

CRSC Engineering Bureau Group Information Technology Co., Ltd. applied in 2015 and was finally recognised as a high-new technology enterprise on 21 July 2015. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2018, and obtained the updated high-new technology enterprise certificate on 10 September 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

CRSC Engineering Bureau Group Construction Engineering Co., Ltd.:

CRSC Engineering Bureau Group Construction Engineering Co., Ltd. applied to the Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, Hunan Provincial Tax Service, State Taxation Administration and Hunan Provincial Local Taxation Bureau in 2016 and was finally recognised as a high-new technology enterprise on 6 December 2016. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2019, and obtained the updated high-new technology enterprise certification on 20 September 2019 and the certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2019 to 2022.

CRSC (Changsha) Railway Traffic Control Technology Co., Ltd.:

CRSC (Changsha) Railway Traffic Control Technology Co., Ltd. applied to the Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, Hunan Provincial Tax Service, State Taxation Administration and Hunan Provincial Local Taxation Bureau in 2017 and was finally recognised as a high-new technology enterprise on 1 December 2017. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2020 and obtained updated high-new technology enterprise certification on 11 September 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

VI. TAXATION (Continued)

2. Tax preferential (Continued)

Tax preferential policy for high-new technology enterprises (Continued)

CRSC Engineering Bureau Group Tianjin Equipment Engineering Ltd.:

CRSC Engineering Bureau Group Tianjin Equipment Engineering Ltd. applied to Tianjin Science and Technology Committee, Tianjin Municipal Finance Bureau, Tianjin Municipal Office, SAT and Tianjin Municipal Local Taxation Bureau in 2016 and was finally recognised as a high-new technology enterprise on 9 December 2016. The company submitted the high-tech enterprise qualification review materials to the competent authorities in 2019, and obtained the updated high-new technology enterprise certification on 28 October 2019 and the certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2019 to 2022.

CRSC Institute of Smart City Research & Design:

CRSC Institute of Smart City Research & Design applied to Beijing Science and Technology Committee, Beijing Municipal Finance Bureau, Beijing Municipal Office, SAT and Beijing Municipal Local Taxation Bureau in 2018 and was finally recognised as a high-new technology enterprise on 19 July 2018. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2018 to 2021.

CRSC Railway Vehicles Co., Ltd.:

CRSC Railway Vehicles Co., Ltd. applied to Beijing Science and Technology Committee, Beijing Municipal Finance Bureau, Beijing Municipal Office, SAT and Beijing Municipal Local Taxation Bureau in 2019 and was finally recognised as a high-new technology enterprise on 20 September 2019. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2019 to 2022.

Beijing Guo Tie Hua Chen Communication Technology Co., Ltd.:

Beijing Guo Tie Hua Chen Communication Technology Co., Ltd. applied to Beijing Science and Technology Committee, Beijing Municipal Finance Bureau, Beijing Municipal Tax Service, SAT and Beijing Municipal Local Taxation Bureau in 2020 and was finally recognised as a high-new technology enterprise on 2 December 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

CRSC Urban Rail Transit Technology Co., Ltd.:

CRSC Urban Rail Transit Technology Co., Ltd. applied to Beijing Science and Technology Committee, Beijing Municipal Finance Bureau, Beijing Municipal Tax Service, SAT and Beijing Municipal Local Taxation Bureau in 2020 and was finally recognised as a high-new technology enterprise on 21 October 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

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VI. TAXATION (Continued)

2. Tax preferential (Continued)

Tax preferential policy for high-new technology enterprises (Continued)

Changsha Architectural Design Institute Co., Ltd.:

Changsha Architectural Design Institute Co., Ltd. applied to the Hunan Provincial Science & Technology Department, Hunan Provincial Department of Finance, Hunan Provincial Tax Service, State Taxation Administration and Hunan Provincial Local Taxation Bureau in 2020 and was finally recognised as a high-new technology enterprise on 3 December 2020. The certificate is valid for three years. The company shall pay corporate income tax at the preferential tax rate of 15% from 2020 to 2023.

Preferential taxation policies for the western development

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuation of the Enterprise Income Tax policies of Western Development (MOF Announcement (2020) No.23), from 1 January 2021 to 31 December 2030, an enterprise in western area engaged in industries encouraged is subjected to the enterprise income tax rate of 15%. Xi'an Railway Signal Co., Ltd. and Xi'an Quanlutonghao Equipment Research Co., Ltd. are eligible for the preferential tax policies related to the western development strategy.

Preferential taxation policies for small low-profit enterprises

According to the Announcement of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Income Tax Policies to Support the Development of Small Low-Profit Enterprises and individual business (SAT Announcement [2021] No. 8): from 1 January 2021 to 31 December 2022, for small low-profit enterprises whose annual taxable income is less than RMB1 million (including RMB1 million), their income tax shall be based on the taxable income minus 12.5% and at the enterprise income tax rate of 20%. Xi'an Tonghao Railway Signal Product Inspection Station Co., Ltd. is eligible for the preferential tax policies for small low-profit enterprises.

3. Others

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	690,699.87	714,559.72
Bank deposits	21,303,047,606.04	22,553,878,450.32
Other monetary funds	256,069,946.00	186,038,677.04
Total	21,559,808,251.91	22,740,631,687.08
Including: Total amount deposited abroad	1,046,824,935.37	1,055,918,155.65

Other explanation:

Unit: Yuan Currency: RMB

	30 June 2021	31 December 2020
Balance of monetary funds for the period	21,559,808,251.91	22,740,631,687.08
Less: Non-pledged/secured and unrestricted time deposits with maturity of three months or above	3,588,348,184.13	4,369,731,936.97
Less: Other monetary funds with restricted use	256,069,946.00	186,038,677.04
Closing balance of cash and cash equivalents for the period/year	17,715,390,121.78	18,184,861,073.07
Less: Opening balance of cash and cash equivalents for the period/year	18,184,861,073.07	17,854,952,684.12
Net decrease/(increase) in cash and cash equivalents	-469,470,951.29	329,908,388.95

As at 30 June 2021, the Group's cash and bank balances deposited abroad were RMB1,046,824,935.37 (31 December 2020: RMB1,055,918,155.65).

As at 30 June 2021, the Group's cash and bank balances with title restrictions were RMB256,069,946.00 (31 December 2020: RMB186,038,677.04), please see Note VII. 81.

Interest income from demand deposits is earned at the bank's interest rate on the demand deposits. The Group determines the period of maturity of short-term time deposit on the basis of its needs for cash and earns the interest income at the bank's corresponding interest rate on the time deposits.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Held-for-trading financial assets

Applicable Not applicable

3. Derivative financial assets

Applicable Not applicable

4. Bills receivable

(1). Classified presentation of bills receivable

Applicable Not applicable

(2). Bills receivable pledged by the Company at the end of the period

Applicable Not applicable

(3). Bills receivable endorsed or discounted by the Company at the end of the period and not yet due on the balance sheet date

Applicable Not applicable

(4). Bills transferred to accounts receivable by the Company due to the drawer's failure to perform the contract at the end of the period

Applicable Not applicable

(5). Disclosure by classification with the method of provision for bad debt

Applicable Not applicable

(6). Provision for bad debts

Applicable Not applicable

(7). The situation of the write-off of bills receivable for the period

Applicable Not applicable

Other explanation:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable

(1). Disclosure by aging

✓ Applicable Not applicable

The credit period for accounts receivable is generally six months. The accounts receivable are not interest-bearing.

Unit: Yuan Currency: RMB

Aging	Closing gross carrying amount	Opening gross carrying amount
Within 1 year	14,959,883,581.27	13,946,081,208.74
1 to 2 years	2,623,496,687.56	2,878,538,196.13
2 to 3 years	1,183,956,302.68	1,304,304,788.12
Over 3 years	949,474,934.69	844,987,732.06
Less: provision for bad debt of accounts receivable	<u>-737,132,201.11</u>	<u>-682,958,823.38</u>
Total	<u><u>18,979,679,305.09</u></u>	<u><u>18,290,953,101.67</u></u>

Movements in the provision for bad debts of accounts receivable are listed as follows:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	2020
Opening balance for the period/year	682,958,823.38	649,888,871.06
Provision for the period/year	83,716,581.66	149,711,197.22
Reversal for the period/year	-29,414,993.54	-116,044,346.90
Write-off for the period/year	-128,210.39	-596,898.00
Closing balance for the period/year	<u><u>737,132,201.11</u></u>	<u><u>682,958,823.38</u></u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2). Disclosure by classification with the method of provision for bad debt

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Provision for bad debt		Book value	Gross carrying amount		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Percentage of provision (%)		Amount	Proportion (%)	Amount	Percentage of provision (%)	
Single provision for bad debt	1,017,284,960.91	5.16	59,278,838.16	5.83	958,006,122.75	847,286,696.05	4.47	52,137,991.88	6.15	795,148,704.17
Provision withdrawn for bad debt on a combination basis	18,699,526,545.29	94.84	677,853,362.95	3.62	18,021,673,182.34	18,126,625,229.00	95.53	630,820,831.50	3.48	17,495,804,397.50
Total	<u>19,716,811,506.20</u>	<u>100.00</u>	<u>737,132,201.11</u>	<u>/</u>	<u>18,979,679,305.09</u>	<u>18,973,911,925.05</u>	<u>100.00</u>	<u>682,958,823.38</u>	<u>/</u>	<u>18,290,953,101.67</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2). Disclosure by classification with the method of provision for bad debt (Continued)

Single provision for bad debt:

30 June 2021

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Gross carrying amount	Provision for bad debts	Percentage of provision (%)	Reason for provision
Accounts receivable of single provision for bad debt	1,017,284,960.91	59,278,838.16	5.83	Note
Total	1,017,284,960.91	59,278,838.16	5.83	/

2020

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Closing balance			
	Gross carrying amount	Provision for bad debts	Percentage of provision (%)	Reason for provision
Accounts receivable of single provision for bad debt	847,286,696.05	52,137,991.88	6.15	Note
Total	847,286,696.05	52,137,991.88	6.15	/

Descriptions of single provision for bad debt:

Applicable Not applicable

Note: The Group shall make provision for bad debts in whole or in part based on its aging and business conditions with other companies.

Provision withdrawn for bad debt on a combination basis:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2). Disclosure by classification with the method of provision for bad debt (Continued)

Items of provision on group basis: aging group

30 June 2021

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within 1 year	14,111,124,728.15	70,555,623.64	0.50
1 to 2 years	2,533,492,614.41	126,674,630.72	5.00
2 to 3 years	1,128,776,432.94	112,877,643.29	10.00
Over 3 years	926,132,769.79	367,745,465.30	39.71
Total	<u>18,699,526,545.29</u>	<u>677,853,362.95</u>	<u>/</u>

31 December 2020

Unit: Yuan Currency: RMB

Name	Closing balance		
	Accounts receivable	Provision for bad debts	Percentage of provision (%)
Within 1 year	13,849,110,814.57	69,245,554.08	0.50
1 to 2 years	2,476,224,407.24	123,811,220.36	5.00
2 to 3 years	1,043,185,063.92	104,318,506.39	10.00
Over 3 years	758,104,943.27	333,445,550.67	43.98
Total	<u>18,126,625,229.00</u>	<u>630,820,831.50</u>	<u>/</u>

Recognition standards and descriptions of provision withdrawn for bad debt on a combination basis:

Applicable Not Applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(2). Disclosure by classification with the method of provision for bad debt (Continued)

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not Applicable

(3). Provision for bad debt

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Accounts receivable	682,958,823.38	83,716,581.66	29,414,993.54	128,210.39	737,132,201.11
Total	682,958,823.38	83,716,581.66	29,414,993.54	128,210.39	737,132,201.11

Significant amounts of provision for bad debts recovered or reversed in the period:

Applicable Not applicable

(4). The situation of the write-off of accounts receivable for the period

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(5). Top five debtors with the largest closing balance of accounts receivable

Applicable Not applicable

As at 30 June 2021, top five debtors with the largest balance of accounts receivable are as follows:

Unit: Yuan Currency: RMB

Name of entity	Gross carrying amount	Provision for bad debt	Proportion of accounts receivable (%)
Aggregate closing balance of the top five accounts receivables	<u>1,779,412,453.31</u>	<u>89,792,600.68</u>	<u>9.02</u>
Total	<u>1,779,412,453.31</u>	<u>89,792,600.68</u>	<u>9.02</u>

As at 31 December 2020, top five debtors with the largest balance of accounts receivable are as follows:

Unit: Yuan Currency: RMB

Name of entity	Gross carrying amount	Provision for bad debt	Proportion of accounts receivable (%)
Aggregate closing balance of the top five accounts receivables	<u>1,814,689,208.29</u>	<u>75,658,020.96</u>	<u>9.56</u>
Total	<u>1,814,689,208.29</u>	<u>75,658,020.96</u>	<u>9.56</u>

(6). Accounts receivable derecognized due to the transfer of financial assets

Applicable Not applicable

None of the Group's accounts receivable were derecognized due to being factored to financial institutions with no right of recourse (2020: RMB618,740,764.35).

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Accounts receivable (Continued)

(7). Amount of assets or liabilities resulting from accounts receivable transfer and its continuing involvement

Applicable Not applicable

Other explanation:

Applicable Not applicable

As at 30 June 2021, the Group's book value amount of other non-current asset of RMB4,119,593,823.27 and book value amount of accounts receivable of RMB204,927,480.10 (31 December 2020: book value amount of long-term receivables of RMB4,092,306,736.92), which were formed by the earning rights of the franchise pledged and all proceeds thereunder, were used to obtain long-term loans of RMB2,110,841,121.60 (31 December 2020: RMB1,900,360,668.00) (Notes VII.45 and 81).

6. Receivables for financing

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	517,554,466.41	863,523,297.58
Commercial acceptance bills	857,813,232.01	1,366,601,160.03
Total	1,375,367,698.42	2,230,124,457.61

As at 30 June 2021, the ownership of acceptance receivable with book value of RMB2,524,573.51 (as at 31 December 2020, the book value of RMB52,492,742.32) is restricted, see Note VII. 81.

Pledged notes receivable are as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	2,524,573.51	2,561,294.29
Commercial acceptance bills	–	49,931,448.03
Total	2,524,573.51	52,492,742.32

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30 June 2021

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Receivables for financing (Continued)

The Group endorses or discounts some of the bank acceptance bills in the daily fund management. The business model for managing the above-mentioned acceptances receivable is aimed at both collection of contractual cash flow and the sale. As a result, the Group reclassifies the note receivables as financial assets measured at fair value through other comprehensive income, and states them as receivables for financing.

The bills receivable that have been endorsed or discounted but have not expired on the balance sheet date are listed as follow:

Unit: Yuan Currency: RMB

	Closing balance		Opening balance	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	886,037,119.54	152,254,868.14	934,167,212.36	179,206,712.21
Commercial acceptance bills	–	173,705,513.47	–	211,897,708.43
	<u>886,037,119.54</u>	<u>325,960,381.61</u>	<u>934,167,212.36</u>	<u>391,104,420.64</u>

The increase/decrease and fair value change of receivables for financing in the period:

Applicable Not applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

The Group has no bank acceptance bills and commercial acceptance bills with single provision for bad debt. As of 30 June 2021, the Group measured the bad debt provision at the lifetime expected credit loss, and the relevant amount was RMB2,573,439.70 (31 December 2020: RMB4,099,803.48). The Group believes that there is no significant credit risk in the bank acceptance bills and commercial acceptance bills held by the Group, and will not cause significant loss due to the default of the acceptor.

Other explanation:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Prepayments

(1). Prepayments set out by aging

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	645,326,803.44	80.64	472,144,564.94	77.94
1 to 2 years	99,065,760.98	12.38	91,270,604.64	15.07
2 to 3 years	33,065,205.88	4.13	22,292,073.25	3.68
Over 3 years	22,771,091.85	2.85	20,050,459.45	3.31
Total	<u>800,228,862.15</u>	<u>100.00</u>	<u>605,757,702.28</u>	<u>100.00</u>

As at 30 June 2021, large-amount prepayments aged over one year are as follows:

Unit: Yuan Currency: RMB

	Gross carrying amount
Aggregate top five prepayments aged over one year	<u>78,148,277.40</u>

As at 31 December 2020, large-amount prepayments aged over one year are as follows:

Unit: Yuan Currency: RMB

	Gross carrying amount
Aggregate top five prepayments aged over one year	<u>53,334,566.91</u>

The above large-amount prepayments aged over one year are not settled in time mainly due to relevant projects were not completed or the materials and equipment were not received.

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Prepayments (Continued)

(2). Top five entities with the largest closing balances of prepayments by subjects of prepayment

Applicable Not applicable

Unit: Yuan Currency: RMB

30 June 2021

Aggregate top five closing balance of the prepayments

Gross carrying amount	Proportion of total prepayments (%)
<u>204,612,575.26</u>	<u>25.57</u>

Unit: Yuan Currency: RMB

31 December 2020

Aggregate top five closing balance of the prepayments

Gross carrying amount	Proportion of total prepayments (%)
<u>182,562,853.11</u>	<u>30.14</u>

Other explanation:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables

Item

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends receivable	–	14,040,000.00
Other receivables	<u>1,353,406,499.94</u>	<u>1,462,236,378.69</u>
Total	<u>1,353,406,499.94</u>	<u>1,476,276,378.69</u>

Other explanation:

Applicable Not applicable

Interests receivable

(1). Classification of interests receivable

Applicable Not applicable

(2). Significant overdue interest

Applicable Not applicable

(3). Provision for bad debts

Applicable Not applicable

Other explanation:

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables (Continued)

Dividends receivable

(1). Dividends receivable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Siemens Signalling Company Ltd. (西門子信號有限公司)	—	14,040,000.00
Total	—	14,040,000.00

(2). Significant dividends receivable with an age over 1 year

Applicable Not applicable

(3). Provision for bad debts

Applicable Not applicable

Other explanation:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables (Continued)

Other receivables

(1). Disclosure by aging

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance	Opening Book balance
Within 1 year	835,223,643.21	927,892,982.96
1 to 2 years	287,119,559.64	316,965,342.43
2 to 3 years	97,403,769.94	96,318,738.55
Over 3 years	266,090,258.73	248,784,561.00
Less: Provision for bad debts of other receivables	-132,430,731.58	-127,725,246.25
Total	<u>1,353,406,499.94</u>	<u>1,462,236,378.69</u>

(2). Classification by nature of accounts

Applicable Not applicable

Unit: Yuan Currency: RMB

Nature of accounts	Closing book balance	Opening Book balance
Performance and tender bonds	759,470,370.01	739,114,286.03
Advance payments	399,904,729.70	403,588,447.38
Various deposits	129,940,012.61	117,916,591.33
Dividends receivable	-	14,040,000.00
Others	196,522,119.20	329,342,300.20
Less: provision for bad debts of other receivables	-132,430,731.58	-127,725,246.25
Total	<u>1,353,406,499.94</u>	<u>1,476,276,378.69</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables (Continued)

(3). Provision for bad debt

✓ Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Provision for bad debt	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit-impaired)	
Amounts as at 1 January 2021	43,195,172.95	18,646,010.20	65,884,063.10	127,725,246.25
Amounts due for the period as at 1 January 2021				
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
– Reversed to stage 2	–	–	–	–
– Reversed to stage 1	–	–	–	–
Provision for the period	10,944,192.47	–	–	10,944,192.47
Reversal for the period	-6,238,707.14	–	–	-6,238,707.14
Write-off for the period	–	–	–	–
Other changes	–	–	–	–
Amounts as at 30 June 2021	<u>47,900,658.28</u>	<u>18,646,010.20</u>	<u>65,884,063.10</u>	<u>132,430,731.58</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables (Continued)

(3). Provision for bad debt (Continued)

2020

	Unit: Yuan Currency: RMB			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit-impaired)	Total
Provision for bad debt				
Amounts as at 1 January 2020	31,058,385.67	55,329,140.77	70,931,265.45	157,318,791.89
Amounts due for the year as at 1 January 2020				
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
– Reversed to stage 2	–	–	–	–
– Reversed to stage 1	–	–	–	–
Provision for the year	21,617,877.48	–	–	21,617,877.48
Reversal for the year	-9,481,090.20	-36,683,130.57	-5,047,202.35	-51,211,423.12
Write-off for the year	–	–	–	–
Other changes	–	–	–	–
Amounts as at 31 December 2020	<u>43,195,172.95</u>	<u>18,646,010.20</u>	<u>65,884,063.10</u>	<u>127,725,246.25</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables (Continued)

(3). Provision for bad debt (Continued)

Description about obvious changes in gross carrying amount of other receivables for which loss provision has changed in the period:

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Amounts as at 1 January 2021	1,495,263,496.53	23,307,512.74	71,390,615.67	1,589,961,624.94
Amounts due for the period as at 1 January 2021				
- Transferred to stage 2	-	-	-	-
- Transferred to stage 3	-	-	-	-
- Reversed to stage 2	-	-	-	-
- Reversed to stage 1	-	-	-	-
Increase	802,839,112.70	-	-	802,839,112.70
Derecognized	-906,963,506.12	-	-	-906,963,506.12
Cancellation for the period	-	-	-	-
Other changes	-	-	-	-
Amounts as at 30 June 2021	<u>1,391,139,103.11</u>	<u>23,307,512.74</u>	<u>71,390,615.67</u>	<u>1,485,837,231.52</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables (Continued)

(3). Provision for bad debt (Continued)

2020

	Unit: Yuan Currency: RMB			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL (non-credit impaired)	Stage 3 Lifetime ECL (credit-impaired)	Total
Amounts as at 1 January 2020	1,178,723,209.79	55,329,140.77	71,390,615.67	1,305,442,966.23
Amounts due for the year as at 1 January 2020				
- Transferred to stage 2	-	-	-	-
- Transferred to stage 3	-	-	-	-
- Reversed to stage 2	-	-	-	-
- Reversed to stage 1	-	-	-	-
Increase	860,120,112.68	-	-	860,120,112.68
Derecognized	-543,579,825.94	-32,021,628.03	-	-575,601,453.97
Cancellation for the year	-	-	-	-
Other changes	-	-	-	-
Amounts as at 31 December 2020	<u>1,495,263,496.53</u>	<u>23,307,512.74</u>	<u>71,390,615.67</u>	<u>1,589,961,624.94</u>

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables (Continued)

(4). Provision for bad debt

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period		Closing balance
		Provision	Recovery or reversal	
Provision for bad debt of other receivable	<u>127,725,246.25</u>	<u>10,944,192.47</u>	<u>-6,238,707.14</u>	<u>132,430,731.58</u>
Total	<u>127,725,246.25</u>	<u>10,944,192.47</u>	<u>-6,238,707.14</u>	<u>132,430,731.58</u>

2020

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the year		Closing balance
		Provision	Recovery or reversal	
Provision for bad debt of other receivables	<u>157,318,791.89</u>	<u>21,617,877.48</u>	<u>-51,211,423.12</u>	<u>127,725,246.25</u>
Total	<u>157,318,791.89</u>	<u>21,617,877.48</u>	<u>-51,211,423.12</u>	<u>127,725,246.25</u>

Significant amounts of provision for bad debts recovered or reversed in the period:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables (Continued)

(5). The situation of the write-off of other receivables for the period

Applicable Not applicable

(6). Top five debtors with the largest closing balance of other receivables

Applicable Not applicable

As at 30 June 2021, top five other receivables are as follows:

Unit: Yuan Currency: RMB

Name of entity	Nature of receivable	Closing balance	Proportion of the closing balance of other receivables (%)	Closing balance of provision for bad debt
Aggregate closing balance of top five other receivables	Receivable current payments	292,700,497.59	19.70	32,482,859.52
Total	/	292,700,497.59	19.70	32,482,859.52

As at 31 December 2020, top five other receivables are as follows:

Unit: Yuan Currency: RMB

Name of entity	Nature of receivable	Closing balance	Proportion of the closing balance of other receivables (%)	Closing balance of provision for bad debt
Aggregate closing balance of top five other receivables	Receivable current payments	278,537,314.40	17.52	40,541,324.40
Total	/	278,537,314.40	17.52	40,541,324.40

During the period and in 2020, none of the Group's other receivables were derecognized due to being factored to financial institutions with no right of recourse.

(7). Receivables involving government subsidies

Applicable Not applicable

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30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other receivables (Continued)

(8). Other receivables derecognized due to the transfer of financial assets

Applicable Not applicable

(9). Amount of assets or liabilities resulting from transfer of other receivables and continuing involvement

Applicable Not applicable

Other explanations:

Applicable Not applicable

9. Inventories

(1). Inventory classification

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories/provision for impairment of contract performance cos	Carrying amount	Gross carrying amount	Provision for decline in value of inventories/provision for impairment of contract performance cos	Carrying amount
Raw materials	1,242,821,447.78	5,768,925.71	1,237,052,522.07	1,032,481,415.00	5,782,725.14	1,026,698,689.86
Work-in-progress	557,175,394.11	311,011.06	556,864,383.05	587,445,245.10	335,739.16	587,109,505.94
Finished goods	1,191,885,818.03	49,216.54	1,191,836,601.49	863,227,861.78	49,216.54	863,178,645.24
Turnover materials	16,274,864.88	788.27	16,274,076.61	12,201,160.95	788.27	12,200,372.68
Total	<u>3,008,157,524.80</u>	<u>6,129,941.58</u>	<u>3,002,027,583.22</u>	<u>2,495,355,682.83</u>	<u>6,168,469.11</u>	<u>2,489,187,213.72</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Inventories (Continued)

(2). Provision for decline in value of inventories and provision for impairment of contract performance cost

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	5,782,725.14	-	-	13,799.43	-	5,768,925.71
Work-in-progress	335,739.16	-	-	24,728.10	-	311,011.06
Finished goods	49,216.54	-	-	-	-	49,216.54
Turnover materials	788.27	-	-	-	-	788.27
Total	6,168,469.11	-	-	38,527.53	-	6,129,941.58

2020

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	5,619,190.97	198,718.35	-	35,184.18	-	5,782,725.14
Work-in-progress	-	335,739.16	-	-	-	335,739.16
Finished goods	523,909.72	49,216.54	-	523,909.72	-	49,216.54
Turnover materials	-	788.27	-	-	-	788.27
Total	6,143,100.69	584,462.32	-	559,093.90	-	6,168,469.11

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Inventories (Continued)

(3). Explanation about inclusion of capitalized amount of the borrowing cost in the closing balance of inventories

Applicable Not applicable

(4). Explanation about current amortization amount of contract performance cost

Applicable Not applicable

Other explanation:

Applicable Not applicable

As at 30 June 2021 and 31 December 2020, the Group had no inventories with restricted ownership in the balance of inventories.

10. Contract assets

(1). Information of contract assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Gross carrying amount	Closing balance		Gross carrying amount	Opening balance	
		Provision for impairment	Carrying amount		Provision for impairment	Carrying amount
Completed but not yet settled	39,041,349,340.65	-119,635,879.36	38,921,713,461.29	36,161,573,166.49	-118,181,959.60	36,043,391,206.89
Total	39,041,349,340.65	-119,635,879.36	38,921,713,461.29	36,161,573,166.49	-118,181,959.60	36,043,391,206.89

(2). Amount of and reason for significant change in carrying amount within the Reporting Period

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Contract assets (Continued)

(3). Provision for impairment of contract assets in the period

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Provision for the period	Reversal for the period	Write-off or cancellation for the period	Reason
Provisions for impairment of contract assets	4,037,038.88	-2,583,119.12	—	/
Total	<u>4,037,038.88</u>	<u>-2,583,119.12</u>	<u>—</u>	<u>/</u>

Contract assets of the Group are derived from provision of construction services to customers and recognition of revenue over a period of time. At time of settlement of project-related payments, any such contract asset turns into the unconditional right to collect payments and is transferred into the accounts receivable.

As at 30 June 2021, the ECL rate of the contract assets was 0.31% (31 December 2020: 0.33%).

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

Other explanation:

Applicable Not applicable

11. Asset held for sale

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

30 June 2021

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Non-current assets due within one year

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Project quality deposit due within one year	96,615,661.25	146,078,975.30
Less: Provision for bad debt	-163,846.20	-235,806.14
Total	<u>96,451,815.05</u>	<u>145,843,169.16</u>

Significant debt investments and other debt investments at the end of the period:

Applicable Not applicable

13. Other current assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT input to be deducted	1,176,985,971.53	1,028,755,807.04
Prepaid corporate income tax	6,013,376.77	12,481,868.92
Others	6,388,435.57	5,306,296.72
Total	<u>1,189,387,783.87</u>	<u>1,046,543,972.68</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Debt investment

(1). Information of debt investment

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Shandong Railway Development Fund Co., Ltd. (山東鐵路發展基金有限公司)	273,172,183.50	-	273,172,183.50	273,172,183.50	-	273,172,183.50
Total	273,172,183.50	-	273,172,183.50	273,172,183.50	-	273,172,183.50

The Company completed its investment in Shandong Railway Development Fund Co., Ltd. on 28 January 2019, with the investment return to be paid by Shandong Development Fund as per 10% off the benchmark interest rate for more-than-5-year loans issued by PBoC (the prevailing interest rate $4.9\% \times 0.9 = 4.41\%$), and the interest was commenced on a phased basis from the date on which such investment capital was received, subject to adjustment according to interest rate of the central bank in the end period. At the end of the tenth anniversary of the date on which the project cooperation is commenced (i.e., 28 January 2029), Shandong Railway Development Fund Co., Ltd. will receive the equity equivalent to the Company's original capital contribution in lump sum. Therefore, the Company mainly holds the investment for the purpose of obtaining contractual cash flows, and cash flows generated on specific dates are solely for the payment of the investment principal and interests incurred from the outstanding amount, and they fall into financial assets measured at amortized cost, therefore, the investment is stated as debt investment.

The Company has assessed that its credit risk has not significantly increased since the initial recognition on the balance sheet date, therefore the Company did not make provision for impairment according to the amount equivalent to the ECL for the next 12 months.

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Debt investment (Continued)

(2). *Significant debt investments at the end of the period*

Applicable Not applicable

(3). *Provision for impairment*

Applicable Not applicable

15. Other debt investment

(1). *Information of other debt investment*

Applicable Not applicable

(2). *Other significant debt investments at the end of the period*

Applicable Not applicable

(3). *Information of provision for impairment*

Applicable Not applicable

Other explanation:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Long-term receivables

(1) Information of long-term receivables

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance			Discount rate range
	Gross carrying amount	Provision for bad debt	Carrying amount	Gross carrying amount	Provision for bad debt	Carrying amount	
Receivables of "Build-Transfer" project (Note 1)	101,149,141.92	-505,745.71	100,643,396.21	132,273,640.83	-661,368.21	131,612,272.62	
Receivables of "Build-Operate-Transfer" project (Note 2)	-	-	-	4,431,461,527.52	-49,907,059.57	4,381,554,467.95	
Project receivable	3,861,787,918.18	-14,851,533.44	3,846,936,384.74	3,886,430,002.18	-14,889,163.56	3,871,540,838.62	
Total	<u>3,962,937,060.10</u>	<u>-15,357,279.15</u>	<u>3,947,579,780.95</u>	<u>8,450,165,170.53</u>	<u>-65,457,591.34</u>	<u>8,384,707,579.19</u>	/

Note 1: The Group signed repurchase agreements in relation to municipal engineering investment and construction with the relevant government bodies, under which those bodies authorize companies of the Group undertaking "build-transfer" projects to implement the investment and financing functions on their behalf to develop municipal projects. Those companies shall, after the completion of the "build-transfer" projects, hand over the projects to such bodies, and then those agencies shall pay the repurchase price within the time limit specified in the repurchase agreement.

Note 2: The Group signed construction and franchise agreements in relation to municipal engineering with the relevant government bodies, under which those bodies authorize companies of the Group undertaking "build-operate-transfer" projects to implement the investment and financing functions on their behalf to develop municipal projects and maintain franchised operation. Those companies shall, after the end of the franchise period, hand over the projects to such bodies, and then those agencies shall pay the repurchase price within the time limit specified in the repurchase agreement. The balance of long-term receivables of this type of project has been reclassified to other non-current assets at the end of the current period. Please refer to Note VII. 31 for details.

The Group evaluated whether or not the credit risk of the said long-term receivables has been significantly increased since the initial recognition on each balance sheet date. If such credit risk has not significantly increased since the initial recognition, the Group made provisions for loss at the amount equivalent to ECL for the next 12 months; and if the credit risk has significantly increased since the initial recognition but no credit impairment has occurred, the Company made provisions for loss at the amount equivalent to the lifetime ECL.

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Long-term receivables (Continued)

(2) Provision for bad debts

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Provision for bad debt	Total
Amount as at 1 January 2021	65,457,591.34
Amount as at 1 January 2021 during the current period	65,457,591.34
Transfer-out for the period (Note 3)	-49,907,059.57
Provision for the period	358,354.05
Reversal for the period	<u>-551,606.67</u>
Amount as at 30 June 2021	<u>15,357,279.15</u>

2020

Unit: Yuan Currency: RMB

Provision for bad debt	Total
Opening balance	57,390,093.29
Provision for the year	8,266,702.45
Reversal for the year	<u>-199,204.40</u>
Closing balance	<u>65,457,591.34</u>

Note 3: According to the Accounting Standards for Business Enterprises Interpretation No. 14 promulgated by the Ministry of Finance, the balance of long-term receivables and bad debt provisions of the "Build-Operate-Transfer" project have been reclassified to other non-current assets during the period. Please refer to Note VII. 31 for details.

Explanation about obvious changes in gross carrying amount of long-term receivables for which loss provision has changed in the period:

Applicable Not applicable

Amount of provision for bad debts for the period and basis for evaluating whether or not credit risk of financial instruments increases significantly:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Long-term receivables (Continued)

(3) Long-term receivables derecognized due to the transfer of financial assets

Applicable Not applicable

(4) Amount of assets or liabilities resulting from transfer of long-term receivables and the continuing involvement

Applicable Not applicable

Other explanation:

Applicable Not applicable

17. Long-term equity investment

Applicable Not applicable

Unit: Yuan Currency: RMB

	30 June 2021	31 December 2020
Investments in joint ventures	217,654,556.18	232,579,525.12
Investments in associates	1,092,966,379.63	876,453,691.23
Subtotal	1,310,620,935.81	1,109,033,216.35
Less: Provision for impairment of long-term equity investment	—	—
Total	<u>1,310,620,935.81</u>	<u>1,109,033,216.35</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment (Continued)

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase/decrease for the period			Declared and paid cash dividends or profits	Closing balance	Closing balance of provision for impairment
		Increase in investment	Investment gains/losses confirmed under equity method	Other equity changes			
I. Joint ventures							
Xi'an Schaltbau Electric Corp., Ltd. ("Schaltbau") (西安沙爾特寶電氣有限公司)	153,773,635.03	-	9,074,483.00	-	25,000,000.00	137,848,118.03	-
Wenzhou-Hangwen High-Speed Railway Investment Partnership (LLP) ("Wenzhou-Hangwen High-Speed Railway") (溫州杭溫高鐵投資合夥企業(有限合夥))	76,503,772.49	-	-	-	-	76,503,772.49	-
CRSC Smart Data Technology (Beijing) Co., Ltd. ("CRSC Smart Technology") (通智數據科技(北京)有限公司)	2,302,117.60	675,000.00	325,548.06	-	-	3,302,665.66	-
Subtotal	232,579,525.12	675,000.00	9,400,031.06	-	25,000,000.00	217,654,556.18	-

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment (Continued)

Investee	Increase/decrease for the period					Closing balance of provision for impairment
	Opening balance	Increase in investment	Investment gains/losses confirmed under equity method	Other equity changes	Declared and paid cash dividends or profits	
II. Associates						
Spijing Integrated Pipeline Construction Co., Ltd. ("Spijing Pipeline") (四平信綜合管線建設運營有限公司)	224,763,946.36	-	-	-	-	224,763,946.36
Zhuhai Huatong Private Equity Fund Management Enterprise ("Zhuhai Huatong") (珠海華通私募基金管理企業)(Note 3)	9,711,635.41	-	-	-	-	9,711,635.41
Siemens Signalling Company Ltd. ("SSCX") (西門子信號有限公司)	72,797,655.78	-	7,925,577.00	-	-	80,723,136.78
CSCEC Fositan Joint Investment Co., Ltd. ("CSCEC Fositan") (佛山中建交通聯合投資有限公司)	12,503,152.61	-	-343,104.49	-	-	12,160,048.12
CRSC (Beijing) Electronic Technology Co., Ltd. ("CRSC Electronic") (通銳(北京)電子科技有限公司)	2,760,866.61	-	4,310.81	-	-	2,765,179.42
Guangdong Utrust Financial Leasing Co., Ltd. ("Guangdong Utrust Financial Leasing") (廣東暹斯金融租賃股份有限公司)	329,544,657.82	-	10,270,948.00	-	-	339,815,605.82
China Tietong Railway Operation Co., Ltd. ("China Tietong Railway") (中國通車運營有限公司)	23,650,581.36	-	-82,375.59	245,310.39	2,250,000.00	21,603,516.16
CRSC Transhui Tram Co., Ltd. ("CRSC Transhui") (天水通銳有軌電車有限責任公司)	174,259,545.42	-	-	-	-	174,259,545.42
Zhongguancun Chipsea Prioritizing Technology Co., Ltd. ("Chipsea Prioritizing") (中關村芯海擇優科技有限責任公司)	20,000,000.00	-	13,112.48	-	2,006.41	20,011,106.07
China Liantou (Shanghai) Data Intelligent Technology Co., Ltd. ("China Liantou Technology") (中國松(上海)數據智能科技有限公司)	6,000,000.00	-	-214,841.90	-	-	5,785,158.10
Henan Huazhou Railway Co., Ltd. ("Huazhou Railway") (河南滄州鐵路有限公司) (Note 1)	-	149,360,290.00	-	-	-	149,360,290.00
Tianshui Tram Co., Ltd. ("Tianshui Tram") (天水有軌電車有限責任公司) (Note 2)	-	51,605,720.00	-	-	-	51,605,720.00
CRSC Changyang (Zhejiang) Technology Co., Ltd. ("CRSC Changyang Technology") (通銳浙江(浙江)科技股份有限公司)	421,743.86	-	-20,251.89	-	-	401,491.97
Subtotal	876,453,691.23	200,966,010.00	17,553,374.42	245,310.39	2,252,006.41	1,092,966,379.63
Total	1,109,033,216.35	201,641,010.00	26,953,405.48	245,310.39	27,252,006.41	1,310,620,935.81

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment (Continued)

2020

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase/decrease for the period					Closing balance of provision for impairment
		Increase in investment	Investment gains/losses confirmed under equity method	Other equity changes	Declared and paid cash dividends or profits	Others	
I. Joint ventures							
Xi'an Scaillbau Electric Corp., Ltd. ("Scaillbau") (西安沙爾特實業有限公司)	159,544,366.71	-	19,729,266.32	-	25,500,000.00	-	-
Wenzhou-Hangwen High-Speed Railway Investment Partnership (LLP) ("Wenzhou-Hangwen High-Speed Railway") (溫州滬甌高鐵路投資合夥企業(有限合夥))	76,503,772.49	-	-	-	-	-	-
CRSC Smart Data Technology (Beijing) Co., Ltd. ("CRSC Smart Technology") (超智數據科技(北京)有限公司)	-	675,000.00	1,627,117.60	-	-	-	-
Subtotal	236,048,139.20	675,000.00	21,356,385.92	-	25,500,000.00	-	232,579,525.12

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment (Continued)

Investee	Opening balance	Increase/decrease for the period					Closing balance	Closing balance of provision for impairment
		Increase in investment	Investment gains/losses confirmed under equity method	Other equity changes	Declared and paid cash dividends or profits	Others		
II. Associates								
Sijing Integrated Pipeline Construction Co., Ltd. ("Sijing Pipeline") (四平綜合管廊建設運營有限公司)	134,715,266.36	90,046,680.00	-	-	-	224,763,946.36	-	
CRSC Private Equity Fund (Limited Partnership) ("CRSC Hengqin") (橫琴通融股權投資基金(有限合夥))	5,274,704.87	-	4,436,930.54	-	-	9,711,635.41	-	
Siemens Signalling Company Ltd. ("SSCX") (西門子信號有限公司)	73,632,221.76	-	13,205,338.02	-	14,040,000.00	72,797,559.78	-	
CSCEC Fostan Joint Investment Co., Ltd. ("CSCEC Fostan") (佛山中建交通聯合投資有限公司)	18,001,674.57	-	3,405,413.92	-	8,903,935.88	12,503,152.61	-	
CRSC (Beijing) Electronic Technology Co., Ltd. ("CRSC Electronic") (北京) 電子科技(股)有限公司	2,750,331.71	-	10,536.90	-	-	2,760,868.61	-	
Guangdong Urtrust Financial Leasing Co., Ltd. ("Guangdong Urtrust Financial Leasing") (廣東粵新金融租賃股份有限公司)	313,638,566.72	-	15,906,091.10	-	-	329,544,657.82	-	
China Tietong Railway Operation Co., Ltd. ("China Tietong Railway") (中國通鐵道運營有限公司)	19,941,435.04	-	5,823,375.68	175,770.64	2,250,000.00	23,690,581.36	-	
CRSC Transhui Tram Co., Ltd. ("CRSC Transhui") (天水通鐵有軌電車有限公司)	177,539,261.27	-	-3,279,715.85	-	-	174,259,545.42	-	
Zhongguancun Chipsea Prioritizing Technology Co., Ltd. ("Chipsea Prioritizing") (中關村芯海優先科技(股)有限公司)	-	20,000,000.00	-	-	-	20,000,000.00	-	
China Liantou (Shanghai) Data Intelligent Technology Co., Ltd. ("China Liantou Technology") (中聯沈(上海)數據智能科技(股)有限公司)	-	6,000,000.00	-	-	-	6,000,000.00	-	
CRSC Changxing (Zhejiang) Technology Co., Ltd. ("CRSC Changxing Technology") (浙江) 科技(股)有限公司	-	1,656,200.00	-500,000.00	-	-	421,743.86	-	
Subtotal	745,493,462.30	117,704,880.00	39,007,970.31	175,770.64	25,103,935.88	876,453,691.23	-	
Total	981,541,601.50	118,379,880.00	60,364,356.23	175,770.64	50,693,935.88	1,109,033,216.35	-	

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment (Continued)

Key information of joint ventures and associates

For the six months ended 30 June 2021

	Principal place of business/place of registration	Nature of business	Registered capital	Shareholding by the Group (%)		Voting ratio of the Group (%)
				Direct	Indirect	
Joint ventures						
Schaltbau	Xi'an City	Manufacturing of product	US\$4,400,000.00	–	50.00	33.00
Wenzhou-Hangwen High-Speed Railway	Wenzhou City	Commercial services	5,010,000,000.00	29.99	–	29.99
CRSC Smart Technology	Beijing City	Technology development	10,000,000.00	–	45.00	45.00
Associates						
SSCX	Xi'an City	Manufacturing of product	€5,220,000.00	–	30.00	30.00
CSCEC Foshan	Guangzhou City	Investment project construction	16,000,000.00	11.00	–	20.00
Siping Pipeline	Siping City	Project contracting	1,125,608,500.00	20.00	–	20.00
Zhuhai Huatong	Zhuhai City	Equity investment management	200,000,000.00	–	40.00	33.00
CRSC Electronic	Beijing City	Manufacturing of product	10,000,000.00	–	49.00	49.00
Guangdong Utrust Financial Leasing	Guangzhou City	Financial leasing	1,000,000,000.00	30.00	–	30.00
China Tietong Railway	Wenzhou City	Rail transit operation	50,000,000.00	–	30.00	30.00
CRSC Tianshui	Tianshui City	Project contracting	498,400,000.00	35.63	–	40.00
Tianshui Tram	Tianshui City	Project contracting	200,000,000.00	–	36.00	36.00
Huazhou Railway	Anyang City	Project contracting	339,455,200.00	–	44.00	44.00
CRSC Changxing Technology	Taizhou City	Rail transit supplies	22,000,000.00	–	49.00	49.00
Chipsea Prioritizing	Beijing City	Technology development	100,000,000.00	–	20.00	20.00
China Liantou Technology	Shanghai City	Data technology	100,000,000.00	–	20.00	20.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment (Continued)

Key information of joint ventures and associates (Continued)

2020

	Principal place of business/place of registration	Nature of business	Registered capital	Shareholding by the Group (%)		Voting ratio of the Group (%)
				Direct	Indirect	
Joint ventures						
Schaltbau	Xi'an City	Manufacturing of product	US\$4,400,000.00	–	50.00	33.00
Wenzhou-Hangwen High-Speed Railway	Wenzhou City	Commercial services	5,010,000,000.00	29.99	–	29.99
CRSC Smart Technology	Beijing City	Technology development	10,000,000.00	–	45.00	45.00
Associates						
SSCX	Xi'an City	Manufacturing of product	€5,220,000.00	–	30.00	30.00
CSCEC Foshan	Guangzhou City	Investment project construction	16,000,000.00	11.00	–	20.00
Siping Pipeline	Siping City	Project contracting	1,125,608,500.00	20.00	–	20.00
CRSC Hengqin	Zhuhai City	Equity investment management	200,000,000.00	–	40.00	33.00
CRSC Electronic	Beijing City	Manufacturing of product	10,000,000.00	–	49.00	49.00
Guangdong Utrust Financial Leasing	Guangzhou City	Financial leasing	1,000,000,000.00	30.00	–	30.00
China Tietong Railway	Wenzhou City	Rail transit operation	50,000,000.00	–	30.00	30.00
CRSC Tianshui	Tianshui City	Project contracting	498,400,000.00	35.63	–	40.00
CRSC Changxing Technology	Taizhou City	Rail transit supplies	22,000,000.00	–	49.00	49.00
China Liantou Technology	Shanghai City	Data technology	100,000,000.00	–	20.00	20.00
Chipsea Prioritizing	Beijing City	Technology development	100,000,000.00	–	20.00	20.00

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment (Continued)

Key information of joint ventures and associates (Continued)

Note 1: Huaxian Investment Co., Ltd. (滑縣投資有限公司), Zhengzhou Zhongyuan, a subsidiary of the Group, and Henan Railway Investment Co., Ltd. (河南鐵路投資有限責任公司) jointly funded the establishment of Henan Huazhou Railway Co., Ltd. (河南滑州鐵路有限公司) in February 2021. The aforementioned three-party investment proportions were 45.0%, 44.0% and 11.0%, respectively. According to the articles of association, the general meeting is the authority of the Company, except for special resolutions that shall be adopted by more than two thirds of the voting rights held by all shareholders, ordinary resolutions shall be adopted by more than half of the voting rights held by all shareholders, and the voting rights of general meeting shall be exercised in proportion to the paid-in capital contribution. The board of directors is the decision-making organ of the Company and is comprised of three directors, of which two members shall be appointed by Zhengzhou Zhongyuan and one member shall be appointed by Huaxian Investment Co., Ltd. (滑縣投資有限公司). Except for special matters that require the unanimous consent of all directors, other resolutions shall take effect only with the consent of a majority of all directors. Based on the above considerations, the Company classified it as an associate company.

Note 2: Led by Tianshui Municipal People's Government (天水市人民政府), Innovation Investment, China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司), China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司) and other companies jointly funded the establishment of Tianshui Tram Co., Ltd. (天水有軌電車有限責任公司) in January 2021. Among them, Innovation Investment, a subsidiary of the Group, holds 35.5% of the shares, and each of CRSCS, CRSC Construction, Zhejiang Construction Investment, CRSCD and CRSC Railway Vehicles Co., Ltd. (all being subsidiaries of the Group) holds 0.1% of the shares. According to the articles of association, the general meeting shall be the highest authority of the Company. At the general meeting, shareholders are entitled to exercise their voting rights in proportion to their respective subscribed capital contribution. At the general meeting, except for special matters that shall be adopted by more than two thirds of the voting rights held by shareholders, the other matters shall be adopted by a majority of the voting rights held by shareholders. The board of directors is the decision-making organ in respect of operation and management of the Company and is comprised by five directors, of which two members shall be appointed by each of Innovation Investment and Tianshui Urban Rail Transit Investment, Construction and Operation Co., Ltd. (天水市城市軌道交通投資建設經營有限責任公司) and one member shall be appointed by China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司). Except for special matters that shall be adopted by more than two thirds of all the directors, other resolutions shall take effect only with the consents of a majority of all directors. Based on the above considerations, the Company classified it as an associate company.

Note 3: CRSC Private Equity Fund (Limited Partnership) (橫琴通號股權投資基金(有限合夥)) changed its company name to Zhuhai Huatong Private Equity Fund Management Enterprise (Limited Partnership) (珠海華通私募基金管理企業(有限合夥)) on 26 May 2021. The above change has been approved by the partners' meeting.

As at 30 June 2021 and 31 December 2020, the investees of long-term equity investments held by the Group have no restrictions on their ability to transfer funds to the Group.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Long-term equity investment (Continued)

Key information of joint ventures and associates (Continued)

The following table sets out a summary of the financial information of the Group's insignificant joint ventures:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	2020
Total book value of investment	217,654,556.18	232,579,525.12
Total amount of the following items calculated on the basis of shareholding percentage:		
Net profit	9,400,031.06	21,356,385.92
Total comprehensive income	9,400,031.06	21,356,385.92

The following table sets out a summary of the financial information of the Group's insignificant associates:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	2020
Total book value of investment	1,092,966,379.63	876,453,691.23
Total amount of the following items calculated on the basis of shareholding percentage:		
Net profit	17,553,374.42	39,007,970.31
Total comprehensive income	17,553,374.42	39,007,970.31

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Other equity instrument investment

(1). Information of other equity instrument investment

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Beijing Yawan High Speed Railway Co., Ltd. (北京雅萬高速鐵路有限公司)	323,916,888.00	323,916,888.00
Ganzhou-Shenzhen Railway (Guangdong) Company Limited (贛深鐵路(廣東)有限公司)	100,000,000.00	100,000,000.00
Beijing Rail Transit Operation Control System National Engineering Research Center Co., Ltd. (北京軌道交通運行控制系統國家工程研究中心有限公司)	2,141,159.20	2,141,159.20
Taizhou-Hangshaotai High-Speed Railway Investment Management Partnership (LLP) (台州杭紹台高鐵投資管理合夥企業(有限合夥))	147,230,466.00	124,171,906.93
Hunan Maglev Group Co., Ltd. (湖南磁浮集團股份有限公司)	100,000,000.00	100,000,000.00
Lunan High Speed Railway Co., Ltd. (魯南高速鐵路有限公司)	369,637,534.00	369,637,534.00
Total	<u>1,042,926,047.20</u>	<u>1,019,867,488.13</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Other equity instrument investment (Continued)

(1). Information of other equity instrument investment (Continued)

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

	Cost	Changes in fair value accumulated in other comprehensive income	Fair value	Dividend income for the period		Reason for designating as at fair value through other comprehensive income
				Equity instruments derecognized in the period	Equity instrument still held	
Beijing Yawan High Speed Railway Co., Ltd. (北京雅萬高速鐵路有限公司)	323,916,888.00	-	323,916,888.00	-	-	It is expected to be strategically held for a long time
Ganzhou-Shenzhen Railway (Guangdong) Company Limited (贛深鐵路(廣東)有限公司)	100,000,000.00	-	100,000,000.00	-	-	It is expected to be strategically held for a long time
Beijing Rail Transit Operation Control System National Engineering Research Center Co., Ltd. (北京軌道交通運行控制系統國家工程研究中心有限公司)	2,141,159.20	-	2,141,159.20	-	-	It is expected to be strategically held for a long time
Taizhou-Hangshaotai High-Speed Railway Investment Management Partnership (LLP) (台州杭紹台高鐵投資管理合夥企業(有限合夥))	147,230,466.00	-	147,230,466.00	-	-	It is expected to be strategically held for a long time
Hunan Maglev Group Co., Ltd. (湖南磁浮集團股份有限公司)	100,000,000.00	-	100,000,000.00	-	-	It is expected to be strategically held for a long time
Lunan High Speed Railway Co., Ltd. (魯南高速鐵路有限公司)	369,637,534.00	-	369,637,534.00	-	-	It is expected to be strategically held for a long time
Total	1,042,926,047.20	-	1,042,926,047.20	-	-	

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Other equity instrument investment (Continued)

(1). Information of other equity instrument investment (Continued)

2020

Unit: Yuan Currency: RMB

	Cost	Changes in fair value accumulated in other comprehensive income	Fair value	Dividend income for the period		Reason for designating as at fair value through other comprehensive income
				Equity instruments derecognized in the period	Equity instruments still held	
Beijing Yawan High Speed Railway Co., Ltd. (北京雅萬高速鐵路有限公司)	323,916,888.00	-	323,916,888.00	-	-	It is expected to be strategically held for a long time
Ganzhou-Shenzhen Railway (Guangdong) Company Limited (贛深鐵路(廣東)有限公司)	100,000,000.00	-	100,000,000.00	-	-	It is expected to be strategically held for a long time
Beijing Rail Transit Operation Control System National Engineering Research Center Co., Ltd. (北京軌道交通運行控制系統國家工程研究中心有限公司)	2,141,159.20	-	2,141,159.20	-	-	It is expected to be strategically held for a long time
Taizhou-Hangshaotai High-Speed Railway Investment Management Partnership (LLP) (台州杭紹台高鐵投資管理合夥企業(有限合夥))	124,171,906.93	-	124,171,906.93	-	-	It is expected to be strategically held for a long time
Hunan Maglev Group Co., Ltd. (湖南磁浮集團股份有限公司)	100,000,000.00	-	100,000,000.00	-	-	It is expected to be strategically held for a long time
Lunan High Speed Railway Co., Ltd. (魯南高速鐵路有限公司)	369,637,534.00	-	369,637,534.00	-	-	It is expected to be strategically held for a long time
Total	1,019,867,488.13	-	1,019,867,488.13	-	-	

(2). Information of non-trading equity instrument investment

Applicable Not applicable

Other explanation:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Other non-current financial assets

Applicable Not applicable

20. Investment properties

Measurement model for investment properties

(1). Investment properties measured under cost method

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Buildings	Land use right	Total
I. Original book value			
1. Opening balance	240,827,881.92	118,614,400.00	359,442,281.92
2. Increase during the current period	102,379,360.00	–	102,379,360.00
(1) Acquisition	–	–	–
(2) Transfer from inventories/fixed assets/construction in progress	102,379,360.00	–	102,379,360.00
3. Closing balance	343,207,241.92	118,614,400.00	461,821,641.92
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	118,443,791.43	29,477,631.56	147,921,422.99
2. Increase during the current period	36,617,027.27	1,371,052.64	37,988,079.91
(1) Provision or amortization	6,408,199.50	1,371,052.64	7,779,252.14
(2) Transfer from inventories/fixed assets/construction in progress	30,208,827.77	–	30,208,827.77
3. Closing balance	155,060,818.70	30,848,684.20	185,909,502.90
III. Carrying amount			
1. Closing carrying amount	188,146,423.22	87,765,715.80	275,912,139.02
2. Opening carrying amount	122,384,090.49	89,136,768.44	211,520,858.93

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Investment properties (Continued)

(1). Investment properties measured under cost method (Continued)

2020

Unit: Yuan Currency: RMB

Item	Buildings	Land use right	Total
I. Original book value			
1. Opening balance	234,163,170.34	118,614,400.00	352,777,570.34
2. Increase for the year	7,747,529.72	—	7,747,529.72
(1) Acquisition	—	—	—
(2) Transfer from inventories/fixed assets/construction in progress	7,747,529.72	—	7,747,529.72
3. Decrease for the year	1,082,818.14	—	1,082,818.14
(1) Disposal	1,082,818.14	—	1,082,818.14
(2) Other transfer-out	—	—	—
4. Closing balance	<u>240,827,881.92</u>	<u>118,614,400.00</u>	<u>359,442,281.92</u>
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	108,508,367.54	26,735,526.29	135,243,893.83
2. Increase for the year	10,302,318.79	2,742,105.27	13,044,424.06
(1) Provision or amortization	10,118,314.96	2,742,105.27	12,860,420.23
(2) Transfer from inventories/fixed assets/construction in progress	184,003.83	—	184,003.83
3. Decrease for the year	366,894.90	—	366,894.90
(1) Disposal or retirement	366,894.90	—	366,894.90
4. Closing balance	<u>118,443,791.43</u>	<u>29,477,631.56</u>	<u>147,921,422.99</u>
III. Carrying amount			
1. Closing carrying amount	<u>122,384,090.49</u>	<u>89,136,768.44</u>	<u>211,520,858.93</u>
2. Opening carrying amount	<u>125,654,802.80</u>	<u>91,878,873.71</u>	<u>217,533,676.51</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Investment properties (Continued)

(2). Information of investment properties for which title certificates have not been obtained:

Applicable Not applicable

Other explanation:

Applicable Not applicable

21. Fixed assets

Presentation of item

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed asset	4,087,601,542.51	4,204,231,031.03
Disposal of fixed assets	—	—
Total	<u>4,087,601,542.51</u>	<u>4,204,231,031.03</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

(1). Information about fixed assets

✓ Applicable □ Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Means of transportation vehicle	Electronic equipment and others	Total
I. Original book value					
1. Opening balance	4,309,863,261.32	1,055,623,629.34	435,355,546.07	1,338,219,403.97	7,139,061,840.70
2. Increase during the current period	28,554,623.22	66,003,021.64	5,760,867.85	67,982,371.77	168,300,884.48
(1) Acquisition	28,394,072.76	6,300,440.28	5,760,867.85	42,828,063.99	83,283,444.88
(2) Transferred from construction in progress	160,550.46	59,702,581.36	-	25,154,307.78	85,017,439.60
3. Decrease during the current period	129,698,678.99	6,002,106.98	12,039,056.99	12,089,525.41	159,829,368.37
(1) Disposal or retirement	27,319,318.99	6,002,106.98	12,039,056.99	12,089,525.41	57,450,008.37
(2) Transferred to investment properties	102,379,360.00	-	-	-	102,379,360.00
4. Closing balance	4,208,719,205.55	1,115,624,544.00	429,077,356.93	1,394,112,250.33	7,147,533,356.81
II. Accumulated depreciation					
1. Opening balance	989,829,488.90	723,024,585.59	372,340,512.07	849,604,105.05	2,934,798,691.61
2. Increase during the current period	60,410,784.10	32,905,272.52	15,585,811.90	79,988,309.59	188,890,178.11
(1) Provision	60,410,784.10	32,905,272.52	15,585,811.90	79,988,309.59	188,890,178.11
3. Decrease during the current period	36,672,892.43	5,983,749.40	10,216,419.31	10,916,112.34	63,789,173.48
(1) Disposal or retirement	6,464,064.66	5,983,749.40	10,216,419.31	10,916,112.34	33,580,345.71
(2) Transferred to investment properties	30,208,827.77	-	-	-	30,208,827.77
4. Closing balance	1,013,567,380.57	749,946,108.71	377,709,904.66	918,676,302.30	3,059,899,696.24
III. Provision for impairment					
1. Opening balance	-	32,118.06	-	-	32,118.06
2. Increase during the current period	-	-	-	-	-
(1) Provision	-	-	-	-	-
3. Decrease during the current period	-	-	-	-	-
(1) Disposal or retirement	-	-	-	-	-
4. Closing balance	-	32,118.06	-	-	32,118.06
IV. Carrying amount					
1. Closing carrying amount	<u>3,195,151,824.98</u>	<u>365,646,317.23</u>	<u>51,367,452.27</u>	<u>475,435,948.03</u>	<u>4,087,601,542.51</u>
2. Opening carrying amount	<u>3,320,033,772.42</u>	<u>332,566,925.69</u>	<u>63,015,034.00</u>	<u>488,615,298.92</u>	<u>4,204,231,031.03</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

(1). Information about fixed assets (Continued)

2020

Unit: Yuan Currency: RMB

Item	Houses and buildings	Machinery equipment	Means of transportation vehicle	Electronic equipment and others	Total
I. Original book value					
1. Opening balance	4,333,395,628.45	987,994,643.88	442,535,612.46	1,205,776,277.66	6,969,702,162.45
2. Increase during the current period	8,651,318.09	96,395,828.30	9,545,852.91	157,771,689.88	272,364,689.18
(1) Acquisition	8,282,006.42	43,758,017.61	9,466,206.89	157,203,728.38	218,709,959.30
(2) Transferred from construction in progress	369,311.67	52,637,810.69	79,646.02	567,961.50	53,654,729.88
3. Decrease during the current period	32,183,685.22	28,766,842.84	16,725,919.30	25,328,563.57	103,005,010.93
(1) Disposal or retirement	24,436,155.50	28,766,842.84	16,725,919.30	25,328,563.57	95,257,481.21
(2) Transferred to investment properties	7,747,529.72	-	-	-	7,747,529.72
4. Closing balance	4,309,863,261.32	1,055,623,629.34	435,355,546.07	1,338,219,403.97	7,139,061,840.70
II. Accumulated depreciation					
1. Opening balance	893,879,564.57	657,684,416.68	331,997,582.78	756,810,232.62	2,640,371,796.65
2. Increase during the current period	110,774,458.95	92,360,809.00	54,188,494.82	116,169,059.75	373,492,822.52
(1) Provision	110,774,458.95	92,360,809.00	54,188,494.82	116,169,059.75	373,492,822.52
3. Decrease during the current period	14,824,534.62	27,020,640.09	13,845,565.53	23,375,187.32	79,065,927.56
(1) Disposal or retirement	14,640,530.79	27,020,640.09	13,845,565.53	23,375,187.32	78,881,923.73
(2) Transferred to investment properties	184,003.83	-	-	-	184,003.83
4. Closing balance	989,829,488.90	723,024,585.59	372,340,512.07	849,604,105.05	2,934,798,691.61
III. Provision for impairment					
1. Opening balance	-	32,118.06	-	-	32,118.06
2. Increase during the current period	-	-	-	-	-
(1) Provision	-	-	-	-	-
3. Decrease during the current period	-	-	-	-	-
(1) Disposal or retirement	-	-	-	-	-
4. Closing balance	-	32,118.06	-	-	32,118.06
IV. Carrying amount					
1. Closing carrying amount	3,320,033,772.42	332,566,925.69	63,015,034.00	488,615,298.92	4,204,231,031.03
2. Opening carrying amount	3,439,516,063.88	330,278,109.14	110,538,029.68	448,966,045.04	4,329,298,247.74

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. Fixed assets (Continued)

(1). *Information about fixed assets* (Continued)

As at 30 June 2021, the original value of fixed assets of the Group which have fully provided for depreciation but are still in use was RMB1,369,941,707.97 (31 December 2020: RMB1,378,535,858.20).

As at 30 June 2021 and 31 December 2020, the Group had no fixed assets used in production and operation, which are temporarily idle.

As at 30 June 2021 and 31 December 2020, the Group had no fixed assets with title restriction.

As at the approval date of this financial statement, the Group was applying for title certificate and handling registration or transfer procedures for houses and buildings with book values totaling RMB1,393,675,613.47 as of 30 June 2021. The management of the Group believed that the Group has the right to legally and effectively occupy and use the above-mentioned houses, and also believed that the above matters will not have any significant adverse impact on the overall financial position of the Group as at 30 June 2021.

(2). *Temporarily-idle fixed assets*

Applicable Not applicable

(3). *Fixed assets leased in through financial leases*

Applicable Not applicable

(4). *Fixed assets leased out through operating leases*

Applicable Not applicable

(5). *Fixed assets for which title certificates have not been obtained*

Applicable Not applicable

Other explanation:

Applicable Not applicable

(6). *Disposal of fixed assets*

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress

Presentation of item

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	1,408,513,897.89	1,421,305,987.45
Construction materials	—	—
Total	<u>1,408,513,897.89</u>	<u>1,421,305,987.45</u>

Construction in progress

(1). *Construction in progress*

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Book balance	Carrying amount	Book balance	Carrying amount
Technology upgrade of rail transportation safety control system	13,851,642.67	13,851,642.67	85,566,760.59	85,566,760.59
CRSC Changsha Industrial Park Project	29,623,484.99	29,623,484.99	25,617,684.61	25,617,684.61
One Center Tower II (壹中心2號樓) Renovation Project	1,239,713,355.64	1,239,713,355.64	1,225,522,120.84	1,225,522,120.84
CRSC Electrochemical Science and Technology Mansion (通號電化科創大廈)	57,806,981.08	57,806,981.08	19,620,273.34	19,620,273.34
Others	67,518,433.51	67,518,433.51	64,979,148.07	64,979,148.07
Total	<u>1,408,513,897.89</u>	<u>1,408,513,897.89</u>	<u>1,421,305,987.45</u>	<u>1,421,305,987.45</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

(2). Changes in important projects under construction for the current period

✓ Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Project name	Opening balance	Increase during the period	Transferred into fixed assets during the period	Transferred into long-term prepaid expenses during the period	Closing balance	Progress of project	Source of fund
Technology upgrade of rail transportation safety control system	85,566,760.59	6,785,393.47	78,500,511.39	-	13,851,642.67	98.28%	Equity fund
CRSC Changsha Industrial Park Project	25,617,684.61	4,005,800.38	-	-	29,623,484.99	73.72%	Equity fund
One Center Tower II (壹中心2號樓) Renovation Project	1,225,522,120.84	14,191,234.80	-	-	1,239,713,355.64	98.20%	Equity fund
CRSC Electrochemical Science and Technology Mansion (通號電化科創大廈)	19,620,273.34	38,186,707.74	-	-	57,806,981.08	10.81%	Equity fund
Others	64,979,148.07	11,508,524.67	6,516,928.21	2,452,311.02	67,518,433.51	/	Equity fund
Total	1,421,305,987.45	74,677,661.06	85,017,439.60	2,452,311.02	1,408,513,897.89	/	/

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

(2). Changes in important projects under construction for the current period (Continued)

2020

Unit: Yuan Currency: RMB

Project name	Opening balance	Increase during the period	Transferred into fixed assets during the period	Transferred into intangible assets during the period	Transferred into long-term prepaid expenses during the period	Closing balance	Progress of project	Source of fund
Technology upgrade of rail transportation safety control system	82,457,989.34	3,108,771.25	-	-	-	85,566,760.59	99.82%	Equity fund
CRSC Changsha Industrial Park Project	12,503,476.88	13,114,207.73	-	-	-	25,617,684.61	99.53%	Equity fund
One Center Tower II (壹中心2號樓) Renovation Project	-	1,225,522,120.84	-	-	-	1,225,522,120.84	97.20%	Equity fund
CRSC Electrochemical Science and Technology Mansion (通號電化科創大廈)	1,232,794.32	18,387,479.02	-	-	-	19,620,273.34	9.81%	Equity fund
Others	64,546,063.09	57,105,022.17	53,654,729.88	2,424,176.17	593,031.14	64,979,148.07	/	Equity fund
Total	160,740,323.63	1,317,237,601.01	53,654,729.88	2,424,176.17	593,031.14	1,421,305,987.45	/	/

As at 30 June 2021 and 31 December 2020, the Group had no construction in progress with title restriction.

As at 30 June 2021 and 31 December 2020, there was no need to make provisions for construction in progress of the Group.

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Construction in progress (Continued)

(3). Provision for impairment of construction in progress made during the period

Applicable Not applicable

Other explanation:

Applicable Not applicable

Construction materials

Applicable Not applicable

23. Productive biological assets

(1). Productive biological assets measured under cost method

Applicable Not applicable

(2). Productive biological assets measured at fair value

Applicable Not applicable

Other explanation:

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Right-of-use assets

✓ Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Houses and buildings	Means of transportation vehicles	Total
I. Original book value			
1. Opening balance	272,143,300.07	1,731,001.25	273,874,301.32
2. Increase during the current period	94,730,787.67	–	94,730,787.67
3. Decrease during the current period	401,160.32	–	401,160.32
4. Closing balance	366,472,927.42	1,731,001.25	368,203,928.67
II. Accumulated depreciation			
1. Opening balance	133,527,884.09	786,826.04	134,314,710.13
2. Increase during the current period	38,875,477.35	12,902.74	38,888,380.09
(1) Provision	38,875,477.35	12,902.74	38,888,380.09
3. Decrease during the current period	345,895.19	–	345,895.19
(1) Disposal	345,895.19	–	345,895.19
4. Closing balance	172,057,466.25	799,728.78	172,857,195.03
III. Carrying amount			
1. Closing carrying amount	194,415,461.17	931,272.47	195,346,733.64
2. Opening carrying amount	138,615,415.98	944,175.21	139,559,591.19

NOTES TO FINANCIAL STATEMENTS

30 June 2021
RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Right-of-use assets (Continued)

2020

Unit: Yuan Currency: RMB

Item	Houses and buildings	Means of transportation vehicles	Total
I. Original book value			
1. Opening balance	236,870,638.45	2,024,535.35	238,895,173.80
2. Increase during the current period	66,853,123.08	—	66,853,123.08
3. Decrease during the current period	31,580,461.46	293,534.10	31,873,995.56
4. Closing balance	<u>272,143,300.07</u>	<u>1,731,001.25</u>	<u>273,874,301.32</u>
II. Accumulated depreciation			
1. Opening balance	79,511,525.30	956,108.65	80,467,633.95
2. Increase during the current period			
(1) Provision	74,181,171.93	26,049.77	74,207,221.70
3. Decrease during the current period			
(1) Disposal	20,164,813.14	195,332.38	20,360,145.52
4. Closing balance	<u>133,527,884.09</u>	<u>786,826.04</u>	<u>134,314,710.13</u>
III. Carrying amount			
1. Closing carrying amount	<u>138,615,415.98</u>	<u>944,175.21</u>	<u>139,559,591.19</u>
2. Opening carrying amount	<u>157,359,113.15</u>	<u>1,068,426.70</u>	<u>158,427,539.85</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets

(1). Information about intangible assets

✓ Applicable □ Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Land use rights	Patent	Software	Unfinished contract	Customer relationships	Total
I. Original book value						
1. Opening balance	2,451,378,126.02	644,286,691.29	344,277,693.65	169,921,119.24	244,325,834.78	3,854,189,464.98
2. Increase during the current period	-	9,253,906.90	7,862,801.08	-	-	17,116,707.98
(1) Acquisition	-	1,185,586.08	7,862,801.08	-	-	9,048,387.16
(2) Internal research and development	-	8,068,320.82	-	-	-	8,068,320.82
3. Decrease during the current period	-	5,419,696.10	-	-	-	5,419,696.10
(1) Disposal	-	5,419,696.10	-	-	-	5,419,696.10
4. Closing balance	<u>2,451,378,126.02</u>	<u>648,120,902.09</u>	<u>352,140,494.73</u>	<u>169,921,119.24</u>	<u>244,325,834.78</u>	<u>3,865,886,476.86</u>
II. Accumulated amortization						
1. Opening balance	393,269,528.30	320,376,951.68	300,141,696.61	169,921,119.24	163,283,589.84	1,346,992,885.67
2. Increase during the current period	25,494,247.73	29,103,525.35	18,541,411.88	-	13,507,040.82	86,646,225.78
(1) Provision	25,494,247.73	29,103,525.35	18,541,411.88	-	13,507,040.82	86,646,225.78
3. Decrease during the current period	-	5,419,696.10	-	-	-	5,419,696.10
(1) Disposal	-	5,419,696.10	-	-	-	5,419,696.10
4. Closing balance	<u>418,763,776.03</u>	<u>344,060,780.93</u>	<u>318,683,108.49</u>	<u>169,921,119.24</u>	<u>176,790,630.66</u>	<u>1,428,219,415.35</u>
III. Carrying amount						
1. Closing carrying amount	<u>2,032,614,349.99</u>	<u>304,060,121.16</u>	<u>33,457,386.24</u>	<u>-</u>	<u>67,535,204.12</u>	<u>2,437,667,061.51</u>
2. Opening carrying amount	<u>2,058,108,597.72</u>	<u>323,909,739.61</u>	<u>44,135,997.04</u>	<u>-</u>	<u>81,042,244.94</u>	<u>2,507,196,579.31</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(1). Information about intangible assets (Continued)

2020

Unit: Yuan Currency: RMB

Item	Land use rights	Patent	Software	Unfinished contract	Customer relationships	Total
I. Original book value						
1. Opening balance	2,460,811,798.92	435,973,623.12	312,220,509.63	169,921,119.24	244,325,834.78	3,623,252,885.69
2. Increase during the current period	2,437,379.15	208,313,068.17	32,234,230.89	-	-	242,984,678.21
(1) Acquisition	13,202.98	78,187.74	32,234,230.89	-	-	32,325,621.61
(2) Internal research and development	-	208,234,880.43	-	-	-	208,234,880.43
(3) Transferred from construction in progress	2,424,176.17	-	-	-	-	2,424,176.17
3. Decrease during the current period	11,871,052.05	-	177,046.87	-	-	12,048,098.92
(1) Disposal	11,871,052.05	-	-	-	-	11,871,052.05
(2) Retirement	-	-	177,046.87	-	-	177,046.87
4. Closing balance	2,451,378,126.02	644,286,691.29	344,277,693.65	169,921,119.24	244,325,834.78	3,854,189,464.98
II. Accumulated amortization						
1. Opening balance	344,949,858.92	296,515,686.09	258,987,766.47	169,921,119.24	136,069,658.20	1,206,444,088.92
2. Increase during the current period	51,186,500.63	23,861,265.59	41,330,977.01	-	27,213,931.64	143,592,674.87
(1) Provision	51,186,500.63	23,861,265.59	41,330,977.01	-	27,213,931.64	143,592,674.87
3. Decrease during the current period	2,866,831.25	-	177,046.87	-	-	3,043,878.12
(1) Disposal	2,866,831.25	-	-	-	-	2,866,831.25
(2) Retirement	-	-	177,046.87	-	-	177,046.87
4. Closing balance	393,269,528.30	320,376,951.68	300,141,696.61	169,921,119.24	163,283,589.84	1,346,992,885.67
III. Carrying amount						
1. Closing carrying amount	2,058,108,597.72	323,909,739.61	44,135,997.04	-	81,042,244.94	2,507,196,579.31
2. Opening carrying amount	2,115,861,940.00	139,457,937.03	53,232,743.16	-	108,256,176.58	2,416,808,796.77

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

26. Intangible assets (Continued)

(1). Information about intangible assets (Continued)

As at 30 June 2021 and 31 December 2020, the Group had no intangible assets with title restriction.

As at the end of the current period, the intangible assets derived from the Company's internal research and development accounted for 0.33% of the balance of intangible assets (31 December 2020: 8.31%).

As of the approval date of this financial statement, the Group has obtained the title certificates and completed the procedures for registration for the land use rights as at 30 June 2021.

(2). Information about land use rights for which a certificate of title has not been obtained

Applicable Not applicable

Other explanation:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Development expenditure

✓ Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period		Closing balance
		Internal development expenditure	Recognised as intangible assets	Transferred to profit or loss for the period	
Development expenditure	139,208,125.21	327,601,020.33	8,068,320.82	214,035,861.21	244,704,963.51
Total	139,208,125.21	327,601,020.33	8,068,320.82	214,035,861.21	244,704,963.51

2020

Unit: Yuan Currency: RMB

Item	Opening balance	Increase during the current period	Decrease during the current period		Closing balance
		Internal development expenditure	Recognised as intangible assets	Transferred to profit or loss for the period	
Development expenditure	47,507,051.83	793,832,628.56	208,234,880.43	493,896,674.75	139,208,125.21
Total	47,507,051.83	793,832,628.56	208,234,880.43	493,896,674.75	139,208,125.21

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Goodwill

(1). Original carrying amount of goodwill

✓ Applicable □ Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Name of investee or matters resulting in goodwill	Opening balance	Increase during the period	Decrease during the period	Closing balance
		Arising from business combination	Disposal	
CRSC CASCO	201,027,354.70	–	–	201,027,354.70
Changsha Architectural Design Institute Co., Ltd (長沙市建築設計院有限責任公司)	37,429,932.37	–	–	37,429,932.37
Zhengzhou Zhongyuan CRSC (Zhengzhou) Zhong'an Engineering Co., Ltd. (中國鐵路通信信號(鄭州)中安工程有限公司)	30,525,980.16	–	–	30,525,980.16
CRSC Wanquan	27,673,509.65	–	–	27,673,509.65
CRSC First Construction Co., Ltd. (通號建設集團第一工程有限公司)	3,865,524.80	–	–	3,865,524.80
Shanghai Deuta Electronic & Electrical Equipment Co., Ltd. (上海德意達電子電器設備有限公司)	3,802,223.24	–	–	3,802,223.24
Others	669,345.89	–	–	669,345.89
	330,257.77	–	–	330,257.77
Total	305,324,128.58	–	–	305,324,128.58

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Goodwill (Continued)

(1). Original carrying amount of goodwill (Continued)

2020

Name of investee or matters resulting in goodwill	Opening balance	Increase during the period Arising from business combination	Unit: Yuan Currency: RMB	
			Decrease during the period Disposal	Closing balance
CRSC CASCO	201,027,354.70	–	–	201,027,354.70
Changsha Architectural Design Institute Co., Ltd (長沙市建築設 計院有限責任公司)	37,429,932.37	–	–	37,429,932.37
Zhengzhou Zhongyuan CRSC (Zhengzhou) Zhong'an Engineering Co., Ltd. (中國鐵 路通信信號(鄭州)中安工程有限 公司)	30,525,980.16	–	–	30,525,980.16
CRSC Wanquan	27,673,509.65	–	–	27,673,509.65
CRSC First Construction Co., Ltd. (通號建設集團第一工程有 限公司)	3,865,524.80	–	–	3,865,524.80
Shanghai Deuta Electronic & Electrical Equipment Co., Ltd. (上海德意達電子電器設備有限 公司)	3,802,223.24	–	–	3,802,223.24
Others	669,345.89	–	–	669,345.89
	330,257.77	–	–	330,257.77
Total	305,324,128.58	–	–	305,324,128.58

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

28. Goodwill (Continued)

(2). Provision for impairment of goodwill

Applicable Not applicable

(3). Information about the asset group or combination of asset groups to which the goodwill belongs

Applicable Not applicable

(4). Explain the process of goodwill impairment test, key parameters (e.g. forecast period growth rate, stable period growth rate, profit rate, discount rate, forecast period, etc. in case of present value of expected future cash flow, if applicable) and the recognition method of goodwill impairment loss

Applicable Not applicable

(5). Impact of goodwill impairment test

Applicable Not applicable

Other explanation:

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Long-term prepaid expenses

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Amortization amount for the period	Transferred from construction in progress	Closing balance
Expenses on leasehold improvements	52,132,184.27	3,916,161.86	24,047,355.71	2,452,311.02	34,453,301.44
Total	<u>52,132,184.27</u>	<u>3,916,161.86</u>	<u>24,047,355.71</u>	<u>2,452,311.02</u>	<u>34,453,301.44</u>

2020

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Amortization amount for the period	Transferred from construction in progress	Closing balance
Expenses on leasehold improvements	56,221,830.76	34,204,164.64	38,886,842.27	593,031.14	52,132,184.27
Total	<u>56,221,830.76</u>	<u>34,204,164.64</u>	<u>38,886,842.27</u>	<u>593,031.14</u>	<u>52,132,184.27</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. Deferred tax assets/liabilities

(1). Deferred tax assets not offset

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	1,019,116,315.98	213,568,622.82	950,141,971.66	199,951,041.14
Unrealized profit in intra-group transactions	116,331,511.94	29,082,877.99	164,914,639.63	41,228,659.90
Deferred income	153,167,209.75	28,787,690.46	148,076,033.16	26,008,505.94
Provisions	48,624,618.94	8,690,333.77	60,105,682.80	10,435,420.88
Unpaid employee benefits payable	46,474,607.22	9,137,938.67	43,180,336.63	8,507,615.61
Others	16,581,589.45	3,108,963.95	9,529,118.75	2,059,348.70
Total	1,400,295,853.28	292,376,427.66	1,375,947,782.63	288,190,592.17

(2). Deferred tax liabilities not offset

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Fair value adjustment of business combination not under common control	112,908,012.78	28,227,003.20	130,948,320.34	32,737,080.08
Depreciation of fixed assets	55,615,295.27	8,342,294.29	56,201,327.99	8,430,199.21
Floating profit and loss in portion of positions of copper futures	—	—	3,013,450.00	452,017.50
Total	168,523,308.05	36,569,297.49	190,163,098.33	41,619,296.79

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. Deferred tax assets/liabilities (Continued)

(3). Deferred tax assets or liabilities stated on a net basis after offset

Applicable Not applicable

(4). Breakdown of unrecognised deferred tax assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	35,453,841.22	26,539,688.22
Deductible loss	358,627,933.20	294,623,403.71
Total	<u>394,081,774.42</u>	<u>321,163,091.93</u>

Note: The Group believes that it is not likely to generate taxable income for deducting the above deductible temporary differences and deductible losses in the future. The deferred income tax assets of the above items as a result are not recognised.

(5). Deductible loss for which no deferred tax assets are recognised will become due in the following years

Applicable Not applicable

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount	Remarks
2021	95,906,394.75	95,906,394.74	
2022	100,020,681.17	100,020,681.17	
2023	62,114,148.56	63,219,209.87	
2024	13,098,485.21	13,098,485.21	
2025	22,378,632.72	22,378,632.72	
2026	65,109,590.79	—	
Total	<u>358,627,933.20</u>	<u>294,623,403.71</u>	/

Other explanation:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31. Other non-current assets

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment	Book value	Carrying amount	Provision for impairment	Book value
Project quality deposit	292,183,098.27	1,130,862.47	291,052,235.80	320,827,602.11	774,719.13	320,052,882.98
Prepayment for fixed assets	43,556,554.83	-	43,556,554.83	29,714,171.68	-	29,714,171.68
"Build-Operate-Transfer" project receivables (note)	4,469,696,200.74	49,218,081.57	4,420,478,119.17	-	-	-
Less: Non-current assets due within one year	-96,615,661.25	-163,846.20	-96,451,815.05	-146,078,975.30	-235,806.14	-145,843,169.16
Total	4,708,820,192.59	50,185,097.84	4,658,635,094.75	204,462,798.49	538,912.99	203,923,885.50

Changes in impairment provision for long-term project quality deposit receivables and "Build-Operate-Transfer" project receivables:

Unit: Yuan Currency: RMB

	30 June 2021	31 December 2020
Closing balance of last year	774,719.13	953,149.98
Transferred into during the period/year	49,907,059.57	-
Provision for the period/year	1,212,774.44	459,241.59
Reversal for the period/year	-1,545,609.10	-637,672.44
Closing balance for the period/year	50,348,944.04	774,719.13

Note: As at 30 June 2021, the Group's other non-current assets with book value of RMB4,119,593,823.27 and accounts receivable of RMB204,927,480.10 (31 December 2020: long-term receivables with book value of RMB4,092,306,736.92), which were formed by the earning rights of the franchise pledged and all proceeds under it, were used to obtain long-term loans of RMB2,110,841,121.60 (31 December 2020: RMB1,900,360,668.00) (Notes VII. 45 and 81).

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. Short-term borrowings

(1). Classification of short-term borrowings

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Secured borrowings (Note)	2,524,573.51	52,492,742.32
Credit loans	37,000,000.00	439,091,650.21
Total	39,524,573.51	491,584,392.53

Note: As at 30 June 2021, the book value of bank acceptances secured by the Group was RMB2,524,573.51, which were made for obtaining short-term borrowings of RMB2,524,573.51. As at 31 December 2020, bank acceptances and commercial acceptances secured by the Group was RMB2,561,294.29 and RMB49,931,448.03, respectively, which were made to obtain short-term borrowings of RMB52,492,742.32, please refer to Note VII. 81.

As at 30 June 2021, the annual interest rate on the above borrowings ranged from 2.50% to 4.35% (as at 31 December 2020, the annual interest rate on the above borrowings ranged from 2.50% to 4.35%).

As at 30 June 2021 and 31 December 2020, the Group had no unpaid overdue short-term borrowing balance payable.

(2). Information about overdue but unpaid short-term borrowings

Applicable Not applicable

Other Explanations:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. Financial liabilities held for trading

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. Bills payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Type of bills	Closing balance	Opening balance
Commercial acceptances	1,172,650,953.16	1,129,030,230.29
Bank acceptances	1,062,545,735.71	845,353,199.28
Total	<u>2,235,196,688.87</u>	<u>1,974,383,429.57</u>

As at 30 June 2021 and 31 December 2020, the Group had no outstanding bills payable which were due.

36. Accounts payable

(1). Breakdown of accounts payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	38,571,266,506.44	37,368,575,551.13
1 to 2 years	3,927,713,673.43	4,429,474,511.68
2 to 3 years	2,192,938,221.11	1,706,698,954.74
Over 3 years	1,431,250,087.66	1,201,135,479.55
Total	<u>46,123,168,488.64</u>	<u>44,705,884,497.10</u>

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

36. Accounts payable (Continued)

(2). Major accounts payable aged over one year

Applicable Not applicable

As at 30 June 2021, major accounts payable aged over one year are presented as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for unsettlement or carrying forward
Aggregate top five accounts payable aged over one year	<u>495,267,391.11</u>	Project payment or materials payment, not settled
Total	<u><u>495,267,391.11</u></u>	/

As at 31 December 2020, major accounts payable aged over one year are presented as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for unsettlement or carrying forward
Aggregate top five accounts payable aged over one year	<u>429,242,346.54</u>	Project payment or materials payment, not settled
Total	<u><u>429,242,346.54</u></u>	/

Other Explanations:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

37. Advance receipts

(1). Breakdown of advance receipts

Applicable Not applicable

(2). Major advance receipts aged over one year

Applicable Not applicable

Other Explanations:

Applicable Not applicable

38. Contract liabilities

(1). Information about contract liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Advance receipts	1,887,777,314.48	1,864,042,735.13
Incomplete project, settled	4,927,530,897.71	4,968,123,883.98
Total	<u>6,815,308,212.19</u>	<u>6,832,166,619.11</u>

(2). Amount of and reason for significant change in carrying amount within the Reporting Period

Applicable Not applicable

Other Explanations:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. Employee benefits payable

(1). Breakdown of employee benefits payable

✓ Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term benefits	529,364,508.45	2,086,787,506.78	2,005,880,171.98	610,271,843.25
II. Post-employment benefits (defined contribution plan)	22,799,554.90	312,909,803.23	308,863,015.42	26,846,342.71
III. Dismissal benefits	50,396.79	346,266.00	346,266.00	50,396.79
IV. Other benefits due within one year	47,921,000.00	19,492,000.00	19,492,000.00	47,921,000.00
Total	600,135,460.14	2,419,535,576.01	2,334,581,453.40	685,089,582.75

2020

Unit: Yuan Currency: RMB

Item	Opening balance for the year	Increase for the year	Decrease for the year	Closing balance for the year
I. Short-term benefits	508,911,354.82	4,626,539,847.77	4,606,086,694.14	529,364,508.45
II. Post-employment benefits (defined contribution plan)	25,178,087.48	378,823,608.33	381,202,140.91	22,799,554.90
III. Dismissal benefits	50,396.79	4,598,187.52	4,598,187.52	50,396.79
IV. Other benefits due within one year	53,209,000.00	40,303,000.00	45,591,000.00	47,921,000.00
Total	587,348,839.09	5,050,264,643.62	5,037,478,022.57	600,135,460.14

NOTES TO FINANCIAL STATEMENTS

30 June 2021

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. Employee benefits payable (Continued)

(2). Breakdown of short-term benefits

✓ Applicable □ Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Wages, bonuses, allowances and subsidies	82,657,923.75	1,489,107,900.04	1,441,652,593.06	130,113,230.73
II. Employee welfare benefits	237,875,376.84	137,608,866.14	112,397,598.14	263,086,644.84
III. Social insurance premiums	55,108,900.96	173,597,651.54	170,359,258.67	58,347,293.83
Including: medical insurance premiums	53,670,433.98	159,279,440.46	156,193,125.69	56,756,748.75
Industrial injury insurance premiums	538,972.72	7,392,662.39	7,263,326.76	668,308.35
Maternity insurance premiums	899,494.26	6,925,548.69	6,902,806.22	922,236.73
IV. Housing provident fund	3,283,173.65	169,857,251.40	171,612,468.18	1,527,956.87
V. Labor union funds and staff education funds	150,197,946.72	43,282,323.91	36,283,553.65	157,196,716.98
VI. Other short-term remunerations	241,186.53	73,333,513.75	73,574,700.28	—
Total	529,364,508.45	2,086,787,506.78	2,005,880,171.98	610,271,843.25

2020

Unit: Yuan Currency: RMB

Item	Opening balance for the year	Increase for the year	Decrease for the year	Closing balance for the year
I. Wages, bonuses, allowances and subsidies	126,227,908.50	3,412,542,203.13	3,456,112,187.88	82,657,923.75
II. Employee welfare benefits	186,930,166.84	287,688,892.83	236,743,682.83	237,875,376.84
III. Social insurance premiums	56,448,781.27	310,136,874.99	311,476,755.30	55,108,900.96
Including: medical insurance premiums	54,814,788.75	292,745,887.72	293,890,242.49	53,670,433.98
Industrial injury insurance premiums	625,117.75	7,147,058.47	7,233,203.50	538,972.72
Maternity insurance premiums	1,008,874.77	10,243,928.80	10,353,309.31	899,494.26
IV. Housing provident fund	992,638.99	340,480,395.11	338,189,860.45	3,283,173.65
V. Labor union funds and staff education funds	138,116,520.67	106,968,866.90	94,887,440.85	150,197,946.72
VI. Other short-term remunerations	195,338.55	168,722,614.81	168,676,766.83	241,186.53
Total	508,911,354.82	4,626,539,847.77	4,606,086,694.14	529,364,508.45

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

39. Employee benefits payable (Continued)

(3). Breakdown of defined contribution plan

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	11,201,815.15	228,902,589.81	225,373,678.10	14,730,726.86
2. Unemployment insurance	674,629.12	8,436,948.58	8,571,337.99	540,239.71
3. Enterprise annuity payment	10,923,110.63	75,570,264.84	74,917,999.33	11,575,376.14
Total	<u>22,799,554.90</u>	<u>312,909,803.23</u>	<u>308,863,015.42</u>	<u>26,846,342.71</u>

2020

Unit: Yuan Currency: RMB

Item	Opening balance for the year	Increase for the year	Decrease for the year	Closing balance for the year
1. Basic pension insurance	14,912,018.30	222,711,237.15	226,421,440.30	11,201,815.15
2. Unemployment insurance	771,114.99	8,876,145.74	8,972,631.61	674,629.12
3. Enterprise annuity payment	9,494,954.19	147,236,225.44	145,808,069.00	10,923,110.63
Total	<u>25,178,087.48</u>	<u>378,823,608.33</u>	<u>381,202,140.91</u>	<u>22,799,554.90</u>

Other explanations:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

30 June 2021

RMB

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Taxes payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Value-added tax	330,472,425.72	446,934,275.58
Land use tax and property tax	3,223,126.96	3,526,376.91
Enterprise income tax	286,285,847.79	370,343,712.56
Individual income tax	9,236,343.74	72,934,389.07
City construction and maintenance tax	10,098,352.34	18,191,692.40
Educational surcharge	4,972,058.18	10,905,841.34
Other	13,125,583.33	7,751,167.71
Total	<u>657,413,738.06</u>	<u>930,587,455.57</u>

41. Other payables

Presentation of item

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends payable	2,267,893,254.57	–
Other payables	1,382,904,189.52	1,979,340,519.78
Total	<u>3,650,797,444.09</u>	<u>1,979,340,519.78</u>

Interest payable

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables (Continued)

Dividends payable

Applicable Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends of ordinary shares	2,117,963,800.00	–
Dividends of minority shareholders of subsidiaries	149,929,454.57	–
Total	<u>2,267,893,254.57</u>	<u>–</u>

Other payables

(1). Breakdown of other payables by nature

Applicable Not applicable

Unit: yuan Currency: RMB

Item	Closing balance	Opening balance
Current payments	287,865,054.85	1,178,444,909.70
Deposits and margins	790,287,397.70	575,169,985.25
Acquisition of fixed assets and construction in progress	258,400,303.68	184,291,801.72
Public facility maintenance funds	17,782,653.71	17,800,854.64
Other	28,568,779.58	23,632,968.47
Total	<u>1,382,904,189.52</u>	<u>1,979,340,519.78</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

41. Other payables (Continued)

Other payables (Continued)

(2). Major other payables aged over one year

Applicable Not applicable

As at 30 June 2021, major other payables aged over one year are presented as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for unsettlement or carrying forward
Aggregate top five other payables aged over one year	<u>74,869,914.33</u>	Current Payments, not settled
Total	<u><u>74,869,914.33</u></u> /	

As at 31 December 2020, major other payables aged over one year are presented as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Reason for unsettlement or carrying forward
Aggregate top five other payables aged over one year	<u>84,342,526.58</u>	Current Payments, not settled
Total	<u><u>84,342,526.58</u></u> /	

Other explanation:

Applicable Not applicable

Aging of other payables:

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year	1,126,385,396.78	1,673,136,246.93
1-2 years	183,178,435.34	245,206,795.40
2-3 years	24,986,081.26	13,391,925.65
Over 3 years	<u>48,354,276.14</u>	<u>47,605,551.80</u>
Total	<u><u>1,382,904,189.52</u></u>	<u><u>1,979,340,519.78</u></u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42. Liabilities held for sale

Applicable Not applicable

43. Non-current liabilities due within one year

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	140,519,092.80	128,719,092.80
Long-term payables due within one year	39,047,614.30	42,421,794.65
Lease liabilities due within one year	67,959,511.05	44,953,894.42
Total	<u>247,526,218.15</u>	<u>216,094,781.87</u>

44. Other current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Output VAT to be transferred	358,673,449.58	318,084,860.46
Provisions	16,466,815.70	20,230,658.56
Total	<u>375,140,265.28</u>	<u>338,315,519.02</u>

Increase or decrease in short-term bonds payable:

Applicable Not applicable

Other explanation:

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45. Long-term borrowings

(1). Classification of long-term borrowings

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledged borrowings (Note 1)	2,110,841,121.60	1,900,360,668.00
Guaranteed borrowings (Note 2)	224,000,000.00	224,000,000.00
Long-term borrowings due within one year	-140,519,092.80	-128,719,092.80
Total	<u>2,194,322,028.80</u>	<u>1,995,641,575.20</u>

Explanation on classification of long-term borrowings:

Note 1: As at 30 June 2021, the Group's other non-current assets with book value of RMB4,119,593,823.27 and accounts receivable of RMB204,927,480.10 (31 December 2020: long-term receivables with book value of RMB4,092,306,736.92), which were formed by the earning rights of the franchise pledged and all proceeds under it, were used to obtain long-term loans of RMB2,110,841,121.60 (31 December 2020: RMB1,900,360,668.00). For details, please refer to Notes VII. 81.

Note 2: As at 30 June 2021, the Group's guaranteed loans amounted to RMB224,000,000.00, which was secured by the guarantee made by the Company's third-tier subsidiary First Construction for its subsidiary Yibin Tonghao Hongshun Project Management Co., Ltd. (宜賓通號鴻順項目管理有限責任公司). The term of the loan is from 30 May 2018 to 29 May 2028.

As at 30 June 2021, the long-term borrowing balance due within one to five years was RMB169,000,000.00, and the long-term borrowing balance due over five years was RMB2,025,322,028.80 (as at 31 December 2020, the long-term borrowing balance due within one to five years was RMB764,900,000.00, and the long-term borrowing balance due over five years was RMB1,230,741,575.20).

The above borrowings are bank borrowings made at variable annual interest rates ranging from 3.30% to 5.39%.

Other explanations, including interest rate range:

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

46. Bonds payable

(1). *Bonds payable*

Applicable Not applicable

(2). *Increase or decrease in bonds payable (excluding preferred shares, perpetual bonds and other financial instruments classified as financial liabilities)*

Applicable Not applicable

(3). *Explanation about the conditions and timing of conversion of convertible corporate bonds*

Applicable Not applicable

(4). *Explanation about other financial instruments classified as financial liabilities*

Basic information on preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

Applicable Not applicable

Statement on changes in preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

Applicable Not applicable

Explanation about basis for classifying other financial instruments as financial liabilities

Applicable Not applicable

Other explanation:

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47. Lease liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Lease liabilities	186,810,938.43	125,631,000.71
Less: lease liabilities due within one year	-67,959,511.05	-44,953,894.42
Total	<u>118,851,427.38</u>	<u>80,677,106.29</u>

The book value of lease liabilities and its changes for the period are as follows:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	2020
Opening balance for the period/year	125,631,000.71	147,949,221.53
Increase for the period/year	94,514,561.11	64,708,268.93
Interest expense	4,110,748.62	7,800,474.53
Decrease for the period/year- modification of lease	-	11,190,314.37
Decrease for the period/year- lease payments	37,445,372.01	83,636,649.91
Closing balance for the period/year	<u>186,810,938.43</u>	<u>125,631,000.71</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

48. Long-term payables

Presentation of item

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term payables	68,996,272.20	77,846,656.30
Special payables	—	—
Total	<u>68,996,272.20</u>	<u>77,846,656.30</u>

Long-term payables

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction quality guarantee deposits	108,043,886.50	120,268,450.95
Less: long-term payables due within one year	-39,047,614.30	-42,421,794.65
Total	<u>68,996,272.20</u>	<u>77,846,656.30</u>

Special payables

Applicable Not applicable

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Long-term employee remunerations payable

Applicable Not applicable

(1) Statement on long-term employee remunerations payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Post-employment benefits (net liabilities under defined benefit plans)	592,953,000.00	599,609,000.00
II. Dismissal benefits	19,515,000.00	22,396,000.00
Less: remunerations payable within one year	-47,921,000.00	-47,921,000.00
Total	<u>564,547,000.00</u>	<u>574,084,000.00</u>

The Group pays supplementary retirement benefits for its employees in Mainland China who retired on or before 31 December 2012 in addition to the contributions made to statutory insurance plans. Such supplementary retirement benefits are defined benefit plans. These plans include monthly pension benefits, medical reimbursement benefits, annual medical insurance premiums, and funeral benefits for employees who are retired. The Group's obligations in respect of supplementary retirement benefits are determined by estimating the amount of obligations that the Group is committed to paying to the employees after their retirement using actuarial techniques. The amount of the subsidy is determined based on the period during which the employee serves the Group and the relevant subsidy and welfare policy.

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Long-term employee remunerations payable (Continued)

(1) *Statement on long-term employee remunerations payable* (Continued)

Some employees of the Group have gone through internal retirement. The internal retirement payables are accrued in the relevant legal entities within the Group during the period in which the Group has entered into relevant agreements/documents with relevant employees or informing individual employees of the specific internal retirement terms. The specific terms of internal retirement vary depending on factors such as the position of the relevant employee, length of service and the region of service.

The plan is subject to interest rate risk, risk of changes in life expectancy of pension beneficiaries, and stock market risks.

Such supplementary retirement benefits are discounted with the discount rate which determined by referring to the yield rate of the PRC treasury bonds with the maturity date similar to the period of the obligations assumed by the Group at the end of the Reporting Period. The service cost and net interest income and expenditures from the supplementary retirement benefits are recorded in the profit or loss for the current period when incurred, while the changes in liabilities from the remeasurement of supplementary retirement benefits are recorded in other comprehensive income.

No planned asset has been established for the defined benefit plan by the Group as at 30 June 2021 and 31 December 2020.

The actuarial method and key assumption adopted for the calculation of the Group's supplementary retirement benefits and internal retirement payables in each year/period are as follows:

Name of the independent actuary	: Towers Watson Consulting (Shenzhen) Co.,Ltd. (韜睿惠悅管理諮詢(深圳)有限公司), Wu Haichuan;
Qualifications	: Member of the Society of Actuaries, member of the American Academy of Actuaries, fellow of China Association of Actuaries and Chartered Enterprise Risk Analyst;
Actuarial method	: The Group has adopted expected accumulated benefit unit method in its annual actuarial valuation, and the rolling method in its interim actuarial valuation;
Key assumption	: The annual growth rate of average medical costs, the annual growth rate of unreimbursed funeral costs, the annual growth rate of supplementary retirement benefits for retired employee, the annual growth rate of testament grant benefits, the annual growth rate of early retirement benefits and the death rate remain unchanged.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Long-term employee remunerations payable (Continued)

(1) Statement on long-term employee remunerations payable (Continued)

The following table shows the main actuarial assumptions used on the balance sheet date:

	30 June 2021	31 December 2020
Discount rate	3.25%	3.25%
Mortality rate	Average mortality rate of residents in Mainland China	Average mortality rate of residents in Mainland China
Average life expectancy	16	16
Average annual growth rate of medical expenses	8.00%	8.00%
Growth rate of supplementary pension benefits for retired personnel	3.00%	3.00%
Annual growth rate of benefits for internal retired personnel	4.50%	4.50%

Relevant plans recognised in profit or loss are as follows:

	For the six months ended 30 June 2021	2020
Historical service costs included in management expenses	–	-26,631,000.00
Settlement losses/(gains) included in management expenses	123,000.00	-588,000.00
Net interests included in management expenses	9,779,000.00	22,202,000.00
	<u>9,902,000.00</u>	<u>-5,017,000.00</u>

Relevant plans recognised in other comprehensive income are as follows:

	For the six months ended 30 June 2021	2020
Actuarial loss due to empirical differences	53,000.00	-40,842,000.00
	<u>53,000.00</u>	<u>-40,842,000.00</u>

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Long-term employee remunerations payable (Continued)

(2) Changes in defined benefit plans

Present value of obligations under defined benefit plans:

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last year
I. Opening balance	622,005,000.00	713,455,000.00
II. The defined benefit cost included in the current profit and loss	9,902,000.00	-5,017,000.00
1. Current service costs	-	-26,631,000.00
2. Settlement gains (losses indicated by "-")	123,000.00	-588,000.00
3. Net interests	9,779,000.00	22,202,000.00
III. The defined benefits cost included in other comprehensive income	53,000.00	-40,842,000.00
1. Actuarial gains (losses indicated by "-")	53,000.00	-40,842,000.00
IV. Other changes	-19,492,000.00	-45,591,000.00
1. Benefits paid	-19,492,000.00	-45,591,000.00
V. Closing balance	612,468,000.00	622,005,000.00

Plan assets:

Applicable Not applicable

Net liabilities (net assets) under defined benefit plans

Applicable Not applicable

Explanation about impacts of the details of the defined benefit plan and its associated risks on the Company's future cash flow, timing, and uncertainty:

Applicable Not applicable

Key actuarial assumptions and sensitivity analysis results of defined benefit plans

Applicable Not applicable

Other explanation:

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

50. Estimated liabilities

✓ Applicable □ Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Reason
Product quality guarantees	50,831,899.20	39,706,497.94	Note
Onerous contracts to be performed	10,847,823.53	10,847,823.53	/
Less: estimated liabilities due within one year	-20,230,658.56	-16,466,815.70	/
Total	<u>41,449,064.17</u>	<u>34,087,505.77</u>	/

2020

Unit: Yuan Currency: RMB

Item	Opening balance for the year	Closing balance for the year	Reason
Product quality guarantees	79,538,007.83	50,831,899.20	Note
Onerous contracts to be performed	12,651,022.35	10,847,823.53	/
Less: estimated liabilities due within one year	-18,664,590.73	-20,230,658.56	/
Total	<u>73,524,439.45</u>	<u>41,449,064.17</u>	/

Note: The Group estimates the quality guarantee deposits according to the sales revenue and the estimated warranty rate taking into account the different stages of the product life cycle of different products. The estimated rate of warranty occurrence is based on the historical experience data of the actual occurrence of warranty for the same type of products, and may be estimated according to significant changes due to the different stages of product life cycle of different products and similar products. As at the balance sheet date, the quality guarantee deposits that the Group expects to incur in the future under the above method shall be included into the profit or loss for the period.

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

51. Deferred income

Deferred income

✓ Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Government grants related to assets	73,362,003.10	500,700.00	1,886,221.64	71,976,481.46
Government grants related to income	77,572,429.65	32,729,983.94	4,252,677.60	106,049,735.99
Total	150,934,432.75	33,230,683.94	6,138,899.24	178,026,217.45

2020

Unit: Yuan Currency: RMB

Item	Opening balance for the year	Increase for the year	Decrease for the year	Closing balance for the year
Government grants related to assets	74,951,361.26	537,357.00	2,126,715.16	73,362,003.10
Government grants related to income	80,869,491.66	35,911,733.59	39,208,795.60	77,572,429.65
Total	155,820,852.92	36,449,090.59	41,335,510.76	150,934,432.75

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

51. Deferred income (Continued)

Deferred income (Continued)

Item related to government grants:

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Liability item	Opening balance	Additions of grants for the period	Included in non-operating income for the period	Included in other income for the period	Closing balance	Related to assets/income
Demolition grants	67,630,879.80	–	1,242,091.14	–	66,388,788.66	Assets
Research grants	77,572,429.65	32,729,983.94	–	4,252,677.60	106,049,735.99	Income
Other grants	5,731,123.30	500,700.00	–	644,130.50	5,587,692.80	Assets

2020

Unit: Yuan Currency: RMB

Liability item	Opening balance	Additions of grants for the period	Included in non-operating income for the period	Included in other income for the period	Closing balance	Related to assets/income
Demolition grants	69,439,838.83	–	1,808,959.03	–	67,630,879.80	Assets
Industrial development fund	15,200,000.00	–	–	15,200,000.00	–	Income
Research grants	65,669,491.66	35,911,733.59	–	24,008,795.60	77,572,429.65	Income
Other grants	5,511,522.43	537,357.00	–	317,756.13	5,731,123.30	Assets

Other explanation:

Applicable Not applicable

52. Other non-current liabilities

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

53. Share capital

✓ Applicable □ Not applicable

For the six months ended 30 June 2021

	Unit: Yuan Currency: RMB		
	Opening balance	Changes for the period (+, -) Subtotal	Closing balance
CRSC Group	6,604,426,424.00	–	6,604,426,424.00
China National Machinery Industry Corporation (中國機械工業集團有限公司)	63,507,192.00	–	63,507,192.00
China Chengtong Holdings Group Limited (中國誠 通控股集團有限公司)	63,507,192.00	–	63,507,192.00
China Guoxin Holding Co., Ltd. (中國國新控股有 限責任公司)	63,507,192.00	–	63,507,192.00
CICC Jiacheng Investment Management Co., Ltd. (中金佳成投資管理有限公司)	26,070,000.00	–	26,070,000.00
National Council for Social Security Fund (全國社 保基金理事會)	178,982,000.00	–	178,982,000.00
Overseas-listed H shares	1,789,819,000.00	–	1,789,819,000.00
Domestic-listed A shares	1,800,000,000.00	–	1,800,000,000.00
Total number of shares	<u>10,589,819,000.00</u>	<u>–</u>	<u>10,589,819,000.00</u>

2020

	Unit: Yuan Currency: RMB		
	Opening balance for the year	Changes for the period (+, -) Subtotal	Closing balance for the year
CRSC Group	6,604,426,424.00	–	6,604,426,424.00
China National Machinery Industry Corporation (中國機械工業集團有限公司)	63,507,192.00	–	63,507,192.00
China Chengtong Holdings Group Limited (中國誠 通控股集團有限公司)	63,507,192.00	–	63,507,192.00
China Guoxin Holding Co., Ltd. (中國國新控股有 限責任公司)	63,507,192.00	–	63,507,192.00
CICC Jiacheng Investment Management Co., Ltd. (中金佳成投資管理有限公司)	26,070,000.00	–	26,070,000.00
National Council for Social Security Fund (全國社 保基金理事會)	178,982,000.00	–	178,982,000.00
Overseas-listed H shares	1,789,819,000.00	–	1,789,819,000.00
Domestic-listed A shares	1,800,000,000.00	–	1,800,000,000.00
Total number of shares	<u>10,589,819,000.00</u>	<u>–</u>	<u>10,589,819,000.00</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

53. Share capital (Continued)

Other explanation:

According to the Reply of China Securities Regulatory Commission on Approving the Registration of Initial Public Offering of Shares of China Railway Signal & Communication Corporation Limited (Zheng Jian Xu Ke [2019] No. 1135), as of 16 July 2019, the Company has issued 1,800,000,000 ordinary shares with a par value of RMB1.00 on the SSE STAR Market at an issuance price of RMB5.85 per share. The total amount of funds raised before deduction of issuance expenses was RMB10,530,000,000.00 and such ordinary shares were commenced for trading on the SSE STAR Market on 22 July 2019.

54. Other equity instruments

(1) Basic information on preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

Applicable Not applicable

On 3 August 2018, Bridge Trust Co., Ltd. (百瑞信託有限責任公司) made a renewable debt investment to the Company using the fund under the trust plan, with an investment amount of RMB2,800,000,000.00. The initial investment period is 3 years, and the interest rate of the initial investment period is taxed at 6.7% per year. The Group has the right to choose to defer the interest payment. After the expiration, the Group has the right to choose renewal; the reset rate during the renewal period jumped 300 basis points based on the annual interest rate applicable to the previous investment period. The Group classified it as other equity instruments.

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

54. Other equity instruments (Continued)

(2) Statement on changes in preferred shares, perpetual bonds and other financial instruments that are outstanding at the end of the period

Applicable Not applicable

Unit: Yuan Currency: RMB

	Beginning of the period		Increase for the period		Decrease for the period		End of the period	
	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount	Number	Carrying amount
Outstanding financial instruments								
Bridge-Hengyi 622 Collective Fund Trust Plan	28,000,000	2,800,000,000.00	-	-	-	-	28,000,000	2,800,000,000.00
Total	28,000,000	2,800,000,000.00	-	-	-	-	28,000,000	2,800,000,000.00

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Equity attributable to shareholders of the parent

Equity attributable to ordinary shareholders of the parent

39,368,526,134.79

Equity attributable to other equity holders of the parent

2,800,000,000.00

Including: Dividends distributed during the period

94,842,222.22

Accumulated retained dividends

-

Changes (increase or decrease) during the period, reasons for such changes and basis for relevant accounting treatment of other equity instruments:

Applicable Not applicable

Other explanation:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

55. Capital reserve

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share capital premium)	15,538,873,267.94	–	–	15,538,873,267.94
Fiscal appropriation	8,670,000.00	–	–	8,670,000.00
Acquisition of minority interest of subsidiaries	9,240,638.86	–	–	9,240,638.86
Adjustment to long-term equity investments under equity method	856,743.11	245,310.39	–	1,102,053.50
Others	406,663,539.95	–	–	406,663,539.95
Total	<u>15,964,304,189.86</u>	<u>245,310.39</u>	<u>–</u>	<u>15,964,549,500.25</u>

56. Treasury stocks

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

57. Other comprehensive income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Opening balance	Amount for the period					Amount attributable to the parent company after tax	Amount attributable to the minority shareholders after tax	Closing balance
		Amounts before income tax during the period	Less: Amount transferred to profit or loss from other comprehensive income	Less: Amount transferred to retained earnings from other comprehensive income	Less: Income tax expenses				
I. Other comprehensive income that may not be reclassified into profit or loss	-233,062,000.00	-53,000.00	-	-	-	-53,000.00	-	-233,115,000.00	
Including: changes of the Re-measurement of defined benefit plan	-233,062,000.00	-53,000.00	-	-	-	-53,000.00	-	-233,115,000.00	
Other comprehensive income that may not be reclassified to profit or loss under the equity method	-	-	-	-	-	-	-	-	
Fair value changes of other equity instrument investments	-	-	-	-	-	-	-	-	
Changes in fair value of the Company's own credit risk	-	-	-	-	-	-	-	-	
II. Other comprehensive income to be reclassified to profit or loss	25,371,392.87	30,766,678.56	-	-	-	30,766,678.56	-	56,138,071.43	
Including: other comprehensive income that may be reclassified to profit or loss	-	-	-	-	-	-	-	-	
Changes in fair value of other debt investments	-	-	-	-	-	-	-	-	
The amount of financial assets reclassified into other comprehensive income	-	-	-	-	-	-	-	-	
Credit impairment provisions for other debt investments	-	-	-	-	-	-	-	-	
Hedging reserve arising from cash flows	21,772,817.52	32,363,900.00	-	-	-	32,363,900.00	-	54,136,717.52	
Exchange differences on translation of foreign operations	-501,228.13	-70,857.66	-	-	-	-70,857.66	-	-572,085.79	
Provision for impairment of receivables financing	4,099,803.48	-1,526,363.78	-	-	-	-1,526,363.78	-	2,573,439.70	
Total of other comprehensive income	<u>-207,690,607.13</u>	<u>30,713,678.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,713,678.56</u>	<u>-</u>	<u>-176,976,928.57</u>	

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Special reserve

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Safety production expenses	306,215,150.31	146,405,330.87	170,164,350.59	282,456,130.59
Total	306,215,150.31	146,405,330.87	170,164,350.59	282,456,130.59

2020

Unit: Yuan Currency: RMB

Item	Opening balance for the year	Increase for the year	Decrease for the year	Closing balance for the year
Safety production expenses	412,165,921.09	360,781,827.98	466,732,598.76	306,215,150.31
Total	412,165,921.09	360,781,827.98	466,732,598.76	306,215,150.31

59. Surplus reserve

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

59. Surplus reserve (Continued)

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	1,597,958,257.98	-	-	1,597,958,257.98
Total	1,597,958,257.98	-	-	1,597,958,257.98

2020

Unit: Yuan Currency: RMB

Item	Opening balance for the year	Increase for the year	Decrease for the year	Closing balance for the year
Statutory surplus reserve	1,342,479,759.71	255,478,498.27	-	1,597,958,257.98
Total	1,342,479,759.71	255,478,498.27	-	1,597,958,257.98

According to the Company Law and the Articles of Association of the Company, the Company shall withdraw statutory surplus reserve fund at 10% of its net profit. If the accumulative amount of the statutory surplus reserve is more than 50% of the Company's registered capital, the statutory surplus reserve fund shall no longer be withdrawn.

After the Company withdraws the statutory surplus reserve fund, it can withdraw discretionary surplus reserve fund. Upon approval, the discretionary surplus reserve can be used to make up for losses of the preceding year or increase share capital.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Retained earnings

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Current period	Last year
Retained earnings at the end of last period before adjustment	11,512,862,059.38	10,283,609,709.60
Adjustment to the total amount of retained earnings at the beginning of the period (increase +, decrease -)	–	–
Retained earnings at the beginning of the period after adjustment	11,512,862,059.38	10,283,609,709.60
Add: Net profit attributable to owners of the parent for the current period	1,840,504,747.38	3,819,046,319.02
Less: Appropriation to statutory surplus reserve	–	255,478,498.27
Ordinary share dividends payable (Note 1)	2,117,963,800.00	2,117,963,800.00
Dividends paid to other equity holders	94,842,222.22	190,726,666.66
Appropriation to employee reward and welfare fund	29,840,610.00	25,579,050.00
Others	–	45,954.31
Retained earnings at the end of the period	<u>11,110,720,174.54</u>	<u>11,512,862,059.38</u>

Note 1: In accordance with the resolution at the 2020 annual general meeting of Company, on 11 June 2021, the Company declared a special dividend out of the remaining distributable profits as of 31 December 2020, and distributed cash dividend of RMB0.20 per share (including tax), with total tax-inclusive amount of RMB2,117,963,800.00.

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Revenue and costs of sales

(1). Revenue and costs of sales

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operations	17,747,348,314.59	13,672,526,570.43	14,541,258,301.08	10,995,374,231.10
Other operations	117,398,974.71	68,153,751.47	79,520,550.24	54,712,430.55
Total	<u>17,864,747,289.30</u>	<u>13,740,680,321.90</u>	<u>14,620,778,851.32</u>	<u>11,050,086,661.65</u>

Revenue is presented as follows:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Rail transportation control system		
Equipment manufacturing	2,856,026,614.05	2,608,926,446.66
System implementation	5,034,710,376.67	4,574,889,019.61
Design and integration	4,931,172,024.78	3,760,451,930.20
Construction contracting	5,010,111,175.27	3,651,435,573.91
Others	32,727,098.53	25,075,880.94
	<u>17,864,747,289.30</u>	<u>14,620,778,851.32</u>

Cost of sales is listed as follows:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Rail transportation control system		
Equipment manufacturing	1,747,605,941.60	1,446,029,919.79
System implementation	4,454,164,254.36	3,999,971,500.09
Design and integration	3,016,897,019.79	2,317,489,566.25
Construction contracting	4,502,813,866.38	3,273,799,499.85
Others	19,199,239.77	12,796,175.67
	<u>13,740,680,321.90</u>	<u>11,050,086,661.65</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Revenue and costs of sales (Continued)

(2). Revenue generated from contracts

✓ Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Classification of contract	Rail transportation control system	Construction contracting	Others	Total
By region of operation				
China	12,395,812,831.59	5,010,111,175.27	32,727,098.53	17,438,651,105.39
Other countries and regions	426,096,183.91	–	–	426,096,183.91
Total	<u>12,821,909,015.50</u>	<u>5,010,111,175.27</u>	<u>32,727,098.53</u>	<u>17,864,747,289.30</u>

For the six months ended 30 June 2020

Unit: Yuan Currency: RMB

Classification of contract	Rail transportation control system	Construction contracting	Others	Total
By region of operation				
China	10,810,713,711.28	3,651,435,573.91	25,075,880.94	14,487,225,166.13
Other countries and regions	133,553,685.19	–	–	133,553,685.19
Total	<u>10,944,267,396.47</u>	<u>3,651,435,573.91</u>	<u>25,075,880.94</u>	<u>14,620,778,851.32</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Revenue and costs of sales (Continued)

(3). Details of performance obligation

✓ Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

	Rail transportation control system	Construction contracting	Others	Total
Time of revenue recognition				
Revenue recognised at a certain point of time	1,598,725,979.02	–	32,727,098.53	1,631,453,077.55
Revenue recognised within a certain period of time	11,223,183,036.48	5,010,111,175.27	–	16,233,294,211.75
Total	<u>12,821,909,015.50</u>	<u>5,010,111,175.27</u>	<u>32,727,098.53</u>	<u>17,864,747,289.30</u>

For the six months ended 30 June 2020

Unit: Yuan Currency: RMB

	Rail transportation control system	Construction contracting	Others	Total
Time of revenue recognition				
Revenue recognised at a certain point of time	1,449,154,045.38	–	25,075,880.94	1,474,229,926.32
Revenue recognised within a certain period of time	9,495,113,351.09	3,651,435,573.91	–	13,146,548,925.00
Total	<u>10,944,267,396.47</u>	<u>3,651,435,573.91</u>	<u>25,075,880.94</u>	<u>14,620,778,851.32</u>

The revenue recognised in the current year and included in the book value of contract liabilities at the beginning of the year is as follows:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Rail transportation control system		
Equipment manufacturing	177,176,140.83	92,130,274.78
System implementation	905,951,575.74	325,124,007.17
Design and integration	1,270,018,406.30	1,495,757,083.01
Construction contracting	805,925,328.27	380,050,343.74
Others	323,362.01	2,007,460.55
	<u>3,159,394,813.15</u>	<u>2,295,069,169.25</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

61. Revenue and costs of sales (Continued)

(4). Explanation about allocation to the remaining performance obligations

Applicable Not applicable

Other explanation:

Typically, the construction contracts or service rendering contracts provided by the Group as a whole constitutes a single performance obligation and is a performance obligation performed within a certain period of time. As at 30 June 2021, some of the Group's construction contracts or service rendering contract are still in the process of performance. The transaction price allocated to the outstanding (or partially outstanding) performance obligations is related to the performance progress of the corresponding construction contract or service rendering contract, and will be recognized as revenue on the basis of the performance progress in the future performance period of the corresponding construction contract or service rendering contract. As at 30 June 2021, the outstanding performance obligations of the Group are mainly related to the construction contracts or service provision contracts of the Group. The outstanding performance obligations are expected to be recognized as revenue in accordance with the the progress of performance of contract or provision of service within the coming 1 to 5 years.

62. Taxes and surcharges

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred during the period	Amount incurred during the previous period
Urban maintenance and construction tax	31,454,731.58	31,867,644.75
Educational surcharge	24,052,870.17	23,606,247.77
Property tax	27,862,230.69	27,371,977.62
Urban land and use tax	5,502,818.37	6,145,077.40
Stamp duty	11,933,793.35	8,323,656.88
Others	3,137,904.85	3,533,096.06
Total	<u>103,944,349.01</u>	<u>100,847,700.48</u>

Other explanation:

For tax determination basis, please refer to Note VI. Taxation.

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

63. Selling and distribution expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred during the period	Amount incurred during the previous period
Employee benefits	215,944,004.56	180,543,742.75
Sales service expenses	62,091,542.25	40,720,409.31
Transportation expenses	30,582,610.18	29,312,407.76
Bidding and tendering expenses	17,646,337.40	18,177,184.54
Quality guarantee deposits	9,656,936.18	11,829,961.65
Rental expenses	7,853,191.53	6,367,027.53
Others	17,853,364.41	17,131,304.71
Total	<u>361,627,986.51</u>	<u>304,082,038.25</u>

64. General and administrative expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred during the period	Amount incurred during the previous period
Employee benefits	585,896,111.78	515,503,123.20
Depreciation and amortization expenses	133,971,815.14	118,522,287.66
Production safety expenses	92,003,382.58	45,075,605.12
Office and rental expenses	29,245,265.16	25,567,406.95
Travel costs and business entertainment expenses	24,700,673.18	18,989,330.13
Others	116,163,824.42	73,483,657.52
Total	<u>981,981,072.26</u>	<u>797,141,410.58</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

65. Research and development expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred during the period	Amount incurred during the previous period
Labor expenses	418,792,248.99	356,263,183.22
Materials expenses	59,623,546.57	35,584,631.46
Depreciation and amortization expenses	55,909,173.06	25,811,452.21
Testing and processing expenses	33,689,358.52	23,039,722.46
General and administrative expenses	19,240,482.90	14,372,679.79
Travel costs	15,385,996.62	8,832,449.90
Others	40,768,832.23	46,267,342.45
Total	643,409,638.89	510,171,461.49

66. Finance costs

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred during the period	Amount incurred during the previous period
Interest expense	16,954,154.40	25,027,798.72
Less: interest income	-251,485,060.60	-286,378,402.62
Exchange losses/(gains)	7,598,755.52	-22,795,970.96
Financial institutions commissions	22,155,692.11	19,100,716.18
Others	-	-1,286,564.41
Total	-204,776,458.57	-266,332,423.09

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

67. Other income

Applicable Not applicable

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Government grants related to asset		
Other grants	644,130.50	–
Government grants related to income		
Special Fund of Changsha High-tech Zone for Industrial Development (長沙高新區產業發展專項資金)	–	15,200,000.00
Refund of taxes (immediate refund of VAT in respect of software)	75,135,785.86	16,960,878.34
Other research grants	39,173,092.28	79,174,193.40
Total	<u>114,953,008.64</u>	<u>111,335,071.74</u>

68. Investment income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred during the period	Amount incurred during the previous period
Income from long-term equity investments under the equity method	26,953,405.48	25,868,541.66
Income/(loss) from futures transactions	84,826.48	-603,633.65
Others	268,245.64	–
Total	<u>27,306,477.60</u>	<u>25,264,908.01</u>

69. Gains on net exposure hedges

Applicable Not applicable

70. Gains on changes in fair value

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

30 June 2021

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

71. Credit impairment losses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred during the period	Amount incurred during the previous period
Losses from bad debts of accounts receivable	-54,301,588.12	-43,725,465.82
(Losses)/reversal from bad debts of other receivables	-4,705,485.33	24,381,142.87
Reversal/(losses) from bad debts of long-term receivables	193,252.62	-1,273,752.68
Reversal/(losses) from bad debts of receivables for financing	1,526,363.78	-2,592,544.69
Reversal/(losses) from bad debts of other non-current assets	332,834.66	-122,424.69
Total	-56,954,622.39	-23,333,045.01

72. Asset impairment (losses)/reversal

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred during the period	Amount incurred during the previous period
Contract asset impairment (losses)/reversal	-1,453,919.76	3,262,138.97
Reversal from decline in value of inventories	38,527.53	-
Total	-1,415,392.23	3,262,138.97

73. Gains on disposal of assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred during the period	Amount incurred during the previous period
Gains on disposal of fixed assets	25,298,364.85	483,141.55
Total	25,298,364.85	483,141.55

Other explanation:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

74. Non-operating income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Government grants	1,242,091.14	904,479.51	1,242,091.14
Compensation payments	6,205,418.46	2,203,210.99	6,205,418.46
Accounts payable	16,618,668.59	2,763,984.48	16,618,668.59
Others	4,488,829.32	1,790,554.45	4,488,829.32
Total	<u>28,555,007.51</u>	<u>7,662,229.43</u>	<u>28,555,007.51</u>

Government grants recognized through profit and loss for the period

Applicable Not applicable

Unit: Yuan Currency: RMB

Grant item	Amount for the current period	Amount for the previous period	Related to assets/ income
Demolition grants	<u>1,242,091.14</u>	<u>904,479.51</u>	Assets

Other explanation:

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

75. Non-operating expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period	Amount included in current non-recurring profit or loss
Total losses from disposal of non-current assets	529,779.84	384,913.13	529,779.84
Including: losses from disposal of fixed assets	529,779.84	384,913.13	529,779.84
Losses from disposal of intangible assets	—	—	—
External donation	80,000.00	697,481.40	80,000.00
Lawsuit compensation	250,500.00	65,000.00	250,500.00
Others	1,406,352.95	608,268.93	1,406,352.95
Total	2,266,632.79	1,755,663.46	2,266,632.79

76. Income tax expenses

(1) Table for income tax expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Current income tax expenses	345,853,276.87	281,509,496.64
Deferred income tax expenses	-9,235,834.79	6,334,361.39
Total	336,617,442.08	287,843,858.03

NOTES TO FINANCIAL STATEMENTS

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

76. Income tax expenses (Continued)

(2) Adjustment process for accounting profit and income tax

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Total profit	2,373,356,590.49	2,247,700,783.19
Income tax at the statutory/applicable income tax rate	593,339,147.62	561,925,195.80
Effect of different tax rates for subsidiaries	-167,549,296.51	-196,824,626.84
Effect of adjustments in respect of income tax of previous periods	-80,966,092.03	-69,151,987.77
Effect of non-taxable income	-8,393,104.22	-13,148,880.91
Effect of non-deductible cost, expenses and loss	19,915,362.81	17,520,960.14
Effect of utilization of deductible losses in deferred income tax assets not recognized in previous period	-276,265.33	-6,791,178.15
Effect of deductible temporary differences or deductible losses in deferred income tax assets not recognized in the current period	18,505,935.95	22,315,976.97
Profit or loss attributable to joint ventures and associates	-6,738,351.38	-6,467,135.42
Tax effect of additional deductions	-30,877,974.59	-21,494,375.53
Others	-341,920.24	-40,090.26
Income tax expenses	<u>336,617,442.08</u>	<u>287,843,858.03</u>

Other explanation:

Applicable Not applicable

The Group's income tax has been provided at the applicable rate on the estimated profits assessable arising in the PRC during the period. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries/regions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

77. Other comprehensive income

Applicable Not applicable

The accumulated balance of other comprehensive losses attributable to the parent company in the consolidated balance sheet is as follows:

Unit: Yuan Currency: RMB

	1 January 2021	Increase/decrease	30 June 2021
Changes in re-measurement of defined benefit plan	-233,062,000.00	-53,000.00	-233,115,000.00
Differences on translation of foreign currency financial statements	-501,228.13	-70,857.66	-572,085.79
Hedging reserve arising from cash flows	21,772,817.52	32,363,900.00	54,136,717.52
Provision for credit impairment of receivables for financing	4,099,803.48	-1,526,363.78	2,573,439.70
Total	-207,690,607.13	30,713,678.56	-176,976,928.57

	1 January 2020	Increase/decrease	30 June 2020
Changes in re-measurement of defined benefit plan	-273,904,000.00	-20,334,000.00	-294,238,000.00
Differences on translation of foreign currency financial statements	98,690.61	33,952.72	132,643.33
Hedging reserve arising from cash flows	939,724.27	7,625,525.97	8,565,250.24
Provision for credit impairment of receivables for financing	-	2,592,544.69	2,592,544.69
Total	-272,865,585.12	-10,081,976.62	-282,947,561.74

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

77. Other comprehensive income (Continued)

The amount of other comprehensive income in the consolidated income statement is as follows:

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

	Balance before tax	Less: income tax	Attributable to the shareholders of the parent company	Attributable to non- controlling interests
Other comprehensive losses not to be reclassified to profit or loss:				
Changes in re-measurement of defined benefit plan	-53,000.00	-	-53,000.00	-
Other comprehensive incomes/(losses) to be reclassified to profit or loss:				
Differences on translation of foreign currency financial statements	-70,857.66	-	-70,857.66	-
Hedging reserve arising from cash flows	32,363,900.00	-	32,363,900.00	-
Provision for credit impairment of receivables for financing	-1,526,363.78	-	-1,526,363.78	-
Total	<u>30,713,678.56</u>	<u>-</u>	<u>30,713,678.56</u>	<u>-</u>

For the six months ended 30 June 2020

Unit: Yuan Currency: RMB

	Balance before tax	Less: income tax	Attributable to the shareholders of the parent company	Attributable to non- controlling interests
Other comprehensive losses not to be reclassified to profit or loss:				
Changes in re-measurement of defined benefit plan	-20,334,000.00	-	-20,334,000.00	-
Other comprehensive losses to be reclassified to profit or loss:				
Differences on translation of foreign currency financial statements	33,952.72	-	33,952.72	-
Hedging reserve arising from cash flows	7,625,525.97	-	7,625,525.97	-
Provision for credit impairment of receivables for financing	2,592,544.69	-	2,592,544.69	-
Total	<u>-10,081,976.62</u>	<u>-</u>	<u>-10,081,976.62</u>	<u>-</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items in statement of cash flows

(1). Other cash received related to operating activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Income from other businesses	96,337,115.35	79,520,550.24
Government grants	68,124,560.29	79,872,863.29
Interest income	69,960,343.09	147,152,269.24
Others	10,720,786.11	3,643,765.44
Total	<u>245,142,804.84</u>	<u>310,189,448.21</u>

(2). Other cash paid related to operating activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Research and development expenses	198,805,937.69	128,096,826.06
Safety production expenses	92,003,382.58	45,075,605.12
Travel and business hospitality expenses	24,700,673.18	27,821,780.03
Others	216,748,987.76	104,590,629.30
Total	<u>532,258,981.21</u>	<u>305,584,840.51</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

78. Items in statement of cash flows (Continued)

(3). Other cash received related to investment activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Interest income	181,524,717.52	139,226,133.38
Total	181,524,717.52	139,226,133.38

(4). Other cash paid related to investment activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Futures margin	2,192,420.67	15,625,481.80
Total	2,192,420.67	15,625,481.80

(5). Other cash received related to fund-raising activities

Applicable Not applicable

(6). Other cash paid related to fund-raising activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the previous period
Rental expenses and others	138,755,906.04	189,508,187.70
Total	138,755,906.04	189,508,187.70

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

✓ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the previous period
1. Adjustment of net profit to cash flow of operating activities:		
Net profit	2,036,739,148.41	1,959,856,925.16
Add: Provision for impairment of assets	1,415,392.23	-3,262,138.97
Credit impairment losses	56,954,622.39	23,333,045.01
Depreciation of fixed assets, oil and gas assets, productive biological assets	188,890,178.11	160,909,243.36
Amortization of right-of-use assets	38,888,380.09	39,941,785.93
Amortization of intangible assets	86,646,225.78	59,080,513.52
Amortization of long-term prepaid expenses	24,047,355.71	19,602,358.51
Loss from disposal of fixed assets, intangible assets and other long-term assets (income as sign "-")	-25,298,364.85	-483,141.55
Losses from damage and scrap of fixed assets (income as sign "-")	-	-
Losses due to changes in fair value (income as sign "-")	-	-
Financial costs (income as sign "-")	-143,760,547.16	-136,464,979.49
Investment loss (income as sign "-")	-27,306,477.60	-25,264,908.01
Decrease in deferred income tax assets (increase as sign "-")	-4,185,835.49	8,668,135.92
Increase in deferred income tax liabilities (decrease as sign "-")	-5,049,999.30	-2,333,774.53
Decrease in inventories (increase as sign "-")	-512,801,841.97	-294,717,810.48
Decrease in operating receivables (increase as sign "-")	-241,191,450.70	-1,301,821,337.31
Increase in operating payables (decrease as sign "-")	1,012,220,147.39	-242,354,744.52
Others	-2,912,146,924.45	-1,236,741,394.94
Including: Depreciation and amortization of investment properties	7,779,252.14	6,437,067.45
Decrease in special reserve	-23,291,595.51	-39,435,089.16
Increase in contract assets	-2,879,776,174.16	-1,168,277,493.01
Decrease in contract liabilities	-16,858,406.92	-35,465,880.22
Net cash flow generated from operating activities	<u>-425,939,991.41</u>	<u>-972,052,222.39</u>
2. Significant investment and financing activities not involving cash receipts and payments:		
Capital transferred from debts	-	-
Discounted bills with maturity	52,492,742.32	-
Right-of-use assets acquired by committing lease liabilities	94,730,787.67	45,593,579.72
Convertible corporate bonds due within one year	-	-
Fixed assets acquired under financing leases	-	-
3. Net change in cash and cash equivalents:		
Ending balance of cash	17,715,390,121.78	17,551,724,018.92
Less: Opening balance of cash	18,184,861,073.07	17,854,952,684.12
Add: Ending balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	<u>-469,470,951.29</u>	<u>-303,228,665.20</u>

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information to the statement of cash flows (Continued)

(2) Net cash paid to acquire subsidiaries during the period

Applicable Not applicable

(3) Net cash received from disposal of subsidiaries during the period

Applicable Not applicable

(4) Endorsement transfer of bills

Unit: Yuan Currency: RMB

	For six months ended 30 June 2021	For six months ended 30 June 2020
Endorsement transfer of the bank acceptance bills received	<u>886,037,119.54</u>	<u>332,308,588.13</u>

(5) Changes in liabilities arising from financing activities

Unit: Yuan Currency: RMB

	Interest payable	Borrowings	Dividends payable	Lease liabilities
1 January 2020	-	2,333,511,381.19	34,391,330.43	147,949,221.53
Dividend distribution	-	-	2,130,302,790.12	-
Distribution to other stakeholders	-	-	95,363,333.33	-
Accrued interest	25,027,798.72	-	-	-
Changes in cash flow from financing activities	-25,027,798.72	661,196,301.15	-97,726,844.34	-43,795,799.49
Significant financing activities not involving cash	-	-	-	48,247,624.32
30 June 2020	<u>-</u>	<u>2,994,707,682.34</u>	<u>2,162,330,609.54</u>	<u>152,401,046.36</u>
1 January 2021	-	2,615,945,060.53	-	125,631,000.71
Dividend distribution	-	-	2,420,050,295.75	-
Distribution to other stakeholders	-	-	94,842,222.22	-
Accrued interest	16,954,154.40	-	-	-
Changes in cash flow from financing activities	-16,954,154.40	-189,086,623.10	-246,999,263.40	-37,445,372.01
Significant financing activities not involving cash	-	-52,492,742.32	-	98,625,309.73
30 June 2021	<u>-</u>	<u>2,374,365,695.11</u>	<u>2,267,893,254.57</u>	<u>186,810,938.43</u>

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

79. Supplementary information to the statement of cash flows (Continued)

(6) Composition of cash and cash equivalents

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash		
Including: Cash on hand	690,699.87	714,559.72
Bank deposits available for payment	17,714,699,421.91	18,184,146,513.35
II. Closing balance of cash and cash equivalents	17,715,390,121.78	18,184,861,073.07
Including: cash and cash equivalents with restriction on use by the parent or subsidiaries within the Group	-	-

Other explanations:

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

80. Notes to items in statement of changes in owner's equity

Explanation of the name of "Others" item that adjusted the closing balance at the end of last year and the amount of adjustment, etc.:

Applicable Not applicable

81. Assets with restricted ownership or right-of-use

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing book value	Reasons of restriction	Opening book value
Monetary funds	256,069,946.00	Deposits	186,038,677.04
Receivables for financing	2,524,573.51	Note 1	52,492,742.32
Accounts receivable	204,927,480.10	Note 2	-
Long-term receivables	-	Note 2	4,092,306,736.92
Other non-current assets	4,119,593,823.27	Note 2	-
Total	<u>4,583,115,822.88</u>	/	<u>4,330,838,156.28</u>

Other explanation:

Note 1: As at 30 June 2021, the value of the bank acceptance bills pledged by the Group was RMB2,524,573.51, which was used to obtain short-term borrowings of RMB2,524,573.51. As at 31 December 2020, the book values of bank acceptance bills and commercial acceptance bills pledged by the Group were RMB2,561,294.29 and RMB49,931,448.03 respectively, which were used to obtain short-term borrowings of RMB52,492,742.32. See Note VII. 32 for details.

Note 2: As at 30 June 2021, the Group's other non-current asset book value of RMB4,119,593,823.27 and account receivables of RMB204,927,480.10 (31 December 2020: the book value of long-term receivables of RMB4,092,306,736.92) were used to obtain long-term borrowings of RMB2,110,841,121.60 (31 December 2020: RMB1,900,360,668.00). See Note VII. 45 for details.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

82. Foreign currency monetary items

(1). Foreign currency monetary items

Applicable Not applicable

Unit: Yuan

Item	Ending balance of foreign currency	Exchange rate	Ending balance in RMB equivalent
Monetary funds	–	–	1,365,317,330.40
Including: US Dollar	55,535,812.04	6.4601	358,766,899.33
Euro	132,843.78	7.6862	1,021,063.88
HK Dollar	1,146,290,620.51	0.8321	953,828,425.33
Indian Rupee	33,099,723.79	0.0870	2,879,675.97
Serbian Dinar	397,195,520.95	0.0654	25,976,587.07
Others	–	–	22,844,678.82
Accounts payable	–	–	59,748,931.05
Including: US Dollar	5,891,464.42	6.4601	38,059,449.30
Euro	1,826,465.82	7.6862	14,038,581.59
Indian Rupee	87,941,381.15	0.0870	7,650,900.16

Other explanation:

Not applicable

(2). Notes on the overseas operating entities, including, for significant overseas operating entities, the necessary disclosure of main overseas operating places, functional currency and selection basis, as well as reasons for changes of the functional currency

Applicable Not applicable

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VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

83. Hedging

Applicable Not applicable

84. Government grants

1. Basic information about government grants

Applicable Not applicable

Unit: Yuan Currency: RMB

Type	Amount	Items reported	Amount included in current profit or loss
Demolition grants	–	Non-operating income	1,242,091.14
Refund of taxes	75,135,785.86	Other income	75,135,785.86
Research grants	67,650,398.62	Other income/deferred income	39,173,092.28
Other grants	500,700.00	Other income/deferred income	644,130.50

2. Return of government grants

Applicable Not applicable

85. Others

Applicable Not applicable

The supplementary information of the Group's operating costs, sales expenses, management expenses and research and development expenses by nature is set forth as follows:

Unit: Yuan Currency: RMB

	Amount for the current period	Amount for the previous period
Raw materials and spare parts consumed	8,400,683,699.78	6,681,862,163.21
Employee benefits	2,390,098,310.01	2,067,680,333.82
Subcontracting costs	3,005,645,098.81	2,437,198,206.21
Depreciation and amortization	346,251,391.83	285,970,968.77
Research expenses	168,708,216.84	153,908,278.27
Others	1,416,312,302.29	1,034,861,621.69
Total	<u>15,727,699,019.56</u>	<u>12,661,481,571.97</u>

Note: The labor expenses of RMB418,792,248.99 (for the six months ended 30 June 2020: RMB356,263,183.22) under the research and development expenses has been included in the employee benefits.

VIII. CHANGES ON SCOPE OF CONSOLIDATION

1. Business combination of entities not under common control

Applicable Not applicable

2. Business combination of entities under common control

Applicable Not applicable

3. Reverse takeover

Applicable Not applicable

4. Disposal of subsidiaries

Whether or not the loss of control occurs immediately after a single disposal of investment in the subsidiaries

Applicable Not applicable

Other explanation:

Applicable Not applicable

5. Changes in scope of consolidation due to other reasons

Explanation of changes in scope of consolidation due to other reasons (e.g. incorporation of new subsidiaries, and liquidation of subsidiaries, etc.) and relevant information:

Applicable Not applicable

6. Others

Applicable Not applicable

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IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1). Composition of enterprise group

✓ Applicable □ Not applicable

Name of subsidiaries	Places of principal activities	Place of registration	Nature of business	Shareholding Percentage of the Group (%)		Means of acquisition
				Direct	Indirect	
CRSC (Beijing) Rail Industry Group Co., Ltd. (通號(北京)軌道工業集團有限公司) ("CRSC Beijing Industry Group")	Beijing	Beijing	Equipment manufacturing	100.00	-	Incorporation
CRSC (Xi'an) Rail Industry Group Co., Ltd. (通號(西安)軌道交通工業集團有限公司) ("CRSC Xi'an Industry Group")	Xi'an	Xi'an	Equipment manufacturing	100.00	-	Incorporation
CRSC Cables Company Ltd. (通號電纜集團有限公司) ("CRSC Cables")	Zhengzhou	Zhengzhou	Equipment manufacturing	100.00	-	Incorporation
CRSC Research & Design Institute Group Co., Ltd. (北京全路通信信號研究設計院集團有限公司) ("CRSCD")	Beijing	Beijing	Design integration	100.00	-	Incorporation
CRSC CASCO Signal Co., Ltd. (卡斯柯信號有限公司) ("CRSC CASCO")	Shanghai	Shanghai	Design integration	51.00	-	Business combination not under common control
CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司) ("CRSCC")	Beijing	Beijing	Design integration	100.00	-	Incorporation
CRSC Urban Rail Transit Technology Co., Ltd. (通號城市軌道交通技術有限公司) ("Urban Rail Transit")	Beijing	Beijing	Design integration	100.00	-	Incorporation
China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd. (中國鐵路通信信號上海工程局集團有限公司) ("CRSCS") (Note 2)	Shanghai	Shanghai	System delivery service and design integration	100.00	-	Incorporation
CRSC Engineering Group Company Ltd. (通號工程局集團有限公司) ("CRSCE")	Beijing	Beijing	System delivery service	100.00	-	Incorporation
CRSC International Holdings Company Limited (通號國際控股有限公司) ("CRSC International Holdings")	Beijing	Beijing	Design integration	100.00	-	Incorporation
CRSC Innovation Investment Co., Ltd. (通號創新投資有限公司) ("Innovation Investment")	Beijing	Beijing	Investment management	100.00	-	Incorporation
CRSC (Changsha) Rail Transit Control Technology Company Limited (通號(長沙)軌道交通控制技術有限公司) ("CRSC Changsha Railway")	Changsha	Changsha	System delivery service	100.00	-	Incorporation
CRSC Construction Group Co., Ltd. (通號建設集團有限公司) ("CRSC Construction")	Changsha	Changsha	General engineering contracting	100.00	-	Incorporation
Zhengzhou Zhongyuan Railway Engineering Co., Ltd. (鄭州中原鐵道工程有限責任公司) ("Zhengzhou Zhongyuan")	Zhengzhou	Zhengzhou	General engineering contracting and system delivery service	65.00	-	Business combination not under common control
CRSC (Zhengzhou) Electrification Bureau Co., Ltd. (通號(鄭州)電氣化局有限公司) ("CRSC Electrification Bureau")	Zhengzhou	Zhengzhou	General engineering contracting	65.00	-	Business combination not under common control
CRSC Jishou Huatai Pipeline Project Management Co., Ltd. (吉首通號華泰管廊項目管理有限責任公司) ("CRSC Huatai")	Jishou	Jishou	Project management, operation and maintenance of engineering	90.00	-	Incorporation
CRSC Jishou Tengda Project Management Co., Ltd. (吉首通號騰達項目管理有限責任公司) ("CRSC Tengda")	Jishou	Jishou	Project management, operation and maintenance of engineering	90.00	-	Incorporation
China Railway Signal & Communication International Co., Ltd. (中國通號國際有限公司) ("CRSC International")	Hong Kong, the PRC	Hong Kong, the PRC	Technical exchange and trade	100.00	-	Incorporation
CRSC Innovation Zhejiang Construction Investment Ltd. (通號創新浙江建設投資有限公司) ("Zhejiang Construction Investment")	Jinhua	Jinhua	General engineering contracting	100.00	-	Incorporation
CRSC (Jiangsu) Smart City Construction & Development Co., Ltd. (通號(江蘇)智慧城市建設開發有限公司) ("CRSC Jiangsu Smart")	Taixing	Taixing	Design integration	88.00	2.00	Incorporation
CRSC (Beijing) Bid Ltd. (通號(北京)招標有限公司) ("Beijing Bid")	Beijing	Beijing	Bidding agency	100.00	-	Incorporation

IX. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(1). *Composition of enterprise group* (Continued)

Explanations for the inconsistency of shareholding percentage in subsidiaries with proportion of voting rights:

Not applicable

The grounds for controlling the investees of which the Group is holding half or less than half of the voting rights, and the grounds for not controlling the investees of which the Group is holding more than half of the voting rights:

Not applicable

For the significant structured entities included in the scope of consolidation, the basis for control is:

Not applicable

Basis for determining an entity being acting as an agent or a principal:

Not applicable

Other explanations:

Note 1: All the companies above are limited liability companies.

Note 2: On 30 April 2021, CRSC Wanquan Signal Equipment Co., Ltd. (通號萬全信號設備有限公司) (a former second-tier subsidiary of the Company) was transferred to Shanghai Engineering Bureau Group Co., Ltd. (中國鐵路通信信號上海工程局集團有限公司) and became a third-tier subsidiary of the Company.

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IX. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(2). Significant non-wholly owned subsidiaries

Applicable Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Shareholding percentage of non-controlling shareholders (%)	Current profits and losses attributable to non-controlling shareholders	Current dividends declared and paid to non-controlling shareholders	Ending balance of interest of non-controlling shareholders
CRSC CASCO	49%	176,746,949.54	286,703,410.00	742,730,098.01

Explanations for the inconsistency of shareholding percentage of non-controlling shareholders of subsidiaries with proportion of their voting rights:

Applicable Not applicable

Other explanations:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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IX. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(3). Main financial information of significant non-wholly owned subsidiaries

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Name of subsidiary	Closing balance				Opening balance				Cash flows from operating activities			
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets		Total assets	Current liabilities	Non-current liabilities
CRSC CASCO	4,701,376,481.55	1,248,406,020.07	5,949,782,501.62	4,331,358,160.36	102,648,631.04	4,434,006,791.40	4,312,183,660.45	1,211,997,129.25	5,524,180,789.70	3,651,280,331.85	74,440,362.04	3,725,720,693.89
	Amount for the current period											
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
CRSC CASCO	2,093,710,309.22	360,708,060.28	360,708,060.28	1,101,673,866.17	1,886,118,155.54	313,978,106.98	313,978,106.98	313,978,106.98	313,978,106.98	313,978,106.98	313,978,106.98	354,634,673.10

Other explanations:

Not applicable

NOTES TO FINANCIAL STATEMENTS

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IX. INTERESTS IN OTHER ENTITIES (Continued)

1. Interests in subsidiaries (Continued)

(4). Major restrictions on the use of assets of the Group and repayment of debts of the Group:

Applicable Not applicable

(5). Financial support or other support provided for structured entities included in the scope of consolidated financial statements:

Applicable Not applicable

Other explanations:

Applicable Not applicable

2. Transaction in which the share of owner's interests in the subsidiary changes while control over the subsidiary remaining unchanged

Applicable Not applicable

3. Interests in the joint venture or associate

Applicable Not applicable

(1). Significant joint ventures or associates

Applicable Not applicable

(2). Main financial information of significant joint ventures

Applicable Not applicable

(3). Main financial information of significant associates

Applicable Not applicable

IX. INTERESTS IN OTHER ENTITIES (Continued)

3. Interests in the joint venture or associate (Continued)

(4). Summary of financial information of insignificant joint ventures and associates

Applicable Not applicable

Unit: Yuan Currency: RMB

	Balance at the end of the period/ amount incurred in the period	Balance at the beginning of the period/ amount incurred in the previous period
Joint ventures:		
Total book value of investment	217,654,556.18	232,579,525.12
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profit	9,400,031.06	21,356,385.92
– Other comprehensive income	–	–
– Total comprehensive income	9,400,031.06	21,356,385.92
Associates:		
Total book value of investment	1,092,966,379.63	876,453,691.23
Total amount of the following items calculated on the basis of shareholding percentage		
– Net profit	17,553,374.42	39,007,970.31
– Other comprehensive income	–	–
– Total comprehensive income	17,553,374.42	39,007,970.31

(5). Explanation for the significant restrictions on the ability of joint ventures or associates to transfer funds to the Company

Applicable Not applicable

(6). Excessive loss incurred by joint ventures or associates

Applicable Not applicable

(7). Unrecognised commitments related to investments in joint ventures

Applicable Not applicable

(8). Contingent liabilities related to investments in joint ventures or associates

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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IX. INTERESTS IN OTHER ENTITIES (Continued)

4. Significant joint operation

Applicable Not applicable

5. Interests in structured entities not included in the scope of consolidated financial statements

Explanation about structured entities not included in the scope of consolidated financial statements:

Applicable Not applicable

6. Others

Applicable Not applicable

X. RISKS RELATED TO FINANCIAL INSTRUMENTS

Applicable Not applicable

1. Category of financial instruments

Book values of various financial instruments as of the balance sheet date are as follows:

30 June 2021

Financial assets

Unit: Yuan Currency: RMB

	Measurement at amortized cost	Measurement at fair value through other comprehensive income	Total
Monetary funds	21,559,808,251.91	–	21,559,808,251.91
Receivables for financing	–	1,375,367,698.42	1,375,367,698.42
Accounts receivable	18,979,679,305.09	–	18,979,679,305.09
Other receivables	1,353,406,499.94	–	1,353,406,499.94
Debt investment	273,172,183.50	–	273,172,183.50
Other equity instrument investments	–	1,042,926,047.20	1,042,926,047.20
Long-term receivables	3,947,579,780.95	–	3,947,579,780.95
	<u>46,113,646,021.39</u>	<u>2,418,293,745.62</u>	<u>48,531,939,767.01</u>

NOTES TO FINANCIAL STATEMENTS

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X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Category of financial instruments (Continued)

Financial liability

Unit: Yuan Currency: RMB

	Financial liabilities measured at amortized cost	Total
Short-term borrowings	39,524,573.51	39,524,573.51
Bills payable	2,235,196,688.87	2,235,196,688.87
Accounts payable	46,123,168,488.64	46,123,168,488.64
Other payables	3,650,797,444.09	3,650,797,444.09
Long-term borrowings	2,194,322,028.80	2,194,322,028.80
Financial liabilities in non-current liabilities due within one year	247,526,218.15	247,526,218.15
Long-term payable	68,996,272.20	68,996,272.20
	<u>54,559,531,714.26</u>	<u>54,559,531,714.26</u>

31 December 2020

Financial assets

Unit: Yuan Currency: RMB

	Measurement at amortized cost	Measurement at fair value through other comprehensive income	Total
Monetary funds	22,740,631,687.08	–	22,740,631,687.08
Receivables for financing	–	2,230,124,457.61	2,230,124,457.61
Accounts receivable	18,290,953,101.67	–	18,290,953,101.67
Other receivables	1,476,276,378.69	–	1,476,276,378.69
Debt investment	273,172,183.50	–	273,172,183.50
Other equity instrument investments	–	1,019,867,488.13	1,019,867,488.13
Long-term receivables	8,384,707,579.19	–	8,384,707,579.19
Financial assets included in other non-current assets (including maturity within 1 year)	320,052,882.98	–	320,052,882.98
	<u>51,485,793,813.11</u>	<u>3,249,991,945.74</u>	<u>54,735,785,758.85</u>

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X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

1. Category of financial instruments (Continued)

Financial liability

Unit: Yuan Currency: RMB

	Financial liabilities measured at amortized cost	Total
Short-term borrowings	491,584,392.53	491,584,392.53
Bills payable	1,974,383,429.57	1,974,383,429.57
Accounts payable	44,705,884,497.10	44,705,884,497.10
Other payables	1,979,340,519.78	1,979,340,519.78
Long-term borrowings	1,995,641,575.20	1,995,641,575.20
Financial liabilities in non-current liabilities due within one year	216,094,781.87	216,094,781.87
Long-term payable	77,846,656.30	77,846,656.30
	<u>51,440,775,852.35</u>	<u>51,440,775,852.35</u>

2. Transfer of financial assets

Transferred financial assets that are not derecognized in their entirety

As at 30 June 2021, the book value of bank acceptance bills and commercial acceptance bills that the Group has endorsed or discounted were RMB152,254,868.14 and RMB173,705,513.47 respectively (31 December 2020: RMB179,206,712.21 and RMB211,897,708.43). The Group believed that almost all risks and rewards have been retained, including related default risks. Therefore, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. After endorsement, the Group no longer reserves the right to use it, including the right to sell, transfer or pledge it to other third parties. The aggregate carrying amount of the trade payables settled by the endorsed bills as at 30 June 2021 was RMB325,960,381.61 (31 December 2020: RMB391,104,420.64).

Transferred financial assets that are derecognized in their entirety in which continuing involvement exists

As at 30 June 2021, the book value of bank acceptance bills that the Group has endorsed or discounted was RMB886,037,119.54 (31 December 2020: RMB934,167,212.36). As at 30 June 2021, the derecognised bills had a maturity of six to twelve months. In accordance with the Law of Negotiable Instruments, the holders of the derecognised bills have the right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the Group, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the carrying amounts of such Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

The Group did not recognise any profit or loss on the date of transfer of the derecognised bills. The Group had no current or accumulated gains or expenses related to continuing involvement of financial assets which had been derecognized. The endorsement and discount happen evenly throughout the period.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

3. Risk of financial instruments

The Group is faced with risks of various financial instruments in daily activities, which mainly include credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and commodity price risk). The main financial instruments of the Group include monetary funds, equity investment, borrowings, receivables for financing and accounts receivable, bills payable and accounts payable and others. The risks associated with these financial instruments and the risk management strategies adopted by the Group to mitigate these risks are described below.

The board of directors shall be responsible for planning and establishing the risk management framework of the Group, formulating the Group's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Group has developed risk management policies to identify and analyze risks faced by the Group. These risk management policies specify specific risks and cover many aspects such as market risk, credit risk and liquidity risk management. The Group periodically evaluates changes in the market environment and the Group's business activities to determine whether to update risk management policies and systems. The risk management of the Group shall be carried out by the Risk Management Committee in accordance with the policies approved by the board of directors. The Risk Management Committee works closely with other business units of the Group to identify, assess and mitigate risks. The internal audit department of the Group conducts regular audits on risk management control and procedures and reports the audit results to the Group's Audit Committee.

The Group diversifies the risk of financial instruments through appropriate diversification of investments and business portfolios, and reduces the risk of concentration in any single industry, specific region or specific counterparty by formulating appropriate risk management policies.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group only deals with recognized and reputable third parties. According to the Group's policy, credit review is required for all customers who seek to carry out credit-based transactions. In addition, the Group continuously monitors the balance of accounts receivable to ensure that the Group is not exposed to significant bad debt risks. For transactions that are not settled in the functional currency of the relevant business entity, the Group does not provide credit-based transactions unless specifically approved by the credit control department of the Group.

Since the counterparties of monetary funds and bank acceptance bills receivable are banks with good reputation and high credit ratings, these financial instruments have low credit risk.

Financial assets of the Group include monetary funds, receivables for financing, accounts receivable, other receivables, debt investments, other equity instrument investments, long-term receivables, and financial assets included in other non-current assets. The credit risk of these financial assets originates from the default of the counterparty. The maximum risk exposure is equal to the book value of these instruments.

As the Group only deals with recognized and reputable third parties, no collateral is required. Credit risk is centrally managed by customers/counterparties, geographic region and industry. Customers owing accounts receivables to the Group were widely engaged in different sectors and industries, therefore, there was no concentration of significant credit risks within the Group. The Group did not hold any collateral or other credit enhancement against the balance of accounts receivable.

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X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

3. Risk of financial instruments (Continued)

Credit risk (Continued)

Criteria for judgment of significant increase in credit risk

On each balance sheet date, the Group assessed whether or not the credit risk of relevant financial instruments has increased significantly since initial recognition. In determining whether or not the credit risk has increased significantly since the initial recognition, the Group considered that the reasonable and reliable information could be obtained without unnecessary extra costs or efforts, including qualitative and quantitative analysis based on the Group's historical data, external credit risk rating and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Group compared the risk of default of financial instruments as at the balance sheet date with the risk of default on the initial recognition date to determine the changes in the default risk of financial instruments during their lifetime.

The Group believed that the credit risk of financial instruments has increased significantly when one or more of the following quantitative and qualitative criteria or upper limit indicators are triggered:

- The quantitative criteria is satisfied if the probability of default for the remaining lifetime on the reporting date rises by more than a certain proportion compared with the probability of default at time of the initial recognition;
- Qualitative criteria mainly comprises material adverse changes in the debtor's business or financial position, and alert list of customers;
- The upper limit indicator is defined as the debtor's contract payment (including principal and interest) has been overdue for more than 30 days.

Definition of assets with credit impairment

In order to determine whether or not credit impairment has occurred, the Group adopted the definition criteria consistent with the internal credit risk management objectives for relevant financial instruments, while considering both quantitative and qualitative indicators. When the Group evaluated whether or not the debtor suffers from credit impairment, it mainly considered the following factors:

- the issuer or debtor is in material financial difficulties;
- the debtor violates the contract, such as default or overdue payment of interest or principal, etc.;
- the creditor gives concessions that it would not make under any other circumstance based on economic or contractual considerations related to the debtor's financial difficulties;
- the debtor is likely to go bankrupt or undergo other financial restructuring;

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

3. Risk of financial instruments (Continued)

Credit risk (Continued)

Definition of assets with credit impairment (Continued)

- difficulties of the issuer or debtor result in the disappearance of the active market of the financial asset;
- purchase or generate a financial asset at a substantial discount, which reflects the fact that credit impairment has occurred.

Credit impairment of financial assets might be caused by the combined action of multiple events, but not necessarily by separately identifiable events.

Parameters for Measuring Expected Credit Loss

Depending on whether credit risk has increased significantly and whether credit impairment has occurred, the Group measures impairment provision for different assets with the expected credit loss for 12 months or the lifetime period, respectively. The key parameters for expected credit loss measurement include default probability, default loss rate and default risk exposure. Considering the quantitative analysis and forward-looking information of historical statistical data (such as counterparty ratings, guarantees and collateral types, repayment methods and others), the Group establishes a default probability, default loss rate and default risk exposure model.

The relevant definitions are as follows:

- Probability of default (PD) refers to the possibility that the debtor will not be able to fulfill its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Group's PD is adjusted based on the results of the historical mobility model of receivables, taking into account the forward-looking information to reflect the debtor's PD under the current macroeconomic environment;
- Loss given default (LGD) refers to the Group's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collaterals, the LGD varies. The LGD is the percentage of loss of risk exposure at the time of default, calculated over the next 12 months or over the entire remaining lifetime;
- Exposure at default (EAD) is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

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X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

3. Risk of financial instruments (Continued)

Credit risk (Continued)

Parameters for Measuring Expected Credit Loss (Continued)

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identified the key economic indicators that affect the credit risk of each business type and ECL.

Please see Notes VII. 5, 8 and 10 for the risk exposure information of receivables, other receivables and contract assets.

Please see Notes VII. 5, 6, 8, 10, 12, 14, 16 and 31 for the quantitative data of credit risk exposure of the Group due to receivables, receivables for financing, other receivables, contract assets, non-current assets due within one year, debt investments, long-term receivables and other non-current assets.

Liquidity risk

The Group monitors its risk of deficiency of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and estimated cash flows from the Group's operations.

The Group sets its objective as maintaining a balance between continuity of funding and flexibility through the use of several financing methods such as notes settlement and bank borrowings, as well as optimizing financing structure through the combination of long and short-term financing. The Group has obtained banking facilities from several commercial banks to fund the working capital requirements and capital expenditure.

Management of the Group monitors the liquidity position of the Group on an ongoing basis to ensure the availability of sufficient liquid funds to meet all obligations as they fall due and to make the most efficient use of the Group's financial resources.

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X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

3. Risk of financial instruments (Continued)

Liquidity risk (Continued)

The table below summarizes the maturity profile of the Group's financial liabilities and lease liabilities based on the undiscounted contractual cash flows:

30 June 2021

Unit: Yuan Currency: RMB

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	39,524,573.51	-	-	-	39,524,573.51
Bills payable	2,235,196,688.87	-	-	-	2,235,196,688.87
Accounts payable	46,123,168,488.64	-	-	-	46,123,168,488.64
Other payables	3,650,797,444.09	-	-	-	3,650,797,444.09
Lease liabilities	135,777,467.90	28,703,897.25	31,929,771.03	-	196,411,136.18
Long-term borrowings (including maturity within 1 year)	140,519,092.80	-	169,000,000.00	2,025,322,028.80	2,334,841,121.60
Interest on long-term and short-term borrowings	116,013,529.41	108,493,654.40	319,696,648.31	460,746,864.69	1,004,950,696.81
Long-term payables (including maturity within 1 year)	39,047,614.30	68,996,272.20	-	-	108,043,886.50
	<u>52,480,044,899.52</u>	<u>206,193,823.85</u>	<u>520,626,419.34</u>	<u>2,486,068,893.49</u>	<u>55,692,934,036.20</u>

31 December 2020

Unit: Yuan Currency: RMB

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	491,584,392.53	-	-	-	491,584,392.53
Bills payable	1,974,383,429.57	-	-	-	1,974,383,429.57
Accounts payable	44,705,884,497.10	-	-	-	44,705,884,497.10
Other payables	1,979,340,519.78	-	-	-	1,979,340,519.78
Lease liabilities	62,431,029.36	30,838,300.28	33,975,222.35	-	127,244,551.99
Long-term borrowings (including maturity within 1 year)	128,719,092.80	187,000,000.00	577,900,000.00	1,230,741,575.20	2,124,360,668.00
Interests arising from long-term and short-term borrowings	107,023,325.37	96,714,836.65	233,871,839.43	276,030,640.16	713,640,641.61
Long-term payables (including maturity within 1 year)	42,421,794.65	77,846,656.30	-	-	120,268,450.95
	<u>49,491,788,081.16</u>	<u>392,399,793.23</u>	<u>845,747,061.78</u>	<u>1,506,772,215.36</u>	<u>52,236,707,151.53</u>

NOTES TO FINANCIAL STATEMENTS

30 June 2021

RMB

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

3. Risk of financial instruments (Continued)

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings and deposit and bank current deposit in large amount with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate in order to manage its interest rate risk. Borrowings and monetary funds are stated at amortized cost and are not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the profit or loss as earned/incurred.

As at 30 June 2021, floating interest rate loans and fixed interest rate loans accounted for 98% and 2% of the Group's borrowings respectively. Management would adjust the floating rate assets based on changes in the market interest rates to reduce the significant impact arising from interest rate risk.

If there was a general increase/decrease in the interest rate of borrowings with floating interest rates by 1%, with all other variables held constant, the consolidated net profits and other comprehensive income, net of tax would have decreased/increased by approximately RMB8,755,654.21 for the six months ended 30 June 2021 (2020: RMB6,639,227.51), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 30 June 2021 and the exposure to interest rate risk has been applied to those financial instruments in existence at that date. The estimated 1% of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period from the year until the date of balance sheet of the next year.

If there was a general increase/decrease in the interest rates of demand deposit of bank with floating interest rates by 0.1 percentage point, with all other variables held constant, the consolidated net profits and other comprehensive income, net of tax would have increased/decreased by approximately RMB14,230,546.00 for the six months ended 30 June 2021 (2020: RMB12,639,216.00), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 30 June 2021 and the exposure to interest rate risk has been applied to those financial instruments in existence at that date. The estimated 0.1 percentage point of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period from the year until the date of balance sheet of the next year.

X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

3. Risk of financial instruments (Continued)

Market risk (Continued)

Foreign currency risk

As a result of its significant business operations in Mainland China, the Group's revenue, expenses and over 95% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore minimal and the Group has not entered into any hedging transactions as at 30 June 2021 and 31 December 2020 in order to reduce the Group's exposure to foreign currency risk in this regard.

The following table demonstrates the sensitivity analysis on the foreign currency risk, reflecting the influence of reasonable possible change in the exchange rates of the United States dollar and Hong Kong dollar, with all other variables held constant, on the Group's net profit net of tax.

30 June 2021	Increase/(decrease) in United States dollar exchange rate	Increase/(decrease) in net profit or loss	Increase/(decrease) in total shareholder's equity
Depreciation of RMB against United States dollar	5%	15,394,118.81	15,394,118.81
Appreciation of RMB against United States dollar	-5%	-15,394,118.81	-15,394,118.81
	Increase/(decrease) in Hong Kong dollar exchange rate	Increase/(decrease) in net profit or loss	Increase/(decrease) in total shareholder's equity
Depreciation of RMB against Hong Kong dollar	5%	40,927,265.40	40,927,265.40
Appreciation of RMB against Hong Kong dollar	-5%	-40,927,265.40	-40,927,265.40
31 December 2020	Increase/(decrease) in United States dollar exchange rate	Increase/(decrease) in net profit or loss	Increase/(decrease) in total shareholder's equity
Depreciation of RMB against United States dollar	5%	10,041,063.16	10,041,063.16
Appreciation of RMB against United States dollar	-5%	-10,041,063.16	-10,041,063.16
	Increase/(decrease) in Hong Kong dollar exchange rate	Increase/(decrease) in net profit or loss	Increase/(decrease) in total shareholder's equity
Depreciation of RMB against Hong Kong dollar	5%	40,572,117.87	40,572,117.87
Appreciation of RMB against Hong Kong dollar	-5%	-40,572,117.87	-40,572,117.87

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred as at 30 June 2021 and 31 December 2020 and the exposure to foreign currency risk has been applied to those monetary assets and liabilities in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonable possible change in foreign exchange rates over the period from the year until the date of balance sheet of the next year.

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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X. RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

4. Capital management

The Group's primary objectives for capital management are to safeguard the Group's ability to continue as a going concern and keep the capital ratio at a healthy level, so that it can support business development and maximize the value of Shareholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the profit distribution to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debts. The Group is not bound by external compulsory capital requirements. For the six months ended 30 June 2021 and in 2020, no changes were made in the objectives, policies or processes for managing capital.

The Group manages its capital through gearing ratio, which is total liabilities divided by total assets. The gearing ratios of the Group as at the balance sheet date are as follows:

	30 June 2021	31 December 2020
Total assets	107,792,905,498.91	105,328,082,320.59
Total liabilities	64,024,564,960.63	61,030,744,806.19
Gearing ratio	<u>59.40%</u>	<u>57.94%</u>

XI. DISCLOSURE OF FAIR VALUE

1. Ending fair value of assets and liabilities measured at fair value

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Ending fair value			Total
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	
Continuous measurement of fair value				
Receivables for financing	–	–	1,375,367,698.42	1,375,367,698.42
Other equity instrument investments	–	–	1,042,926,047.20	1,042,926,047.20
Total assets measured at fair value on a recurring basis	–	–	2,418,293,745.62	2,418,293,745.62

2020

Unit: Yuan Currency: RMB

Item	Ending fair value			Total
	Level-1 fair value measurement	Level-2 fair value measurement	Level-3 fair value measurement	
Continuous measurement of fair value				
Receivables for financing	–	–	2,230,124,457.61	2,230,124,457.61
Other equity instrument investments	–	–	1,019,867,488.13	1,019,867,488.13
Total assets measured at fair value on a recurring basis	–	–	3,249,991,945.74	3,249,991,945.74

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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XI. DISCLOSURE OF FAIR VALUE (Continued)

2. Assets and liabilities disclosed at fair value

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	–	3,623,908,040.00	–	3,623,908,040.00
Long-term and short-term loans	–	2,402,414,871.22	–	2,402,414,871.22
Long-term payables	–	67,131,297.62	–	67,131,297.62

2020

Unit: Yuan Currency: RMB

Item	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	–	8,760,069,666.00	–	8,760,069,666.00
Financial assets included in other non-current assets	–	165,847,397.98	–	165,847,397.98
Long-term and short-term loans	–	2,618,206,742.81	–	2,618,206,742.81
Long-term payables	–	75,668,169.69	–	75,668,169.69

XI. DISCLOSURE OF FAIR VALUE (Continued)

3. Fair value valuation

The following is a comparison of the book value and fair value of various types of financial instruments other than financial instruments with small differences between book value and fair value:

Unit: Yuan Currency: RMB

	Book value		Fair value	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Long-term receivables	3,947,579,780.95	8,384,707,579.19	3,623,908,040.00	8,760,069,666.00
Financial assets included in other non-current assets	–	174,209,713.82	–	165,847,397.98
Long-term and short-term loans	2,374,365,695.11	2,615,945,060.53	2,402,414,871.22	2,618,206,742.81
Long-term payables	68,996,272.20	77,846,656.30	67,131,297.62	75,668,169.69
	6,390,941,748.26	11,252,709,009.84	6,093,454,208.84	11,619,791,976.48

The management has assessed the cash and bank balances, accounts receivable, receivables for financing, other receivables, bills payable, accounts payable and other payables. In each case, the fair value and book value are similar due to short remaining period.

On each balance sheet date, the Group analyzes the changes in the value of financial instruments and determines the key inputs to which the valuation applies.

The fair values of long-term receivables, long-term loans, long-term payables, and bonds payable determined by discounting the future cash flows using rates currently available for other instruments with similar terms, credit risk and remaining maturities. As at 30 June 2021 and 31 December 2020, the fair value of long-term receivables and long-term payables was similar to the book value, and the Group's own non-performance risk for long-term and short-term loans was assessed to be insignificant.

For financial instruments traded in an active market, the Group determines its fair value based on its active market quotation; and for financial instruments that are not traded in an active market, the Group uses valuation techniques to determine their fair values. The valuation models used are mainly cash flow discount models and market comparable company models. The input values of valuation techniques mainly include risk-free interest rates, benchmark interest rates, exchange rates, credit spreads, liquidity premiums, EBITDA multipliers, and lack of liquidity discounts etc.

The Group signed the derivative financial instrument contracts with more than one counterparties (mainly refer to financial institutions with higher credit rating). Derivative financial instruments are measured using the valuation techniques of forward pricing, swap model and present value method. The model covers multiple input values of observable market, including credit quality of counterparty, spot and forward exchange rate and interest rate curve. As at 30 June 2021, the market-to-market value of the derivative financial assets is the net value after offsetting the credit valuation of default risk attributable to derivative instrument counterparty after adjustment. The change of counterparty credit risk had no significant impact on the assessment on hedging effectiveness of the designated derivative hedging instrument in the hedging relationship and other financial instrument measured at fair value.

The fair value measurement of Level 3 uses cash flow discount method, and the unobservable input value is the weighted average cost of capital and the growth rate of long-term income.

NOTES TO FINANCIAL STATEMENTS

30 June 2021

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XI. DISCLOSURE OF FAIR VALUE (Continued)

4. Adjustment and level transformation of fair value measurement

As at 30 June 2021, there was no transfer of the fair value measurement of financial assets and financial liabilities between Level 1 and Level 2, nor was there any transfer to or out of Level 3.

5. Information on adjustment between opening and closing book values and sensitivity analysis of unobservable parameters for continuous Level-3 fair value measurement items

Applicable Not applicable

6. Reason for conversion for transfer between levels during the current period for continuous fair value measurement items, and policies for determination of time point of the conversion

Applicable Not applicable

7. Changes in valuation techniques during the current period and reason for such change

Applicable Not applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

Applicable Not applicable

9. Others

Applicable Not applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Parent of the Company

Applicable Not applicable

Unit: 0'000 Yuan Currency: RMB

Name of the parent	Place of registration	Nature of business	Registered capital	Shareholding percentage of the parent to the Company (%)	Percentage of voting right of the parent to the Company (%)
CRSC Group	Beijing	Railway communication, signal power and production of automatic control equipment	1,000,000	62.37	62.37

The parent and ultimate holding company of the Company is CRSC Group.

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, refer to the Note

Applicable Not applicable

For details of the subsidiaries of the Company, refer to the Note IX.1.

3. Details of the joint ventures and associates of the Company

For details of significant joint ventures or associates of the Company, see the Note

Applicable Not applicable

For details of joint ventures and associates of the Company, refer to the Note VII.17.

Information for other joint ventures and associates which form balance through related party transaction during the current or previous periods

Applicable Not applicable

4. Other related parties

Applicable Not applicable

Name of other related parties	Relationship between other related parties and the Company
Zhongxin Diantong Co., Ltd. (中信電通有限公司)	Associate of the Parent
Beijing CRSC Construction and Development Co., Ltd. (北京通號建設開發有限公司)	Joint venture of the Parent
Beijing CRSC Beifang Real Estate Co., Ltd. (北京通號北房置業有限公司)	Joint venture of the Parent
Gu'an Beixin Railway Signal Co., Ltd. (固安北信鐵路信號有限公司)	Associate of the subsidiary under control of the ultimate holding company
Xi'an Tongxin Railway Equipment Manufacturing Co., Ltd. (西安同鑫鐵路器材製造有限責任公司)	Associate of the subsidiary under control of the ultimate holding company
Tianshui Tonghao Electric Power Equipment Co., Ltd. (天水通號電力設備有限公司)	Associate of the subsidiary under control of the ultimate holding company
Beijing Erqi Communication Factory Co., Ltd. (北京二七通信工廠有限公司)	Subsidiary under control of the ultimate holding company
Beijing Railways Signal & Communication Complete Equipment Company Ltd. (北京鐵路通信信號成套設備有限公司)	Subsidiary under control of the ultimate holding company
Shanghai Xinlicheng Communication Technology Service Co., Ltd. (上海信立城通信技術服務有限公司)	Subsidiary under control of the ultimate holding company
Xi'an Weixun Monitoring Equipment Co., Ltd. (西安唯迅監控設備有限公司)	Subsidiary under control of the ultimate holding company

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RMB

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

4. Other related parties (Continued)

Name of other related parties	Relationship between other related parties and the Company
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd. (北京北信豐元鐵路電子設備有限公司)	Subsidiary under control of the ultimate holding company
CRSC Real Estate Co., Ltd. (通號置業有限公司)	Subsidiary under control of the ultimate holding company
CRSC Foshan Real Estate Co., Ltd. (通號佛山置業有限公司)	Subsidiary under control of the ultimate holding company
CRSC Guizhou Real Estate Co., Ltd. (通號貴州置業有限公司)	Subsidiary under control of the ultimate holding company
Alstom Investment (Shanghai) Co., Ltd. (阿爾斯通投資(上海)有限公司)	Minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport (S) Pte Ltd	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transporte SA	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport S.A.	Related party of a minority shareholder having material influence on subsidiary of the Group
Alstom Signaling Inc.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Aix en Provence	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM (Villeurbanne)	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Ferroviaria S.p.A	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport India Limited	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport Singapore Pte Ltd	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport Australia Pty Limited	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Hong Kong Ltd.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport Mexico, S.A. de C.V.	Related party of a minority shareholder having material influence on subsidiary of the Group
ALSTOM Transport Romania SA	Related party of a minority shareholder having material influence on subsidiary of the Group
Alstom Signaling Operation, LLC.	Related party of a minority shareholder having material influence on subsidiary of the Group

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions

(1). Related party transactions of purchasing or selling goods and rendering or receiving services

Statement on procurement of goods/receipt of labour services

✓ Applicable □ Not applicable

Related parties	Contents of related party transactions	Unit: Yuan Currency: RMB	
		Amount for the current period	Amount for the last period
SSCX	Procurement of goods	18,182,030.83	31,752,774.69
ALSTOM Transport S.A. (Note 1)	Procurement of goods	22,523,303.51	36,139,096.06
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd. (北京北信豐元鐵路電子設備有限公司) (Note 1)	Procurement of goods	15,772,091.74	15,162,164.32
Gu'an Beixin Railway Signal Co., Ltd. (固安北信鐵路信號有限公司)	Procurement of goods	29,909,949.14	10,400,101.17
Xi'an Tongxin Railway Equipment Manufacturing Co., Ltd. (西安同鑫鐵路器材製造有限責任公司)	Procurement of goods	9,751,109.81	8,615,983.27
Alstom Signaling Inc. (Note 1)	Procurement of goods	2,207,678.49	5,622,805.00
Xi'an Weixun Monitoring Equipment Co., Ltd. (西安唯迅監控設備有限公司) (Note 1)	Procurement of goods	1,487,056.47	1,018,655.75
Shanghai Xinlicheng Communication Technology Service Co., Ltd. (上海信立城通信技術服務有限公司) (Note 1)	Procurement of goods	2,114,912.14	–
Schaltbau	Procurement of goods	31,909.74	358,955.54
Alstom Investment (Shanghai) Co., Ltd. (阿爾斯通投資(上海)有限公司) (Note 1)	Procurement of goods	–	703,072.59
Shanghai Xinlicheng Communication Technology Service Co., Ltd. (上海信立城通信技術服務有限公司) (Note 1)	Receipt of labour service	364,720.75	328,214.00
Beijing Railways Signal & Communication Complete Equipment Company Ltd. (北京鐵路通信信號成套設備有限公司) (Note 1)	Receipt of labour service	–	1,049,466.78
ALSTOM Transport S.A. (Note 1)	Receiving technology transfer	121,972,167.98	92,284,338.69
Alstom Investment (Shanghai) Co., Ltd. (阿爾斯通投資(上海)有限公司) (Note 1)	Receiving technology transfer	423,969.41	2,019,387.54
ALSTOM Aix en Provence (Note 1)	Receiving technology transfer	2,310,188.40	1,239,509.02

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(1). Related party transactions of purchasing or selling goods and rendering or receiving services (Continued)

Statement on sales of goods/provision of labour services

✓ Applicable □ Not applicable

Related parties	Contents of related party transactions	Unit: Yuan Currency: RMB	
		Amount for the current period	Amount for the last period
SSCX	Sale of goods	39,238,227.85	35,108,223.75
CRSC Tianshui	Sale of goods	35,398,230.09	19,026,548.67
ALSTOM Transport S.A. (Note 1)	Sale of goods	17,257,620.00	17,039,528.16
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd. (北京北信豐元鐵路電子設備有限公司) (Note 1)	Sale of goods	8,172,486.17	–
ALSTOM Transport India Limited (Note 1)	Sale of goods	4,765,797.00	2,417,073.00
Xi'an Tongxin Railway Equipment Manufacturing Co., Ltd. (西安同鑫鐵路器材製造有限責任公司)	Sale of goods	3,681,405.60	3,406,962.11
ALSTOM Transporte SA (Note 1)	Sale of goods	3,626,036.83	–
ALSTOM Transport Australia Pty Limited (Note 1)	Sale of goods	2,009,885.72	–
Gu'an Beixin Railway Signal Co., Ltd. (固安北信鐵路信號有限公司)	Sale of goods	1,564,407.08	–
ALSTOM Transport Singapore Pte Ltd (Note 1)	Sale of goods	853,571.51	2,740,652.00
ALSTOM Investment (Shanghai) Co., Ltd. (阿爾斯通投資(上海)有限公司) (Note 1)	Sale of goods	730,000.00	–
Xi'an Weixun Monitoring Equipment Co., Ltd. (西安唯迅監控設備有限公司) (Note 1)	Sale of goods	78,204.52	–
ALSTOM HONG KONG LTD. (Note 1)	Sale of goods	72,146.20	–
CRSC Group (Note 1)	Sale of goods	–	1,264,957.26
ALSTOM Ferroviaria S.p.A (Note 1)	Sale of goods	–	1,261,400.00
CRSC Foshan Real Estate Co., Ltd. (通號佛山置業有限公司) (Note 1)	Provision of labour service	309,665,881.20	–
CRSC Real Estate Co., Ltd. (通號置業有限公司) (Note 1)	Provision of labour service	41,040,054.72	–
SSCX	Provision of labour service	1,150,392.44	465,655.66
CRSC Tianshui	Provision of labour service	130,043.40	13,410,758.98
CRSC Guizhou Real Estate Co., Ltd. (通號貴州置業有限公司) (Note 1)	Provision of labour service	662,563.31	–
SSCX	Providing technology transfer	<u>201,929.75</u>	<u>230,843.45</u>

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(1). *Related party transactions of purchasing or selling goods and rendering or receiving services* (Continued)

The prices of goods and services traded between the Group and related parties were determined by both parties through negotiation with referring to market prices and other factors.

Explanation about connected transactions of purchasing or selling goods and rendering or receiving services

Applicable Not applicable

(2). *Connected entrusted management/contracting and entrusted management/outsourcing*

Statement on entrusted management/contracting by the Company:

Applicable Not applicable

Description of connected custody/contracting

Applicable Not applicable

Statement on entrusted management/outsourcing by the Company:

Applicable Not applicable

Description of connected management/outsourcing

Applicable Not applicable

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(3). Leases with related parties

The Company as lessor:

Applicable Not applicable

		Unit: Yuan	Currency: RMB
Name of lessee	Type of leased assets	Rental income recognized in current period	Rental income recognized in the previous period
Zuhai Huatong	Fixed assets	1,299,999.71	1,294,495.12
Xi'an Tongxin Railway Equipment Manufacturing Co., Ltd. (西安同鑫鐵路器材製造有限責任公司)	Fixed assets	754,919.27	754,919.27
Xi'an Weixun Monitoring Equipment Co., Ltd. (西安唯迅監控設備有限公司) (Note 1)	Fixed assets	235,710.55	235,710.55
Shanghai Xinlicheng Communication Technology Service Co., Ltd. (上海信立城通信技術服務有限公司) (Note 1)	Fixed assets	31,858.41	-
Schaltbau	Fixed assets	-	2,433,302.75
		<u>31,858.41</u>	<u>2,433,302.75</u>

Note 1: Related party transactions in connection with the above items also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

Note 2: The prices of the house rental between the Group and related parties were determined by both parties through negotiation with referring to market prices.

The Company as lessee:

Applicable Not applicable

Explanation of leases with related parties

Applicable Not applicable

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related party transactions (Continued)

(4). *Related guarantee*

The Company as a guarantor

Applicable Not applicable

The Company as a secured party

Applicable Not applicable

Description of related guarantee

Applicable Not applicable

(5). *Capital lending to/borrowing from related parties*

Applicable Not applicable

(6). *Asset transfer and debt restructuring of related parties*

Applicable Not applicable

(7). *Emolument of key management*

Applicable Not applicable

Unit: 0'000 Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Emolument of key management	<u>342</u>	<u>267</u>

Key management comprise executive directors, supervisors, independent non-executive directors and senior management.

(8). *Other connected transactions*

Applicable Not applicable

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts due from/to related parties

(1). Receivable

✓ Applicable □ Not applicable

		Unit: Yuan	Currency: RMB
Item	Related parties	Closing Book balance	Opening Book balance
Accounts receivable	CRSC Foshan Real Estate Co., Ltd. (通號佛山置業有限公司)	309,665,881.20	341,207,338.30
Accounts receivable	CRSC Tianshui	250,558,299.33	256,014,007.85
Accounts receivable	CRSC Real Estate Co., Ltd. (通號置業有限公司)	175,405,371.10	104,648,801.57
Accounts receivable	SSCX	21,386,797.92	15,283,692.32
Accounts receivable	CRSC Guizhou Real Estate Co., Ltd. (通號貴州置業有限公司)	15,412,617.26	10,114,290.11
Accounts receivable	Siping Pipeline	17,259,689.00	9,079,482.00
Accounts receivable	Gu'an Beixin Railway Signal Co., Ltd. (固安北信鐵路信號有限公司)	10,422,865.15	8,655,085.15
Accounts receivable	ALSTOM Transport S.A.	9,962,707.00	46,595.00
Accounts receivable	CRSC Group	6,721,652.54	-
Accounts receivable	ALSTOM Transport India Limited	3,673,957.84	-
Accounts receivable	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd. (北京北信豐元鐵路電子設備有限公司)	4,399,003.45	-
Accounts receivable	ALSTOM Transport Mexico, S.A. de C.V.	394,926.00	394,926.00
Accounts receivable	ALSTOM Transport Australia Pty Limited	210,209.00	-
Accounts receivable	Tianshui Tonghao Electric Power Equipment Co., Ltd. (天水通號電力有限公司)	43,067.00	43,067.00
Accounts receivable	ALSTOM Transport Singapore Pte Ltd	213.00	-
Accounts receivable	ALSTOM Ferroviaria S.p.A	-	1,261,400.00
Accounts receivable	ALSTOM Transporte SA	-	207,844.00
Prepayments	Xi'an Weixun Monitoring Equipment Co., Ltd. (西安唯迅監控設備有限公司)	1,565,399.55	1,210,383.03
Prepayments	Beijing Railways Signal & Communication Complete Equipment Company Ltd. (北京鐵路通信信號成套設備有限公司)	26,855.64	32,838.56

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts due from/to related parties (Continued)

(1). Receivable (Continued)

✓ Applicable □ Not applicable

		Unit: Yuan Currency: RMB	
Item	Related parties	Closing Book balance	Opening Book balance
Prepayments	ALSTOM Transport S.A.	5,165.24	2,546,503.68
Prepayments	ALSTOM (Villeurbanne)	-	418,420.90
Other receivables	SSCX	1,078,327.88	918,862.28
Other receivables	Xi'an Weixun Monitoring Equipment Co., Ltd. (西安唯迅監控設備有限公司)	313,203.20	-
Other receivables	Beijing CRSC Construction and Development Co., Ltd. (北京通號建設開發有限公司)	71,997.70	622,908.84
Other receivables	CRSC Tianshui	61,062.63	57,499.97
Other receivables	Beijing Railways Signal & Communication Complete Equipment Company Ltd. (北京鐵路通信信號成套設備有限公司)	10,000.00	22,100.00
Other receivables	CRSC Group	8,359.89	-
Other receivables	CRSC Foshan Real Estate Co., Ltd. (通號佛山置業有限公司)	6,192.58	-
Other receivables	Siping Pipeline	4,711.61	-
Other receivables	Beijing CRSC Beifang Real Estate Co., Ltd. (北京通號北房置業有限公司)	-	71,997.70
Other receivables	CRSC Real Estate Co., Ltd. (通號置業有限公司)	-	310,518.00
Dividends receivable	SSCX	-	14,040,000.00

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts due from/to related parties (Continued)

(2). Payable

✓ Applicable □ Not applicable

		Unit: Yuan	Currency: RMB
Item	Related parties	Closing book balance	Opening book balance
Accounts payable	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd. (北京北信豐元鐵路電子設備有限公司)	131,580,717.45	133,672,015.80
Accounts payable	ALSTOM Transport S.A.	129,681,525.87	120,413,856.53
Accounts payable	Alstom Signaling Inc.	66,593,042.14	66,593,042.14
Accounts payable	SSCX	10,273,524.97	31,755,398.37
Accounts payable	Gu'an Beixin Railway Signal Co., Ltd. (固安北信鐵路信號有限公司)	13,471,738.23	13,993,324.31
Accounts payable	ALSTOM(Villeurbanne)	5,149,695.65	8,859,562.95
Accounts payable	Xi'an Tongxin Railway Equipment Manufacturing Co., Ltd. (西安同鑫鐵路器材製造有限責任公司)	2,050,298.42	274,236.08
Accounts payable	Alstom Investment (Shanghai) Co., Ltd. (阿爾斯通投資(上海)有限公司)	1,092,385.47	190,644.34
Accounts payable	Schaltbau	314,484.38	529,114.75
Accounts payable	Alstom Signaling Operation, LLC.	285,438.01	-
Accounts payable	ALSTOM Aix en Provence	166,704.39	598,333.48
Accounts payable	Xi'an Weixun Monitoring Equipment Co., Ltd. (西安唯迅監控設備有限公司)	83,902.63	44,584.00
Accounts payable	Zhongxin Diantong Co., Ltd. (中信電通有限公司)	50,500.50	-
Accounts payable	CRSC Smart Technology	-	4,927,521.74
Accounts payable	Beijing Erqi Communication Factory Co., Ltd. (北京二七通信工廠有限公司)	-	39,385.47
Notes payable	SSCX	5,000,000.00	14,000,000.00
Notes payable	Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd. (北京北信豐元鐵路電子設備有限公司)	4,000,000.00	350,000.00
Notes payable	Xi'an Tongxin Railway Equipment Manufacturing Co., Ltd. (西安同鑫鐵路器材製造有限責任公司)	1,500,000.00	-

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts due from/to related parties (Continued)

(2). Payable (Continued)

✓ Applicable □ Not applicable

		Unit: Yuan	Currency: RMB
Item	Related parties	Closing book balance	Opening book balance
Notes payable	Gu'an Beixin Railway Signal Co., Ltd. (固安北信鐵路信號有限公司)	–	68,713.00
Contract liabilities	ALSTOM Transport S.A.	2,986,316.56	4,225,109.56
Contract liabilities	ALSTOM Transport Singapore Pte Ltd	2,806,553.00	–
Contract liabilities	ALSTOM Transport Australia Pty Limited	237,114.00	185,650.00
Contract liabilities	Schaltbau	183,294.00	–
Contract liabilities	ALSTOM Transport (S) Pte Ltd	42,997.00	42,997.00
Contract liabilities	SSCX	–	112,000.00
Other payables	CRSC Group	2,219,853.16	11,776,283.85
Other payables	Beijing Railways Signal & Communication Complete Equipment Company Ltd. (北京鐵路通信信號成套設備有限公司)	576,850.91	475,511.81
Other payables	Xi'an Tongxin Railway Equipment Manufacturing Co., Ltd. (西安同鑫鐵路器材製造有限責任公司)	300,000.00	–
Other payables	CRSC Real Estate Co., Ltd. (通號置業有限公司)	17,138.12	–

Note: As of 30 June 2021, the Group's receivables from and payables to related parties were interest-free, unsecured and have no fixed repayment period.

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XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

7. Commitment of related parties

Applicable Not applicable

The following are the significant outstanding contracts in connection with related parties of the Group at the balance sheet date:

Sale of goods to related parties

Unit: Yuan Currency: RMB

	30 June 2021	31 December 2020
ALSTOM Transport Australia Pty Limited	85,935,897.00	–
SSCX	55,857,415.46	13,410,144.41
ALSTOM Transport S.A.	43,967,290.13	32,326,137.78
ALSTOM Transport India Limited	23,598,274.85	–
ALSTOM Transporte SA	5,680,204.75	–
ALSTOM Transport Romania SA	3,186,589.00	–
Alstom Investment (Shanghai) Co., Ltd. (阿爾斯通投資(上海)有限公司)	370,148.28	–
ALSTOM Transport Mexico S.A. de C.V.	365,790.00	–
ALSTOM Hong Kong Ltd.	240,000.00	–
ALSTOM Transport Singapore Pte Ltd	213.00	–
	219,201,822.47	45,736,282.19

Purchasing goods from/receiving technology transfer services from related parties

Unit: Yuan Currency: RMB

	30 June 2021	31 December 2020
ALSTOM Transport S.A.	313,712,124.94	276,169,670.10
SSCX	39,186,801.10	41,387,046.06
CRSC Smart Technology	17,453,040.05	17,760,387.04
Alstom Signaling Inc.	8,236,128.00	6,433,362.24
Beijing Beixin Fengyuan Railway Electronic Equipment Co., Ltd. (北京北信豐元鐵路電子設備有限公司)	507,743.00	1,315,902.01
Gu'an Beixin Railway Signal Co., Ltd. (固安北信鐵路信號有限公司)	1,062,243.76	1,368,080.06
ALSTOM Transport India Limited	–	448,603.48
ALSTOM Aix en Provence	–	416,766.48
	380,158,080.85	345,299,817.47

XII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

7. Commitment of related parties (Continued)

Providing labour service for related parties

Unit: Yuan Currency: RMB

	30 June 2021	31 December 2020
Siping Pipeline	<u>205,361,702.63</u>	<u>205,361,702.63</u>

8. Others

Applicable Not applicable

XIII. SHARE-BASED PAYMENT

1. Overview of share-based payment

Applicable Not applicable

2. Information about equity-settled share-based payment

Applicable Not applicable

3. Information about cash-settled share-based payment

Applicable Not applicable

4. Information about modification and termination of share-based payment

Applicable Not applicable

5. Others

Applicable Not applicable

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XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Applicable Not applicable

Significant external commitments, nature and amount existing as at the balance sheet date

Unit: Yuan Currency: RMB

	Closing balance	Opening balance
Contracted, but not provided for Capital commitment	3,560,378.62	21,218,890.30
Investment commitment	697,320,480.00	284,750,480.00
Total	700,880,858.62	305,969,370.30

2. Contingencies

(1). Important contingencies existing as at the balance sheet date

Applicable Not applicable

(2). The Company has no discloseable important contingencies, and shall also give an explanation:

Applicable Not applicable

3. Others

Applicable Not applicable

XV. EVENTS AFTER THE BALANCE SHEET DATE

1. Important non-adjusting matters

Applicable Not applicable

2. Information about profit distribution

Applicable Not applicable

XV. EVENTS AFTER THE BALANCE SHEET DATE (Continued)

3. Sales return

Applicable Not applicable

4. Explanation about other events after the balance sheet date

Applicable Not applicable

The Group had no events after the balance sheet date that are required to be disclosed.

XVI. OTHER IMPORTANT EVENTS

1. Early correction of accounting error

(1). Retrospective restatement

Applicable Not applicable

(2). Prospective application

Applicable Not applicable

2. Debt restructuring

Applicable Not applicable

3. Asset replacement

(1). Exchange of non-monetary assets

Applicable Not applicable

(2). Other asset replacement

Applicable Not applicable

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XVI. OTHER IMPORTANT EVENTS (Continued)

4. Annuity plan

Applicable Not applicable

5. Discontinuing operations

Applicable Not applicable

6. Segment information

(1). Basis for determining and accounting policies of reporting segments

Applicable Not applicable

For management purposes, the Group is divided into business units based on products and services. The Group has the following 3 reporting segments:

- (1) The rail transportation control system segment mainly provides specialized “three-in-one” services of design and integration, equipment manufacturing and system implementation services for rail transportation control systems;
- (2) Construction contracting segment mainly includes contracting of municipal engineering and other engineering construction services;
- (3) Other segments mainly engage in bidding agents, centralized procurement, etc.

Management monitors the operating results of the Group’s operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reporting segment profit. The indicator is consistent with the total profit of the Group.

Inter-segment transfer pricing is determined by reference to prices adopted in sales or rendering of services to third parties.

(2). Financial information of reporting segment

Applicable Not applicable

XVI. OTHER IMPORTANT EVENTS (Continued)

6. Segment information (Continued)

(2). Financial information of reporting segment (Continued)

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

	Rail transportation control system	Construction Contracting	Others	Adjustments and eliminations	Total
Revenue from external transactions	12,821,909,015.50	5,010,111,175.27	32,727,098.53	-	17,864,747,289.30
Revenue from inter-segment transactions	5,485,445.68	22,806,106.40	4,512,323.76	-32,803,875.84	-
	12,827,394,461.18	5,032,917,281.67	37,239,422.29	-32,803,875.84	17,864,747,289.30
Investment income from joint ventures and associates	26,953,405.48	-	-	-	26,953,405.48
Assets impairment losses	85,937.10	1,329,455.13	-	-	1,415,392.23
Losses/(reversal)from impairment of credit	57,587,261.77	-707,332.00	74,692.62	-	56,954,622.39
Depreciation and amortization expenses	328,237,947.91	17,707,511.31	305,932.61	-	346,251,391.83
Total profit					2,373,356,590.49
Income tax expenses					-336,617,442.08
Net profit					2,036,739,148.41
Total assets	75,617,566,445.98	32,637,430,810.84	186,559,096.95	-648,650,854.86	107,792,905,498.91
Total liabilities	39,023,121,972.41	25,575,822,034.46	71,291,488.63	-645,670,534.87	64,024,564,960.63
Other disclosures:					
Long-term equity investments in joint ventures and associates	1,249,303,580.40	61,317,355.41	-	-	1,310,620,935.81
Capital expenditures (Note)	337,175,084.89	41,942,735.26	103,781.60	-	379,221,601.75

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XVI. OTHER IMPORTANT EVENTS (Continued)

6. Segment information (Continued)

(2). Financial information of reporting segment (Continued)

For the six months ended 30 June 2020

	Unit: Yuan Currency: RMB				
	Rail transportation control system	Construction Contracting	Others	Adjustments and eliminations	Total
Revenue from external transactions	10,944,267,396.47	3,651,435,573.91	25,075,880.94	-	14,620,778,851.32
Revenue from inter-segment transactions	10,998,127.15	29,690,583.03	11,496,264.96	-52,184,975.14	-
	10,955,265,523.62	3,681,126,156.94	36,572,145.90	-52,184,975.14	14,620,778,851.32
Investment income from joint ventures and associates	22,170,156.46	3,698,385.20	-	-	25,868,541.66
Assets impairment losses/(reversal)	2,177,528.04	-5,439,667.01	-	-	-3,262,138.97
Losses/(reversal)from impairment of credit	87,886,090.05	-64,556,829.81	3,784.77	-	23,333,045.01
Depreciation and amortization expenses	268,298,406.74	17,418,131.93	254,430.10	-	285,970,968.77
Total profit					2,247,700,783.19
Income tax expenses					-287,843,858.03
Net profit					1,959,856,925.16
Total assets	<u>71,044,884,765.85</u>	<u>29,369,698,614.28</u>	<u>189,401,941.98</u>	<u>-1,127,066,632.45</u>	<u>99,476,918,689.66</u>
Total liabilities	<u>35,641,896,381.45</u>	<u>22,478,740,218.05</u>	<u>72,438,333.00</u>	<u>-1,125,822,183.98</u>	<u>57,067,252,748.52</u>
Other disclosures:					
Long-term equity investments in joint ventures and associates	1,052,483,921.40	8,973,090.07	-	-	1,061,457,011.47
Capital expenditures (Note)	<u>827,119,052.94</u>	<u>7,262,938.98</u>	<u>-</u>	<u>-</u>	<u>834,381,991.92</u>

Note: Capital expenditure consists of additions to investment properties, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditure and long-term prepaid expenses for the period.

(3). If the Company has no reporting segment or cannot disclose the total assets and total liabilities of each reporting segment, the reasons shall be stated

Applicable Not applicable

XVI. OTHER IMPORTANT EVENTS (Continued)

6. Segment information (Continued)

(4). Other explanation

✓ Applicable Not applicable

Geographic information

(a) Revenue from external customers

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Mainland China	17,438,651,105.39	14,487,225,166.13
Other countries or regions	<u>426,096,183.91</u>	<u>133,553,685.19</u>
	<u>17,864,747,289.30</u>	<u>14,620,778,851.32</u>

Revenue from external customers is based on the locations of the customers.

(b) Total non-current assets

Unit: Yuan Currency: RMB

	30 June 2021	31 December 2020
China	<u>14,764,179,377.91</u>	<u>10,119,225,874.00</u>

Non-current assets are analyzed by geographic locations where the assets (excluding financial assets and deferred tax assets) are located.

Key customer information

For the six months ended 30 June 2021, the revenue without single customer of the Group reached or exceeded 10% of the Group's revenue.

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XVI. OTHER IMPORTANT EVENTS (Continued)

7. Other important transactions and events that have impact on investors' decision-making

Applicable Not applicable

8. Others

Applicable Not applicable

(1) Lease arrangement

1. As lessor

The Group leases out part of buildings to form operating leases with a term of 1- 8 years. Pursuant to leasing contracts, rentals shall be adjusted annually based on market rental rate. The Group recorded income from leasing out of buildings of RMB19,593,353.46 for the six months ended 30 June 2021 (the six months ended 30 June 2020: RMB24,440,003.25). Leasing out of buildings is stated in the investment properties, details of which are set out in Note VII. 20.

Significant operating leases

Profit and loss related to operating lease are listed as follows:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Rental income	<u>19,593,353.46</u>	<u>24,440,003.25</u>

According to the lease contracts entered into with the lessees, the minimum lease receivables under non-cancellable leases are as follows:

Unit: Yuan Currency: RMB

	30 June 2021	31 December 2020
Less than 1 year (including 1 year)	41,144,028.40	28,744,854.81
2 to 5 years (including 5 years)	112,606,753.61	77,874,693.91
Over 5 years	11,862,117.84	25,838,606.13
	<u>165,612,899.85</u>	<u>132,458,154.85</u>

XVI. OTHER IMPORTANT EVENTS (Continued)

8. Others (Continued)

(1) Lease arrangement (Continued)

2. As lessee

Supplementary information on lease expenses

The Group adopted simplified treatment for short-term leases and leases of low-value assets, and had not recognized right-of-use assets and lease liabilities. The short-term leases and low-value assets are as follows:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Interest expense of lease liabilities	4,110,748.62	5,704,198.56
Short-term lease expenses subject to simplified treatment and included in current profits and losses	22,063,169.44	27,145,615.09
Total cash outflow related to lease	<u>37,445,372.01</u>	<u>43,795,799.49</u>

Leases committed but not yet commenced

The expected annual cash out-flows in the future for leases committed but not yet commenced by the Group are as follows:

Unit: Yuan Currency: RMB

	30 June 2021	31 December 2020
Less than 1 year (including 1 year)	19,675,918.87	37,290,453.89
1 to 2 years (including 2 years)	1,780,211.97	20,659,577.27
2 to 3 years (including 3 years)	1,713,188.42	6,154,657.10
Over 3 years	—	9,127,760.59
	<u>23,169,319.26</u>	<u>73,232,448.85</u>

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY

1. Accounts receivable

(1) Disclosure by aging

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance	Opening book balance
Within 1 year	1,318,268,958.72	1,503,406,673.88
1 to 2 years	210,162,012.05	357,423,337.34
2 to 3 years	249,674,815.63	222,345,245.80
Over 3 years	144,962,068.78	118,701,812.95
Less: Provision for bad debt of accounts receivable	-78,264,319.21	-75,909,024.70
Total	1,844,803,535.97	2,125,968,045.27

(2) Disclosure by classification with the method of provision for bad debt

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Gross carrying amount		Provision for bad debt		Book value	Gross carrying amount		Provision for bad debt		Book value
	Amount	Proportion (%)	Amount	Provision withdrawal proportion (%)		Amount	Proportion (%)	Amount	Provision withdrawal proportion (%)	
Single provision for bad debt	430,678,264.74	22.40	2,720,773.65	0.63	427,957,491.09	497,542,567.46	22.60	4,348,445.89	0.87	493,194,121.57
Provision withdrawn for bad debt on a combination basis	1,492,389,590.44	77.60	75,543,545.56	5.06	1,416,846,044.88	1,704,334,502.51	77.40	71,560,578.81	4.20	1,632,773,923.70
Total	1,923,067,855.18	100.00	78,264,319.21	/	1,844,803,535.97	2,201,877,069.97	100.00	75,909,024.70	/	2,125,968,045.27

Single provision for bad debt:

Applicable Not applicable

XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

1. Accounts receivable (Continued)

(2). Disclosure by classification with the method of provision for bad debt (Continued)

Unit: Yuan Currency: RMB

Name	Gross carrying amount	Provision for bad debt	Closing balance Provision withdrawal proportion (%)	Reason for provision
Beijing Metro Construction Administration Corporation Ltd. (北京市軌道交通建設管理有限公司)	2,385,172.77	1,908,138.22	80.00	The Company has made provision for some bad debts based on the aging of the accounts and the business conditions of the other party.
Others	428,293,091.97	812,635.43	0.19	
Total	<u>430,678,264.74</u>	<u>2,720,773.65</u>	<u>0.63</u>	

Descriptions of single provision for bad debt:

Applicable Not applicable

Provision withdrawn for bad debt on a combination basis:

Applicable Not applicable

Items under combination-based withdrawal: Aging combination

NOTES TO FINANCIAL STATEMENTS

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

1. Accounts receivable (Continued)

(2). Disclosure by classification with the method of provision for bad debt (Continued)

30 June 2021

Unit: Yuan Currency: RMB

Name	Closing balance		Provision withdrawal proportion (%)
	Accounts receivable	Provision for bad debt	
Within 1 year	929,092,943.53	4,645,464.72	0.50
1 to 2 years	205,105,871.63	10,255,293.58	5.00
2 to 3 years	241,665,572.46	24,166,557.25	10.00
Over 3 years	116,525,202.82	36,476,230.01	31.30
Total	<u>1,492,389,590.44</u>	<u>75,543,545.56</u>	<u>5.06</u>

31 December 2020

Unit: Yuan Currency: RMB

Name	Closing balance		Provision withdrawal proportion (%)
	Accounts receivable	Provision for bad debt	
Within 1 year	1,058,144,688.79	5,290,723.44	0.50
1 to 2 years	348,405,037.47	17,420,251.87	5.00
2 to 3 years	215,970,220.65	21,597,022.07	10.00
Over 3 years	81,814,555.60	27,252,581.43	33.31
Total	<u>1,704,334,502.51</u>	<u>71,560,578.81</u>	<u>4.20</u>

Recognition standards and descriptions of provision withdrawn for bad debt on a combination basis:

Applicable Not applicable

If provisions for bad debts are made as per the general model of ECL, please make disclosure with reference to other receivables:

Applicable Not applicable

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

1. Accounts receivable (Continued)

(3). Provision for bad debts

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Accounts receivable	75,909,024.70	5,292,528.61	2,937,234.10	-	78,264,319.21
Total	75,909,024.70	5,292,528.61	2,937,234.10	-	78,264,319.21

2020

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Accounts receivable	66,495,016.08	13,348,971.81	3,934,963.19	-	75,909,024.70
Total	66,495,016.08	13,348,971.81	3,934,963.19	-	75,909,024.70

Significant amounts recovered or reversed to bad debts in the period:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

30 June 2021
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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

1. Accounts receivable (Continued)

(4). The situation of the write-off of accounts receivable for the period

Applicable Not applicable

(5). Top five accounts receivable by closing balance collection of the borrowers

Applicable Not applicable

As at 30 June 2021, total top five closing balance for the year of accounts receivable are as following:

Unit: Yuan Currency: RMB

Name of debtor	Gross Carrying amount	Provision for bad debt	Percentage of total accounts receivable (%)
Aggregation of the top five borrowers with the largest closing balance of accounts receivables	<u>626,008,035.76</u>	<u>12,497,362.34</u>	<u>32.55</u>

As at 31 December 2020, total top five closing balance for the year of accounts receivable are as following:

Unit: Yuan Currency: RMB

Name of debtor	Gross Carrying amount	Provision for bad debt	Percentage of total accounts receivable (%)
Aggregation of the top five borrowers with the largest closing balance of accounts receivables for the previous year	<u>770,012,164.43</u>	<u>4,823,043.18</u>	<u>34.97</u>

(6). Accounts receivable derecognized due to the transfer of financial assets

Applicable Not applicable

XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

1. Accounts receivable (Continued)

(7). *Amount of assets or liabilities resulting from accounts receivable transfer and continuing involvement*

Applicable Not applicable

Other explanation:

Applicable Not applicable

2. Other receivables

Item

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends receivable	2,016,656,725.31	699,665,430.31
Other receivables	6,768,802,698.74	6,318,464,558.38
Total	8,785,459,424.05	7,018,129,988.69

Other explanation:

Applicable Not applicable

Interests receivable

(1) *Classification of interests receivable*

Applicable Not applicable

(2) *Significant overdue interest*

Applicable Not applicable

(3) *Provision for bad debts*

Applicable Not applicable

Other explanation:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

Dividends receivable

Applicable Not applicable

Unit: Yuan Currency: RMB

Items (or invested entities)	Closing balance	Opening balance
CRSCD	701,467,000.00	569,484,500.00
CRSC Xi'an Industry Group	321,918,000.00	—
CRSCS	191,257,000.00	—
CRSC Beijing Industry Group	183,138,000.00	—
CRSC Construction	172,494,000.00	126,564,000.00
CRSCE	150,330,000.00	—
CRSC CASCO	149,202,795.00	—
CRSCC	78,798,000.00	—
CRSC Cables	24,168,000.00	—
Urban Rail Transit	21,054,000.00	—
CRSC Tengda	7,121,000.00	—
CRSC Huatai	4,028,000.00	—
Beijing Bid	3,972,000.00	—
CRSC Wanquan	3,616,930.31	3,616,930.31
CRSC International Holdings	3,282,000.00	—
CRSC Changsha Railway	810,000.00	—
Total	2,016,656,725.31	699,665,430.31

(1). *Significant dividends receivable with an age over 1 year*

Applicable Not applicable

(2). *Provision for bad debts*

Applicable Not applicable

Other explanation:

Applicable Not applicable

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

Other receivables

(1). *Disclosure by aging*

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Closing book balance	Opening book balance
Within 1 year	6,270,782,363.17	6,012,431,654.80
1 to 2 years	197,175,147.74	13,566,260.59
2 to 3 years	113,868,460.44	108,779,050.95
Over 3 years	187,593,825.19	184,304,289.84
Less: Provision for bad debts of other receivables	-617,097.80	-616,697.80
Total	<u>6,768,802,698.74</u>	<u>6,318,464,558.38</u>

(2). *Classification by nature of accounts*

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(3). *Provision for bad debt*

Applicable Not applicable

The changes of provision for bad debts of other receivables under the 12-months ECL and Lifetime ECL respectively are as follows:

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit- impaired)	Total
Provision for bad debt				
Amounts due as at 1 January 2021	453,904.47	162,793.33	-	616,697.80
Amounts due for the period as at 1 January 2021				
– Transferred to stage 2	-	-	-	-
– Transferred to stage 3	-	-	-	-
– Reversed to stage 2	-	-	-	-
– Reversed to stage 1	-	-	-	-
Provision for the period	400.00	-	-	400.00
Reversal for the period	-	-	-	-
Write-off for the period	-	-	-	-
Cancellation for the period	-	-	-	-
Other changes	-	-	-	-
Amounts due as at 30 June 2021	<u>454,304.47</u>	<u>162,793.33</u>	<u>-</u>	<u>617,097.80</u>

NOTES TO FINANCIAL STATEMENTS

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(3). *Provision for bad debt* (Continued)

2020

	Unit: Yuan			Currency: RMB
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit- impaired)	Total
Provision for bad debt				
Amounts due as at 1 January 2020	404,051.00	162,793.33	–	566,844.33
Amounts due for the period as at 1 January 2020				
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
– Reversed to stage 2	–	–	–	–
– Reversed to stage 1	–	–	–	–
Provision for the period	49,853.47	–	–	49,853.47
Reversal for the period	–	–	–	–
Write-off for the period	–	–	–	–
Cancellation for the period	–	–	–	–
Other changes	–	–	–	–
Amounts due as at 31 December 2020	<u>453,904.47</u>	<u>162,793.33</u>	<u>–</u>	<u>616,697.80</u>

NOTES TO FINANCIAL STATEMENTS

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(3). *Provision for bad debt* (Continued)

The significant changes in gross carrying amount of other receivables for which loss provision has changed in the period are as follows:

Applicable Not applicable

The significant changes in the gross carrying amount of other receivables that affected the changes in loss provisions in the current period are as follows:

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

	Stage 1	Stage 2	Stage 3	
	12-months ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit impaired)	Total
Amount as at 1 January 2021	6,318,811,318.86	269,937.32	-	6,319,081,256.18
Amounts due for the period as at 1 January 2021				
- Transferred to stage 2	-	-	-	-
- Transferred to stage 3	-	-	-	-
- Reversed to stage 2	-	-	-	-
- Reversed to stage 1	-	-	-	-
Provision for the period	4,205,062,431.52	-	-	4,205,062,431.52
Reversal for the period	-3,754,723,891.16	-	-	-3,754,723,891.16
Write-off for the period	-	-	-	-
Cancellation for the period	-	-	-	-
Other changes	-	-	-	-
Amount as at 30 June 2021	<u>6,769,149,859.22</u>	<u>269,937.32</u>	<u>-</u>	<u>6,769,419,796.54</u>

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(3). *Provision for bad debt* (Continued)

2020

	Unit: Yuan			Currency: RMB
	Stage 1	Stage 2	Stage 3	
	12-months ECL	Lifetime ECL (non-credit impaired)	Lifetime ECL (credit impaired)	Total
Amount as at 1 January 2020	6,188,654,816.55	269,937.32	–	6,188,924,753.87
Amounts due for the period as at 1 January 2020				
– Transferred to stage 2	–	–	–	–
– Transferred to stage 3	–	–	–	–
– Reversed to stage 2	–	–	–	–
– Reversed to stage 1	–	–	–	–
Provision for the period	8,078,024,849.93	–	–	8,078,024,849.93
Reversal for the period	-7,947,868,347.62	–	–	-7,947,868,347.62
Write-off for the period	–	–	–	–
Cancellation for the period	–	–	–	–
Other changes	–	–	–	–
Amount as at 31 December 2020	<u>6,318,811,318.86</u>	<u>269,937.32</u>	<u>–</u>	<u>6,319,081,256.18</u>

Amount of provision for bad debt for the period and basis for evaluating whether credit risk of financial instruments increase significantly:

Applicable Not applicable

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(4). *Provision for bad debt*

Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Other receivables	616,697.80	400.00	—	—	617,097.80
Total	616,697.80	400.00	—	—	617,097.80

2020

Unit: Yuan Currency: RMB

Category	Opening balance	Increase/decrease during the period			Closing balance
		Provision	Recovery or reversal	Write-off or cancellation	
Other receivables	566,844.33	49,853.47	—	—	616,697.80
Total	566,844.33	49,853.47	—	—	616,697.80

Significant amounts of provision for bad debts recovered or reversed in the period:

Applicable Not applicable

(5). *The situation of the write-off of other receivables for the period*

Applicable Not applicable

Writing-off of other receivables:

Applicable Not applicable

XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(6). Top five debtors with the largest closing balance of other receivables

Applicable Not applicable

As at 30 June 2021, top five debtors with the largest balance of other receivables are as follows:

Unit: Yuan Currency: RMB

Name of entity	Nature of receivable	Closing balance	Proportion of total closing balance of other receivables (%)	Closing balance of provision for bad debts
Aggregation of the top five borrowers with the largest closing balance of other receivables	Internal borrowing	4,330,945,894.69	63.98	-
Total	/	<u>4,330,945,894.69</u>	<u>63.98</u>	<u>-</u>

As at 31 December 2020, top five debtors with the largest balance of other receivables are as follows:

Unit: Yuan Currency: RMB

Name of entity	Nature of receivable	Closing balance	Proportion of total closing balance of other receivables (%)	Closing balance of provision for bad debts
Aggregation of the top five borrowers with the largest closing balance of other receivables for the previous year	Internal borrowing	3,605,843,130.00	57.06	-
Total	/	<u>3,605,843,130.00</u>	<u>57.06</u>	<u>-</u>

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

2. Other receivables (Continued)

Other receivables (Continued)

(7). *Receivables involving government subsidies*

Applicable Not applicable

(8). *Other receivables derecognized due to the transfer of financial assets*

Applicable Not applicable

(9). *Amount of assets or liabilities resulting from transfer of other receivables and continuing involvement*

Applicable Not applicable

Other explanations:

Applicable Not applicable

3. Long-term equity investment

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
Investment in subsidiaries	16,170,066,112.61	-	16,170,066,112.61	16,170,066,112.61	-	16,170,066,112.61
Investments in associates and joint ventures	827,502,918.21	-	827,502,918.21	817,575,074.70	-	817,575,074.70
Total	<u>16,997,569,030.82</u>	<u>-</u>	<u>16,997,569,030.82</u>	<u>16,987,641,187.31</u>	<u>-</u>	<u>16,987,641,187.31</u>

XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

3. Long-term equity investment (Continued)

(1) Investment in subsidiaries

✓ Applicable □ Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
CRSCS (Note 1)	1,515,168,395.36	119,950,600.00	-	1,635,118,995.36	-	-
CRSCD	1,529,072,621.04	-	-	1,529,072,621.04	-	-
CRSCC	370,790,731.45	-	-	370,790,731.45	-	-
Urban Rail Transit	100,000,000.00	-	-	100,000,000.00	-	-
CRSC International Holdings	463,000,000.00	-	-	463,000,000.00	-	-
Innovation Investment	2,901,431,060.71	-	-	2,901,431,060.71	-	-
CRSCE	1,090,447,494.77	-	-	1,090,447,494.77	-	-
CRSC Cables	389,223,087.50	-	-	389,223,087.50	-	-
CRSC Changsha Railway	1,379,470,000.00	-	-	1,379,470,000.00	-	-
CRSC Wanquan (Note 1)	119,950,600.00	-	119,950,600.00	-	-	-
CRSC CASCO	731,460,709.51	-	-	731,460,709.51	-	-
CRSC Beijing Industry Group	1,348,703,706.17	-	-	1,348,703,706.17	-	-
CRSC Xi'an Industry Group	1,516,853,488.70	-	-	1,516,853,488.70	-	-
Zhengzhou Zhongyuan	325,000,000.00	-	-	325,000,000.00	-	-
CRSC Construction	1,000,344,078.11	-	-	1,000,344,078.11	-	-
CRSC International	2,581,200.00	-	-	2,581,200.00	-	-
CRSC Tengda	405,000,000.00	-	-	405,000,000.00	-	-
CRSC Huatai	522,000,000.00	-	-	522,000,000.00	-	-
CRSC Jiangsu Smart	176,000,000.00	-	-	176,000,000.00	-	-
CRSC Investment Zhejiang	278,568,939.29	-	-	278,568,939.29	-	-
CRSC (Beijing) Bid	5,000,000.00	-	-	5,000,000.00	-	-
Total	16,170,066,112.61	119,950,600.00	119,950,600.00	16,170,066,112.61	-	-

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

3. Long-term equity investment (Continued)

(1) Investment in subsidiaries (Continued)

2020

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase during the period	Decrease during the period	Closing balance	Provision for impairment during the period	Closing balance of provision for impairment
CRSCS (Note 2)	1,015,168,395.36	500,000,000.00	-	1,515,168,395.36	-	-
CRSCD	1,529,072,621.04	-	-	1,529,072,621.04	-	-
CRSCC (Note 4)	320,790,731.45	50,000,000.00	-	370,790,731.45	-	-
Urban Rail Transit	100,000,000.00	-	-	100,000,000.00	-	-
CRSC International Holdings	463,000,000.00	-	-	463,000,000.00	-	-
Innovation Investment (Note 5)	3,000,000,000.00	-	98,568,939.29	2,901,431,060.71	-	-
CRSC Communications (Note 5)	180,000,000.00	-	180,000,000.00	-	-	-
CRSCM (Note 6)	100,000,000.00	-	100,000,000.00	-	-	-
CRSCE (Note 6)	995,447,494.77	95,000,000.00	-	1,090,447,494.77	-	-
CRSC Cables	389,223,087.50	-	-	389,223,087.50	-	-
CRSC Inspection (Note 8)	88,600,178.96	-	88,600,178.96	-	-	-
CRSC Changsha Railway (Note 7)	1,153,750,000.00	225,720,000.00	-	1,379,470,000.00	-	-
CRSC Wanquan	119,950,600.00	-	-	119,950,600.00	-	-
CRSC CASCO	731,460,709.51	-	-	731,460,709.51	-	-
CRSC Beijing Industry Group	1,348,703,706.17	-	-	1,348,703,706.17	-	-
CRSC Xi'an Industry Group	1,516,853,488.70	-	-	1,516,853,488.70	-	-
Zhengzhou Zhongyuan	325,000,000.00	-	-	325,000,000.00	-	-
CRSC Railway Vehicles (Note 7)	225,720,000.00	-	225,720,000.00	-	-	-
CRSC Construction	1,000,344,078.11	-	-	1,000,344,078.11	-	-
Smart City Research & Design (Note 4)	50,000,000.00	-	50,000,000.00	-	-	-
CRSC International	2,581,200.00	-	-	2,581,200.00	-	-
CRSC Tengda	405,000,000.00	-	-	405,000,000.00	-	-
CRSC Huatai	522,000,000.00	-	-	522,000,000.00	-	-
CRSC Jiangsu Smart (Note 3)	88,000,000.00	88,000,000.00	-	176,000,000.00	-	-
CRSC Investment Zhejiang (Note 5)	-	278,568,939.29	-	278,568,939.29	-	-
CRSC (Beijing) Bid (Note 6)	-	5,000,000.00	-	5,000,000.00	-	-
Total	15,670,666,291.57	1,242,288,939.29	742,889,118.25	16,170,066,112.61	-	-

XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

3. Long-term equity investment (Continued)

(1) Investment in subsidiaries (Continued)

- Note 1: In April 2021, CRSC Wanquan (a former second-tier subsidiary of the Company) was transferred to CRSCS (a second-tier subsidiary of the Company), consequently, CRSC Wanquan became a third-tier subsidiary of the Company.
- Note 2: In May 2020, the Company increased its investment in CRSCS with an amount of RMB500 million, resulting in an ending shareholding ratio of 100%.
- Note 3: In June 2020, the Company increased its investment in CRSC Jiangsu Smart with an amount of RMB88 million, resulting in an ending shareholding ratio of 88%.
- Note 4: In April 2020, Smart City Research & Design (a former second-tier subsidiary of the Company) was transferred to CRSCC (a second-tier subsidiary of the Company), consequently, Smart City Research & Design became a third-tier subsidiary of the Company.
- Note 5: In May 2020, Zhejiang Construction Investment (the subsidiary of a former second-tier subsidiary of the Company. Innovation Investment) merged CRSC Communications (a former second-tier subsidiary of the Company), consequently, Zhejiang Construction Investment is currently a second-tier subsidiary of the Company.
- Note 6: In April 2020, CRSC Material Group Company Ltd. (a former second-tier subsidiary of the Company) was transferred to CRSCCE and became a third-tier subsidiary of the Company. Meanwhile, CRSCM divested its subsidiary CRSC (Beijing) Bid to the Company, consequently, CRSC (Beijing) Bid became a second-tier subsidiary of the Company.
- Note 7: In June 2020, CRSC Railway Vehicles (a former second-tier subsidiary of the Company) was transferred to CRSC Changsha Railway, consequently, CRSC Railway Vehicles became a third-tier subsidiary of the Company.
- Note 8: In June 2020, Xi'an Quanlutonghao Equipment Research Co., Ltd. (西安全路通號器材研究有限公司) and Xi'an CRSC Railway Communication Product Inspection Station Co., Ltd. (西安通號鐵路信號產品檢驗站有限公司), subsidiaries of CRSC Inspection (a former second-tier subsidiary of the Company), were transferred to the Company's second-tier subsidiary CRSC Xi'an Industry Group and CRSCD. CRSC Inspection was cancelled in September 2020.

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

3. Long-term equity investment (Continued)

(2) Investments in associates and joint ventures

✓ Applicable □ Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase/decrease during the period								Closing balance	Closing balance of provision for impairment
		Increase in investment	Decrease in investment	Investment gains/losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Others		
I. Joint venture											
Wenzhou-Hangzhou High-Speed											
Railway	76,503,772.49	-	-	-	-	-	-	-	-	76,503,772.49	-
Subtotal	76,503,772.49	-	-	-	-	-	-	-	-	76,503,772.49	-
II. Associates											
CSCEC Foshan	12,503,152.61	-	-	-343,104.49	-	-	-	-	-	12,160,048.12	-
Siping Pipeline	224,763,946.36	-	-	-	-	-	-	-	-	224,763,946.36	-
Guangdong Utrust Financial Leasing	329,544,657.81	-	-	10,270,948.00	-	-	-	-	-	339,815,605.81	-
CRSC Tianshui	174,259,545.43	-	-	-	-	-	-	-	-	174,259,545.43	-
Subtotal	741,071,302.21	-	-	9,927,843.51	-	-	-	-	-	750,999,145.72	-
Total	817,575,074.70	-	-	9,927,843.51	-	-	-	-	-	827,502,918.21	-

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

3. Long-term equity investment (Continued)

(2) Investments in associates and joint ventures (Continued)

2020

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in investment	Decrease in investment	Increase/decrease during the period						Closing balance	Closing balance of provision for impairment	
				Investment gains/losses confirmed under equity method	Other comprehensive income adjustment	Other equity changes	Declared and paid cash dividends or profits	Provision for impairment	Others			
I. Joint venture												
Wenzhou-Hangzhou High-Speed Railway	76,503,772.49	-	-	-	-	-	-	-	-	-	76,503,772.49	-
Subtotal	76,503,772.49	-	-	-	-	-	-	-	-	-	76,503,772.49	-
II. Associates												
CSCEC Foshan	18,001,674.57	-	-	3,405,413.92	-	-	-8,903,935.88	-	-	-	12,503,152.61	-
Siping Pipeline	134,715,266.36	90,048,680.00	-	-	-	-	-	-	-	-	224,763,946.36	-
Guangdong Utrust Financial Leasing	313,638,566.72	-	-	15,906,091.09	-	-	-	-	-	-	329,544,657.81	-
CRSC Tianshui	177,539,261.27	-	-	-3,279,715.84	-	-	-	-	-	-	174,259,545.43	-
Subtotal	643,894,768.92	90,048,680.00	-	16,031,789.17	-	-	-8,903,935.88	-	-	-	741,071,302.21	-
Total	720,398,541.41	90,048,680.00	-	16,031,789.17	-	-	-8,903,935.88	-	-	-	817,575,074.70	-

Other explanation:

Applicable Not applicable

NOTES TO FINANCIAL STATEMENTS

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XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

4. Revenue and costs of sales

(1). Revenue and costs of sales

✓ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the last period	
	Revenue	Cost	Revenue	Cost
Principal operations	3,016,674,043.43	2,819,169,471.98	1,278,908,513.52	1,206,608,310.40
Other operations	73,896,116.41	21,137,556.30	73,309,817.93	19,642,661.27
Total	<u>3,090,570,159.84</u>	<u>2,840,307,028.28</u>	<u>1,352,218,331.45</u>	<u>1,226,250,971.67</u>

Revenue is presented as follows:

Unit: Yuan Currency: RMB

	Amount for the current period	Amount for the last period
System implementation integration	1,136,014,730.94	501,829,185.38
Design and integration	1,837,755,476.06	715,634,354.98
Construction contracting	43,132,568.59	62,018,946.91
Others	73,667,384.25	72,735,844.18
Total	<u>3,090,570,159.84</u>	<u>1,352,218,331.45</u>

Cost of sales is listed as follows:

Unit: Yuan Currency: RMB

	Amount for the current period	Amount for the last period
System implementation integration	1,068,163,198.44	489,842,500.50
Design and integration	1,711,644,526.34	661,487,919.18
Construction contracting	39,601,915.05	54,939,574.28
Others	20,897,388.45	19,980,977.71
Total	<u>2,840,307,028.28</u>	<u>1,226,250,971.67</u>

XVII. NOTES TO MAIN FINANCIAL STATEMENT ITEMS OF THE PARENT COMPANY (Continued)

4. Revenue and costs of sales (Continued)

(2). Revenue from contracts

Applicable Not applicable

(3). Details of performance obligation

Applicable Not applicable

(4). Explanation about allocation to the remaining performance obligations

Applicable Not applicable

5. Investment income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the last period
Income from long-term equity investments under the cost method	1,466,194,090.00	1,477,485,000.00
Income from long-term equity investments under the equity method	9,927,843.51	2,654,399.32
Investment income from capital borrowings (note)	122,635,564.94	117,920,707.49
Total	<u>1,598,757,498.45</u>	<u>1,598,060,106.81</u>

Note: The investment income from borrowings is the interest charged by the Company for providing capital for subsidiaries.

6. Others

Applicable Not applicable

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XVIII.SUPPLEMENTARY INFORMATION

1. Breakdown of current non-recurring profit or loss

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Note
Gains or loss from disposal of non-current assets	25,298,364.85	
Tax refund or relief for which approval is not authorized or no formal approval is issued	-	
Government grants recognized through profit or loss (other than government grants which are closely related to corporate business and granted based on a fixed amount or a fixed quantity unified by the state)	29,750,387.16	
Capital occupation fee charged to non-financial enterprises included in current profits and losses	-	
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures	-	
Profit or loss from exchange of non-monetary assets	-	
Gain or loss on entrusted investments or asset under management	-	
Provision for impairment on assets due to force majeure events, such as natural disasters	-	
Gain or loss on debt restructuring	268,245.64	
Corporate restructuring costs, such as employee relocation expenses and integration costs	-	
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value	-	
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control	-	
Gain or loss on other contingencies which are not related to the Company's normal operations	-	
Gain or loss on changes in fair value from held-for-trading financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment income from disposal of financial assets for trading, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investment, except for effective hedging transactions that are related to the Company's normal operation	-	
Reversal of the impairment provision for receivables and contract assets which are tested individually for impairment	2,755,674.64	
Gain or loss on external entrusted loans	-	
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement	-	
Effect of one-time adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations on current profit or loss	-	
Entrusted fee income from entrusted operations	-	
Net income/expenses of donations	-60,000.00	
Other non-operating income and expenses apart from the aforesaid items	25,106,283.58	
Other gain or loss items falling within the definition of extraordinary items	-	
Effect of income tax	-13,625,272.81	
Effect of minority interest	-571,185.07	
Total	<u>68,922,497.99</u>	

Reasons shall be given for non-recurring profit or loss items defined by the Company according to definitions under the Explanatory Announcement No.1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profits or Losses and for non-recurring profit or loss items listed in the Explanatory Announcement No.1 on Information Disclosure by Companies Offering Securities to the Public – Non-recurring Profits or Losses but defined by the Company as recurring profit or loss.

Applicable Not applicable

XVIII.SUPPLEMENTARY INFORMATION (Continued)

2. Return on Net Assets and Earnings Per Share

✓ Applicable Not applicable

For the six months ended 30 June 2021

Unit: Yuan Currency: RMB

Profit for Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	4.24	0.16	0.16
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	4.08	0.16	0.16

For the six months ended 30 June 2020

Unit: Yuan Currency: RMB

Profit for Reporting Period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	4.23	0.16	0.16
Net profits attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	4.15	0.16	0.16

NOTES TO FINANCIAL STATEMENTS

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XVIII.SUPPLEMENTARY INFORMATION (Continued)

2. Return on Net Assets and Earnings Per Share (Continued)

Earnings per share

	For the six months ended 30 June 2021 RMB/share	For the six months ended 30 June 2020 RMB/share
Basic earnings per share		
Continuous operation	0.16	0.16
Diluted earnings per share		
Continuous operation	0.16	<u>0.16</u>

The basic earnings per share is calculated by dividing the current net profit attributable to the ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares.

The numerator of diluted earnings per share are determined on the basis of the current net profit attributable to the ordinary shareholders of the Company after adjusting the following factors: (1) interest on diluted potential ordinary shares recognized as expenses in the current period; (2) the income or expenses that will be generated during the conversion of diluted potential ordinary shares; and (3) the income tax impact related to the above adjustments.

The denominator of diluted earnings per share is equal to the sum of the following two items: (1) the weighted average of the issued ordinary shares of the parent in the basic earnings per share; and (2) the weighted average number of ordinary shares increased on the assumption that dilutive potential ordinary shares are converted into ordinary shares.

When calculating the weighted average of the number of ordinary shares increased by the conversion of diluted potential ordinary shares into issued ordinary shares, the diluted potential ordinary shares issued in the previous period are assumed to be converted at the beginning of the current period; and diluted potential ordinary shares issued in the current period are assumed to be converted on the issue date.

XVIII. SUPPLEMENTARY INFORMATION (Continued)

2. Return on Net Assets and Earnings Per Share (Continued)

The basic earnings per share and diluted earnings per share are calculated as follows:

Unit: Yuan Currency: RMB

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Income		
Current net profits attributable to the ordinary shareholders of the Company		
Continuous operation	1,840,504,747.38	1,774,925,442.85
Less: dividend distribution with respect to other equity instruments in the period	-94,842,222.22	-95,363,333.33
Current net profits attributable to ordinary shareholders of the Company after adjustment	1,745,662,525.16	1,679,562,109.52
Attributable to:		
Continuous operation	1,745,662,525.16	1,679,562,109.52
Weighted average number of ordinary shares issued by the Company	10,589,819,000.00	10,589,819,000.00
Basic earnings per share (RMB/share)	0.16	0.16

3. Differences in accounting data under domestic and overseas accounting standards

Applicable Not applicable

4. Others

Applicable Not applicable

Chairman: Zhou Zhiliang

Date of approval by the Board for submission: 25 August 2021

Information on amendment

Applicable Not applicable

SECTION X PARTICULARS OF BONDS

I. ENTERPRISE BONDS, CORPORATE BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL INSTITUTIONS

Applicable Not applicable

II. CONVERTIBLE CORPORATE BONDS

Applicable Not applicable

Attachment: Breakdown of guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between the listed company and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee agreement (signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	3,000,000.00	20 March 2020	20 March 2020	6 March 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	740,000.00	20 March 2020	20 March 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	190,000.00	1 April 2020	1 April 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	37,400.00	1 April 2020	1 April 2020	16 January 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	34,019.56	9 June 2020	9 June 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	34,513.56	1 July 2020	1 July 2020	26 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	527,112.52	20 August 2020	20 August 2020	31 August 2021	Guarantee with joint responsibilities	No	No	0	No

SECTION X PARTICULARS OF BONDS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	158,133.76	20 August 2020	20 August 2020	31 August 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	80,000.00	3 September 2020	3 September 2020	19 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	349,272.00	9 October 2020	9 October 2020	7 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	389,644.00	27 October 2020	27 October 2020	30 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	1,688,699.80	27 October 2020	27 October 2020	30 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	48,963.15	9 November 2020	9 November 2020	15 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	220,557.60	3 December 2020	3 December 2020	14 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	9,235.00	3 December 2020	3 December 2020	14 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	131,571.80	3 December 2020	3 December 2020	14 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	116,100.00	3 December 2020	3 December 2020	3 November 2021	Guarantee with joint responsibilities	No	No	0	No

SECTION X PARTICULARS OF BONDS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	71,248.06	16 December 2020	16 December 2020	19 November 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	17,451.27	16 December 2020	16 December 2020	19 November 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	3,958.20	16 December 2020	16 December 2020	19 November 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	48,435.00	16 December 2020	16 December 2020	19 November 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	288,100.00	20 January 2021	20 January 2021	1 July 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	44,896.00	8 March 2021	8 March 2021	30 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	9,985.40	8 March 2021	8 March 2021	30 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	888,262.31	8 March 2021	8 March 2021	31 January 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	230,998.37	7 April 2021	7 April 2021	21 March 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	60,021.35	7 April 2021	7 April 2021	10 April 2022	Guarantee with joint responsibilities	No	No	0	No

SECTION X PARTICULARS OF BONDS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	49,094.82	7 April 2021	7 April 2021	22 March 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	315,077.00	29 April 2021	29 April 2021	14 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	392,613.91	16 June 2021	16 June 2021	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Xi'an Railway Signal Co., Ltd.	Wholly-owned subsidiary	50,000,000.00	30 September 2020	30 September 2020	12 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	639,080.00	12 December 2019	12 December 2019	12 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	354,935.62	15 January 2020	15 January 2020	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	449,510.00	13 March 2020	13 March 2020	30 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	2,820,000.00	14 April 2020	14 April 2020	30 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	45,878.00	27 April 2020	27 April 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	209,000.00	27 April 2020	27 April 2020	30 March 2023	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between the listed company and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed (signed)	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	80,000.00	27 April 2020	27 April 2020	30 March 2023	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	62,320.00	27 April 2020	27 April 2020	15 February 2023	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	38,249.00	15 May 2020	15 May 2020	31 January 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	45,942.00	29 May 2020	29 May 2020	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	594,000.00	30 June 2020	30 June 2020	30 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	365,783.10	8 July 2020	8 July 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	189,642.20	15 July 2020	15 July 2020	30 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	488,862.40	29 July 2020	29 July 2020	7 July 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	173,440.08	18 August 2020	18 August 2020	29 September 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	2,801.72	31 August 2020	31 August 2020	14 July 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	79,587.20	31 August 2020	31 August 2020	30 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	34,600.00	27 September 2020	27 September 2020	30 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	3,648.88	19 October 2020	19 October 2020	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	33,132.00	27 October 2020	27 October 2020	30 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	158,000.00	27 October 2020	27 October 2020	30 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	187,245.00	2 November 2020	2 November 2020	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	67,800.00	19 November 2020	19 November 2020	30 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	59,325.00	24 November 2020	24 November 2020	30 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	45,878.00	24 November 2020	24 November 2020	30 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	97,915.00	3 December 2020	3 December 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between the listed company and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	326,000.00	30 December 2020	30 December 2020	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	5,472.00	15 January 2021	15 January 2021	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	22,460.00	15 January 2021	15 January 2021	30 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	412,210.00	16 March 2021	16 March 2021	30 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	30,000.00	24 March 2021	24 March 2021	30 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	70,000.00	24 March 2021	24 March 2021	30 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	8,061.42	25 April 2021	25 April 2021	30 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	457,667.66	28 June 2021	28 June 2021	30 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	54,990.00	28 June 2021	28 June 2021	30 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	99,832.25	20 March 2020	20 March 2020	30 December 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Tianjin Railway Signal Co., Ltd	Wholly-owned subsidiary	50,000,000.00	15 August 2019	15 August 2019	15 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC (Beijing) Rail Industry Group Co., Ltd.	Wholly-owned subsidiary	40,000,000.00	15 August 2019	15 August 2019	14 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Beijing Railway Signal Co., Ltd.	Wholly-owned subsidiary	10,000,000.00	15 August 2019	15 August 2019	14 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Chengdu Railway Communication Equipment Co., Ltd.	Wholly-owned subsidiary	204,000.00	31 August 2020	31 August 2020	29 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Chengdu Railway Communication Equipment Co., Ltd.	Wholly-owned subsidiary	99,600.00	22 October 2020	22 October 2020	9 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Chengdu Railway Communication Equipment Co., Ltd.	Wholly-owned subsidiary	13,600.00	20 December 2019	20 December 2019	13 November 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Chengdu Railway Communication Equipment Co., Ltd.	Wholly-owned subsidiary	198,538.00	7 November 2019	7 November 2019	1 February 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Chengdu Railway Communication Equipment Co., Ltd.	Wholly-owned subsidiary	134,000.00	13 April 2020	13 April 2020	25 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Chengdu Railway Communication Equipment Co., Ltd.	Wholly-owned subsidiary	71,199.00	10 April 2020	10 April 2020	25 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Chengdu Railway Communication Equipment Co., Ltd.	Wholly-owned subsidiary	28,350.00	27 April 2020	27 April 2020	17 April 2021	Guarantee with joint responsibilities	Yes	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Chengdu Railway Communication Equipment Co., Ltd.	Wholly-owned subsidiary	40,500.00	29 June 2020	29 June 2020	11 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Cables Company Ltd.	Wholly-owned subsidiary	76,280.10	10 January 2020	10 January 2020	10 January 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Cables Company Ltd.	Wholly-owned subsidiary	150,000.00	31 March 2021	31 March 2021	31 March 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	85,392.84	1 May 2020	1 May 2020	24 April 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	1,609,670.00	1 January 2018	1 January 2018	30 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	4,970,804.40	1 December 2018	1 December 2018	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	688,066.60	1 December 2018	1 December 2018	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	10,689,586.83	6 December 2019	6 December 2019	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	2,825,994.14	5 January 2020	5 January 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	1,686,009.18	1 May 2020	1 May 2020	24 April 2022	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	2,601,478.30	1 June 2020	1 June 2020	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	1,289,482.21	1 June 2020	1 June 2020	9 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	3,771,816.52	11 August 2020	11 August 2020	11 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	188,189.18	11 August 2020	11 August 2020	11 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	2,240,135.60	24 September 2020	24 September 2020	24 March 2023	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	191,080.53	29 October 2020	29 October 2020	29 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	515,124.00	9 November 2020	9 November 2020	9 November 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	750,000.00	29 January 2021	29 January 2021	29 May 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	750,000.00	29 January 2021	29 January 2021	29 May 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	30,000.00	19 January 2021	19 January 2021	19 May 2021	Guarantee with joint responsibilities	Yes	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	670,000.00	26 January 2021	26 January 2021	26 May 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	3,494,485.00	11 January 2021	11 January 2021	11 January 2024	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	61,500.00	2 February 2021	2 February 2021	2 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	50,000.00	3 March 2021	3 March 2021	3 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	580,000.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	2,000.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	160,000.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	200,000.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	30,000.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	174,238.60	5 February 2021	5 February 2021	5 February 2023	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	350,000.00	17 March 2021	17 March 2021	17 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	60,000.00	17 March 2021	17 March 2021	17 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	40,000.00	23 March 2021	23 March 2021	23 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	500,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	70,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	800,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	150,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	560,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	90,000.00	30 March 2021	30 March 2021	30 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	500,000.00	29 March 2021	29 March 2021	29 September 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	100,000.00	13 April 2021	13 April 2021	13 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	70,000.00	13 April 2021	13 April 2021	13 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	480,000.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	10,000.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	130,000.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	800,000.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	10,000.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	400,000.00	29 April 2021	29 April 2021	29 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	107,537.59	14 April 2021	14 April 2021	14 April 2024	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	280,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount of guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	800,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	180,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	150,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	800,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	600,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	50,000.00	14 May 2021	14 May 2021	14 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	100,000.00	15 May 2021	15 May 2021	15 May 2023	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	500,000.00	9 June 2021	9 June 2021	9 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	220,000.00	9 June 2021	9 June 2021	9 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	30,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	800,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	800,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	800,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	250,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	300,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	120,000.00	20 May 2021	20 May 2021	20 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	800,000.00	20 May 2021	20 May 2021	20 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	140,000.00	25 May 2021	25 May 2021	25 November 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	110,000.00	25 May 2021	25 May 2021	25 November 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd	Wholly-owned subsidiary	800,000.00	1 June 2021	1 June 2021	2 October 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd.	Wholly-owned subsidiary	10,000.00	1 June 2021	1 June 2021	2 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Jiaozuo Railway Cable Co., Ltd.	Wholly-owned subsidiary	130,000.00	1 June 2021	1 June 2021	2 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	514,889.99	9 December 2019	9 December 2019	15 February 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	700,332.50	8 June 2020	8 June 2020	15 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	282,800.00	24 July 2020	24 July 2020	11 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	12,120.00	24 July 2020	24 July 2020	11 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	12,280,346.10	25 August 2020	25 August 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	276,000.00	31 August 2020	31 August 2020	20 February 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	1,320,053.40	3 September 2020	3 September 2020	14 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	86,645.37	18 September 2020	18 September 2020	23 April 2021	Guarantee with joint responsibilities	Yes	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	2,334,222.20	19 October 2020	19 October 2020	15 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	360,000.00	10 November 2020	10 November 2020	10 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	230,000.00	24 November 2020	24 November 2020	24 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	800,000.00	24 November 2020	24 November 2020	24 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	20,000.00	24 November 2020	24 November 2020	24 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	25,000.00	24 November 2020	24 November 2020	24 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	375,770.75	10 November 2020	10 November 2020	25 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	338,773.75	10 November 2020	10 November 2020	25 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	182,948.36	12 January 2021	12 January 2021	4 January 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	145,051.78	12 January 2021	12 January 2021	4 January 2022	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	60,000.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	160,000.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	200,000.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	1,200.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	570,000.00	16 March 2021	16 March 2021	16 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	239,000.01	8 March 2021	8 March 2021	26 February 2024	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	500,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	800,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	60,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	120,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	470,000.00	30 March 2021	30 March 2021	30 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	1,200.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	570,000.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	450,000.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	4,000.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	90,000.00	20 April 2021	20 April 2021	20 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	200,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	110,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	800,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	100,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount of guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	460,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	770,000.00	11 May 2021	11 May 2021	11 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	159,993.80	23 April 2021	23 April 2021	23 March 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	115,816.42	23 April 2021	23 April 2021	7 April 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	202,525.56	23 April 2021	23 April 2021	7 April 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	202,370.70	25 August 2020	25 August 2020	25 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	644,965.60	29 April 2021	29 April 2021	17 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	800,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	700,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	650,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between the listed company and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	140,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	200,000.00	22 June 2021	22 June 2021	22 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	198,703.47	22 June 2021	22 June 2021	22 May 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	142,135.53	22 June 2021	22 June 2021	22 May 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	1,200.00	1 June 2021	1 June 2021	1 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	620,000.00	1 June 2021	1 June 2021	1 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Urban Rail Transit Technology Co., Ltd. (通號城車軌 通交通技術有限公司)	Wholly-owned subsidiary	58,066,888.80	22 November 2018	22 November 2018	10 February 2023	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Urban Rail Transit Technology Co., Ltd. (通號城車軌 通交通技術有限公司)	Wholly-owned subsidiary	7,000,000.00	30 March 2020	30 March 2020	31 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Urban Rail Transit Technology Co., Ltd. (通號城車軌 通交通技術有限公司)	Wholly-owned subsidiary	800,000.00	30 March 2020	30 March 2020	31 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Urban Rail Transit Technology Co., Ltd. (通號城車軌 通交通技術有限公司)	Wholly-owned subsidiary	136,715,297.10	24 April 2020	24 April 2020	31 December 2022	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount of guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Urban Rail Transit Technology Co., Ltd. (通號城市軌道交通技術有限公司)	Wholly-owned subsidiary	30,863,325.00	23 April 2020	23 April 2020	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Urban Rail Transit Technology Co., Ltd. (通號城市軌道交通技術有限公司)	Wholly-owned subsidiary	20,500,800.00	30 April 2020	30 April 2020	31 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Urban Rail Transit Technology Co., Ltd. (通號城市軌道交通技術有限公司)	Wholly-owned subsidiary	1,200,000.00	17 April 2020	17 April 2020	31 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Urban Rail Transit Technology Co., Ltd. (通號城市軌道交通技術有限公司)	Wholly-owned subsidiary	22,249,440.00	9 May 2020	9 May 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Urban Rail Transit Technology Co., Ltd. (通號城市軌道交通技術有限公司)	Wholly-owned subsidiary	5,000,000.00	28 October 2020	28 October 2020	30 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Urban Rail Transit Technology Co., Ltd. (通號城市軌道交通技術有限公司)	Wholly-owned subsidiary	80,100,000.00	20 November 2020	20 November 2020	31 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Urban Rail Transit Technology Co., Ltd. (通號城市軌道交通技術有限公司)	Wholly-owned subsidiary	45,394.78	30 November 2020	30 November 2020	12 August 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Group Ltd.	Wholly-owned subsidiary	604,987.96	25 November 2020	25 November 2020	30 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Group Ltd.	Wholly-owned subsidiary	289,638.62	25 November 2020	25 November 2020	30 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Group Ltd.	Wholly-owned subsidiary	180,000,000.00	15 August 2019	15 August 2019	14 August 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between the listed company and the listed company	Secured parties	Relationship between secured parties and the listed company	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Group Ltd.	Wholly-owned subsidiary	20 November 2019	20 November 2019	20 November 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Bureau Group Construction Engineering Co., Ltd.	Wholly-owned subsidiary	29 March 2019	29 March 2019	30 March 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Group Electric Engineering Co., Ltd.	Wholly-owned subsidiary	17 October 2020	17 October 2020	1 May 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Group Electromechanical Technology Co., Ltd. (通號工程集團電機技術有限公司)	Wholly-owned subsidiary	29 April 2020	29 April 2020	15 November 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Group Electromechanical Technology Co., Ltd. (通號工程集團電機技術有限公司)	Wholly-owned subsidiary	10 June 2020	10 June 2020	10 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Group Electromechanical Technology Co., Ltd. (通號工程集團電機技術有限公司)	Wholly-owned subsidiary	13 July 2020	13 July 2020	12 July 2024	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Beijing Research & Design Experiment Center Ltd (通號工程集團北京研究設計實驗中心有限公司)	Wholly-owned subsidiary	19 June 2019	19 June 2019	31 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Beijing Research & Design Experiment Center Ltd (通號工程集團北京研究設計實驗中心有限公司)	Wholly-owned subsidiary	1 April 2021	1 April 2021	31 July 2021	Guarantee with joint responsibilities	No	No	0	No

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Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Beijing Research & Design Experiment Center Ltd (通號工程局 北京研究設計實驗中心有限公司)	Wholly-owned subsidiary	80,000.00	1 April 2021	1 April 2021	31 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Engineering Bureau Group Information Technology Co., Ltd.	Wholly-owned subsidiary	1,027,220.42	19 July 2019	19 July 2019	30 June 2023	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd (中國鐵路通信信號上海工程局集團有限公司)	Wholly-owned subsidiary	2,000,000,000.00	8 May 2020	8 May 2020	7 May 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd (中國鐵路通信信號上海工程局集團有限公司)	Wholly-owned subsidiary	700,000,000.00	26 November 2020	26 November 2020	25 November 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	China Railway Signal & Communication Shanghai Engineering Bureau Group Co., Ltd (中國鐵路通信信號上海工程局集團有限公司)	Wholly-owned subsidiary	150,000,000.00	31 October 2020	31 October 2020	30 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC International Holdings Company Limited (通號國際控股有限公司)	Wholly-owned subsidiary	600,000,000.00	1 December 2019	1 December 2019	28 February 2025	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC International Holdings Company Limited (通號國際控股有限公司)	Wholly-owned subsidiary	300,000,000.00	28 September 2020	28 September 2020	31 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC (Changsha) Railway Traffic Control Technology Co., Ltd.	Wholly-owned subsidiary	18,676,122.28	2 June 2021	2 June 2021	14 June 2022	Guarantee with joint responsibilities	No	No	0	No

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Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	CFSC (Changsha) Railway Traffic Control Technology Co., Ltd.	Wholly-owned subsidiary	3,000,000.00	22 March 2021	22 March 2021	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC (Changsha) Railway Traffic Control Technology Co., Ltd.	Wholly-owned subsidiary	6,420,800.00	1 December 2020	1 December 2020	31 May 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Innovation Zhejiang Construction Investment Ltd. (建 通 浙 江 建 設 投 資 有 限 公 司)	Wholly-owned subsidiary	52,500,000.00	2 December 2020	2 December 2020	25 May 2023	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Innovation Zhejiang Construction Investment Ltd. (建 通 浙 江 建 設 投 資 有 限 公 司)	Wholly-owned subsidiary	10,500,000.00	2 December 2020	2 December 2020	25 May 2023	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通 訊 信 息 集 團 有 限 公 司)	Wholly-owned subsidiary	2,252,523.00	22 November 2019	22 November 2019	30 September 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通 訊 信 息 集 團 有 限 公 司)	Wholly-owned subsidiary	4,420,708.40	10 April 2020	10 April 2020	31 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通 訊 信 息 集 團 有 限 公 司)	Wholly-owned subsidiary	1,095,009.60	10 January 2020	10 January 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通 訊 信 息 集 團 有 限 公 司)	Wholly-owned subsidiary	7,519,991.60	26 December 2019	26 December 2019	31 December 2021	Guarantee with joint responsibilities	No	No	0	No

SECTION X PARTICULARS OF BONDS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	223,060.00	14 November 2019	14 November 2019	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	136,940.00	14 November 2019	14 November 2019	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	97,061.70	10 January 2020	10 January 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	3,888,769.67	12 December 2019	12 December 2019	31 December 2025	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	124,800.00	23 October 2019	23 October 2019	31 October 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	15,257,937.90	17 April 2020	17 April 2020	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	3,000,000.00	23 April 2020	23 April 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	100,000,000.00	28 December 2020	28 December 2020	17 August 2021	Guarantee with joint responsibilities	No	No	0	No

SECTION X PARTICULARS OF BONDS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	21 September 2020	21 September 2020	14 August 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	25 June 2020	25 June 2020	24 June 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	15 January 2020	15 January 2020	31 January 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	12 May 2020	12 May 2020	31 March 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	20 May 2020	20 May 2020	30 May 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	13 February 2018	13 February 2018	31 January 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CFSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	1 November 2017	1 November 2017	31 December 2021	Guarantee with joint responsibilities	No	No	0	No

SECTION X PARTICULARS OF BONDS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信集團有限公司)	Wholly-owned subsidiary	1,996,916.00	15 September 2017	15 September 2017	30 September 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Company Ltd. (通號通信集團有限公司)	Wholly-owned subsidiary	975,000.00	26 April 2019	26 April 2019	22 April 2021	Guarantee with joint responsibilities	Yes	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Institute of Smart City Research & Design (通號智慧城市研究院設計院有限公司)	Wholly-owned subsidiary	17,500,000.00	1 November 2019	1 November 2019	3 July 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Shanghai Company Ltd.	Wholly-owned subsidiary	5,271,599.77	2 March 2020	2 March 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Shanghai Company Ltd.	Wholly-owned subsidiary	1,444,500.00	25 July 2019	25 July 2019	1 October 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Shanghai Company Ltd.	Wholly-owned subsidiary	722,250.00	25 July 2019	25 July 2019	1 October 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Shanghai Company Ltd.	Wholly-owned subsidiary	337,500.00	25 July 2019	25 July 2019	1 October 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Shanghai Company Ltd.	Wholly-owned subsidiary	792,540.00	21 May 2019	21 May 2019	31 December 2022	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Shanghai Company Ltd.	Wholly-owned subsidiary	263,200.00	25 May 2018	25 May 2018	31 December 2021	Guarantee with joint responsibilities	No	No	0	No

SECTION X PARTICULARS OF BONDS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between the listed company and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Shanghai Company Ltd.	Wholly-owned subsidiary	829,500.00	23 October 2017	23 October 2017	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	CRSC Communication & Information Group Shanghai Company Ltd.	Wholly-owned subsidiary	878,594.96	2 March 2020	2 March 2020	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Beijing Modern Communication Engineering Consulting Co., Ltd	Wholly-owned subsidiary	3,440,531.00	7 April 2017	7 April 2017	31 December 2024	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Beijing Modern Communication Engineering Consulting Co., Ltd	Wholly-owned subsidiary	4,657,140.00	13 December 2016	13 December 2016	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
China Railway Signal & Communication Corporation Limited	Company home office	Beijing Modern Communication Engineering Consulting Co., Ltd	Wholly-owned subsidiary	2,770,330.00	30 December 2020	30 December 2020	30 August 2025	Guarantee with joint responsibilities	No	No	0	No
CRSC Research & Design Institute Group Co., Ltd.	Wholly-owned subsidiary	Beijing Modern Communication Engineering Consulting Co., Ltd	Wholly-owned subsidiary	26,291,715.65	14 August 2018	14 August 2018	30 January 2026	Guarantee with joint responsibilities	No	No	0	No
CRSC Research & Design Institute Group Co., Ltd.	Wholly-owned subsidiary	Beijing Modern Communication Engineering Consulting Co., Ltd	Wholly-owned subsidiary	5,892,200.75	8 January 2018	8 January 2018	31 December 2023	Guarantee with joint responsibilities	No	No	0	No
CRSC Communication & Information Group Company Ltd. (通號通信信息集團有限公司)	Wholly-owned subsidiary	CRSC Communication & Information Group Shanghai Company Ltd.	Wholly-owned subsidiary	50,000,000.00	28 November 2018	28 November 2018	27 November 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC (Changshai) Railway Traffic Control Technology Co., Ltd.	Wholly-owned subsidiary	CRSC (Zhengzhou) Zhong'an Engineering Co., Ltd. (中國鐵路通信信號(鄭州)中安工程有限公司)	Holding subsidiary	2,670,813.00	3 September 2020	3 September 2020	31 August 2021	Guarantee with joint responsibilities	No	No	0	No

SECTION X PARTICULARS OF BONDS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
CRSC (Changsha) Railway Traffic Control Technology Co., Ltd.	Wholly-owned subsidiary	CRSC (Zhengzhou) Zhong'an Engineering Co., Ltd. (中國鐵路通信號(鄭州)中安工程有限公司)	Holding subsidiary	4,725,923.40	24 May 2021	24 May 2021	31 December 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC First Construction Co., Ltd. (鐵道建設集團第一工程有限公司)	Wholly-owned subsidiary	Ybin Tongtao Hongshun Project Management Co., Ltd. (宜賓通遠渠項日管理有限責任公司)	Wholly-owned subsidiary	231,000,000.00	30 May 2018	30 May 2018	29 May 2028	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	24,997.49	22 September 2020	22 September 2020	15 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	25,000.00	19 January 2021	19 January 2021	19 May 2021	Guarantee with joint responsibilities	Yes	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	50,000.00	23 February 2021	23 February 2021	3 July 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	30,000.00	23 March 2021	23 March 2021	23 July 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	90,000.00	30 March 2021	30 March 2021	30 June 2021	Guarantee with joint responsibilities	Yes	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	100,000.00	13 April 2021	13 April 2021	13 August 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	70,000.00	13 April 2021	13 April 2021	13 August 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	420,000.00	20 April 2021	20 April 2021	20 July 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	400,000.00	29 April 2021	29 April 2021	29 August 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	239,000.01	25 April 2021	25 April 2021	30 March 2024	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	265,000.00	7 May 2021	7 May 2021	7 August 2021	Guarantee with joint responsibilities	No	No	0	No

SECTION X PARTICULARS OF BONDS

Guarantees provided by the Company and its subsidiaries to its subsidiaries

Guarantors	Relationship between guarantors and the listed company	Secured parties	Relationship between secured parties and the listed company	Amount guaranteed	Date of guarantee (Date of agreement signed)	Starting date of guarantee	Ending date of guarantee	Types of guarantee	Whether the guarantee has been duly performed or not	Whether the guarantee is past due or not	Amount guaranteed past due	Whether counter-guarantee existed or not
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	22,000.00	7 May 2021	7 May 2021	7 August 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	49,624.71	28 April 2021	28 April 2021	1 February 2023	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	270,000.00	18 May 2021	18 May 2021	18 August 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	8,000.00	18 May 2021	18 May 2021	18 August 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	800,000.00	20 May 2021	20 May 2021	20 September 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	80,000.00	20 May 2021	20 May 2021	20 September 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	80,000.00	1 June 2021	1 June 2021	1 October 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	140,000.00	25 May 2021	25 May 2021	25 November 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	30,000.00	2 June 2021	2 June 2021	2 September 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	400,000.00	2 June 2021	2 June 2021	2 October 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	220,000.00	9 June 2021	9 June 2021	9 October 2021	Guarantee with joint responsibilities	No	No	0	No
CRSC Cables Company Ltd.	Wholly-owned subsidiary	Tianshui Railway Cable Co., Ltd.	Wholly-owned subsidiary	130,000.00	18 June 2021	18 June 2021	18 October 2021	Guarantee with joint responsibilities	No	No	0	No
Total guarantee to subsidiaries incurred during the Reporting Period				66,493,092.36								
Total balance of guarantee to subsidiaries as at the end of the Reporting Period (B)				6,276,192,335.16								

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