

# Corporate Value and Return Enhancement Action Plan In 2026

## 2025 ANNUAL ASSESSMENT REPORT AND 2026 ACTION PLAN

In 2025, China Railway Signal & Communication Corporation Limited (hereinafter referred to as the “Company” or “CRSC”) further implemented the special action of “Corporate Value and Return Enhancement”, focusing on improving the development quality of the listed company, strengthening investor returns, and striving to create more value for shareholders. The main work is reported as follows:

### I. IMPLEMENTATION AND EFFECTS OF THE ACTION PLAN

#### (I) Focus on Enhancing the “Five Values” and Implementing the Task Objectives of “One Increase, One Stability and Four Improvements”

The Company resolutely implemented the spirit of General Secretary Xi Jinping's important instructions and instructions, and in accordance with the CRSC Group's “1241” development thinking, fully promoted industrial transformation and upgrading. We achieved good results in production and operation, scientific and technological innovation, reform and development, and corporate governance, with a stable and positive economic performance. In 2025, the total operating income reached RMB34,677 million, an increase of 6.23% year-on-year; the total profit was RMB4,908 million, an increase of 3.75% year-on-year; the net profit attributable to owners of the parent company was RMB3,686 million, an increase of 5.48% year-on-year. The return on net assets was 7.53%, an increase of 0.19 percentage points compared with the end of last year. The Company was awarded the “Double A” rating in the 2024 annual and 2022–2024 term central enterprise responsible person's operating performance assessment.

#### (II) Focus on the “Dual Tracks” of Rail Transit and Low-Altitude Economy, and Lead the Development of New Quality Productive Forces through Scientific and Technological Innovation

We accelerated digital and intelligent empowerment in the field of rail transit control. The cloud-based two-layer train control system completed commissioning tests and overall machine verification; the key functions of the Intelligent Connected Integrated Operation and Control Platform (I-CTC) and Intelligent Fault Prediction and Health Management Platform (I-PHM) were continuously improved; the independent C3+ATO equipment helped CR450 maintain the world-leading advantage in operating speed; digital urban rail systems such as Qiji (啟驥), Xihe (羲和), and the train autonomous operation system based on train-to-train communication further expanded their applications in Shanghai, Shenzhen, Hefei and other places; the digital solution for freight railways was accelerated; the 35,000-ton heavy-haul train group operation control system achieved the world's first test operation; the on-board solution for European railway interoperability opened the door to the core EU market; a number of major scientific and technological achievements such as the new railway operation control system, the new operation control system based on Beidou positioning, and the regional rail transit collaborative transportation and service system were put into application one after another. The Company made breakthrough progress in the field of low-altitude smart operation control. We constructed a “1+4” joint innovation system with “low-altitude airspace management and control” as the core, and “low-altitude communication, perception and countermeasure, digital base, and UAV” as coordination, achieving three core technological breakthroughs: the Intelligent Low-altitude Airspace Control System (ID-Space), the “One Tower One City (一塔一城)” low-altitude communication private network, and the perception and countermeasure system. The Company participated in

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the compilation of national ministerial system plans such as key guidelines for low-altitude economy, industrial white papers on low-altitude economy, and standards for low-altitude intelligent networking and equipment industry. ID-Space was deployed on municipal-level platforms in Qingdao, Shijiazhuang, Xiong'an New Area, etc.; the "One Tower One City" communication private network underwent pilot applications in Nujiang, Baotou, Nanjing and other places; the perception and countermeasure system was deployed and applied in cities such as Xiong'an, Dali, Wushan, as well as key areas such as the Beijing-Shanghai High-speed Railway, Qinghai-Tibet Railway, and Guangzhou Baiyun Airport; the self-developed small long-range composite-wing UAV rolled off the production line and conducted test flights, launching and applying a number of new scenarios such as Nujiang alpine agricultural transportation, Zhoushan inter-island logistics, Dongying Yellow River Estuary low-altitude cultural tourism, and Zhanjiang-Haikou "air-rail intermodal transport", promoting the coordinated development of "rail + low-altitude".

### **(III) Focus on Core Businesses to Improve Quality and Efficiency, and Pursue Steady Progress in Market Operations**

In 2025, the new signed contract amount reached RMB44,140 million, including RMB40,128 million in the rail transit market (RMB25,713 million in the railway sector, an increase of 0.3% year-on-year; RMB10,503 million in the urban rail transit sector, an increase of 4.97% year-on-year; RMB3,912 million in the overseas sector, a decrease of 33.90% year-on-year), and the new signed contract amount in the low-altitude economy market increased rapidly to RMB165 million. In the railway market, adhering to the combination of stock optimization and incremental breakthrough, the Company consolidated its leading position in the industry, undertaking more than 10 key high-speed railway weak current system integration projects such as the Zhuhai-Zhaoqing, Shenzhen-Shanwei, Shijiazhuang-Xiong'an, Hezhou-Zhanjiang, Nantong-Suzhou-Jiaxing-Ningbo, and Guangzhou-Xinjiang Wuluwati Railway Line 5 and 6; we also undertook key projects such as the Sanshanliang Railway Special Line, the overhaul of the interlocking, train control and communication systems of the Shijiazhuang-Taiyuan Passenger Dedicated Line, the capacity expansion and renovation of the Baicheng-Aershan Railway, the construction of the safety standard demonstration line of the Wuhan-Guangzhou section of the Beijing-Guangzhou High-speed Railway, the capacity expansion and renovation of Hami East Station, the customer service system of the Hengshui-Huanghua section of the Shihengcanggang Railway, and the customer service system of the Northeast Ring Line of Beijing Suburban Railway; the new signed contract amount for high-speed railway renewal and renovation projects was RMB3,996 million, an increase of 99.96% compared with the same period last year. In the urban rail transit market, facing the slowdown in subway construction investment, the Company consolidated its operational responsibilities, and with its leading technical strength and high-quality services, achieved a good growth in new signed contracts, undertaking more than 10 urban rail signal system integration projects such as the renovation of Nanjing Line 1, Chengdu S5 Meishan Line, renovation of Shanghai Line 1, Xiamen Line 9, Beijing-Xiong'an Express Line, Shanghai Line 19, and Shanghai Line 23, further expanding its leading advantage; we undertook relevant professional projects in Beijing, Shanghai, Wuhan, Changchun and other places to stabilize the basic market of urban rail transit; the undertaking of urban rail transit-related renovation business increased by more than double, further seizing market opportunities. The new signed contract amount of municipal housing construction business decreased by 81.84% compared with the same period last year, accounting for 1.93%, the core responsibilities and main businesses became more focused, and the overall business structure tended to be optimized.

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## **(IV) Optimize the Innovation Ecosystem and Improve the Transformation of R&D Achievements**

The Company adhered to the principle that science and technology are the primary productive forces, talent is the primary resource, and innovation is the primary driving force, and transformed the “key variable” of scientific and technological innovation into the “maximum increment” of high-quality development. In 2025, CRSC’s R&D investment intensity reached 6.49%, an increase of 0.21 percentage points compared with the same period last year. We built a high-level innovation ecosystem, issued special rewards to technical research teams, strengthened industry-university-research cooperation, and introduced academician teams to settle in. The Company promoted the efficient transformation of R&D achievements, and carried out large-scale application demonstrations of new technologies, new products and new scenarios. For example, the cloud-based two-layer train control system based on track-side digital intelligence was demonstrated and applied in local railways; CR450 equipment obtained commercial contracts and supplied goods; lightweight 5G base stations were demonstrated and applied in Chengdu North Station; the intelligent operation and maintenance platform completed the deployment, installation and testing of platform software at the Shanghai Puhuitang Operation and Maintenance Center; the high-toughness C2+ATO system won a project contract of about RMB717 million; the “one network unified flight (一網統飛)” Operations Service System has been launched and deployed at over 50 locations in Nanjing, Qingdao, Shanghai, Rongjiang, and other areas; projects such as metro network inspections in Chongqing and Hefei, low-altitude inspections along the Hengxi Expressway, and drone inspections of smart salt fields in Qinghai have secured contracts totaling approximately RMB 55 million yuan, with a cumulative inspection distance of 1.36 million kilometers; the company continues to deepen the coordinated development of “rail transit + low-altitude” operations and has established the Low-Altitude Transportation Branch of the China Urban Rail Transit Association.

## **(V) Strengthen Market Value Management and Enhance Investor Returns**

The Company is fully confident in the long-term stable and positive development of China’s economy and firmly optimistic about the development prospects of China’s capital market. Based on improving the development quality of the listed company, we adhered to laws and regulations, took multiple measures to strive to improve the Company’s investment value, and actively studied and comprehensively used various methods to share development achievements with investors. In 2025, CRSC’s A-shares were included in the CSI 180 Index for the first time; the Company remained included in multiple index components such as the CSI 300, Hang Seng Composite Index, and STAR 50, and its corporate influence continued to enhance. We established a long-term mechanism for market value management, formulated market value management systems, and promoted the long-term stable performance of the Company in the capital market. The Company actively paid attention to market conditions, public opinion information, investor sentiment, etc., monitored and analyzed the causes of stock price fluctuations, and timely launched market value maintenance measures in combination with market conditions. In terms of information disclosure, we paid more attention to investor needs, adhering to laws and regulations to ensure that all investors obtained effective information fairly. By the end of 2025, the Company had obtained the “A” level evaluation for information disclosure of STAR Market listed companies of the Shanghai Stock Exchange for three consecutive years.

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## **(VI) Adhere to the Policy of Implementing a High Proportion of Cash Dividends**

The Company adhered to implementing a high proportion of cash dividends to provide positive and stable returns to shareholders. After being reviewed and approved by the Company's Board of Directors and General Meeting of Shareholders, a cash dividend of RMB1.70 per 10 shares (tax inclusive) was distributed to all shareholders in 2024, with a total cash dividend of RMB1,800 million (tax inclusive), accounting for 51.51% of the Company's net profit attributable to shareholders of the listed company in 2024.

## **(VII) Establish a Multi-Level Investor Communication and Interaction Mechanism**

We adhered to the concept that communication creates value, actively carried out investor relations maintenance work, organized investor exchange activities in an orderly manner, listened to investors' voices, attached importance to market feedback, reasonably guided expectations, and conveyed the Company's value. Through communication and exchange, we increased recognition from all parties, allowing investors to get close, understand, see clearly, and have confidence. First, the Company held regular performance briefings. In May 2025, we held the 2024 Annual and First Quarter Performance Briefing, with LOU Qiliang, Secretary of the Party Committee and Chairman of the Company, leading the management team to attend. Investors had face-to-face Q&A exchanges with the management team to gain an in-depth understanding of the Company's main achievements in reform and development and scientific and technological innovation. Second, we carried out investor exchange activities in an orderly manner. The Company conducted online or offline investor exchanges through the "Shanghai Stock Exchange Roadshow Center" platform, as well as scheduled online meetings and on-site meetings. During the investor open day activities, more than 50 institutional investors and securities analysts visited CRSC, toured the CRSC laboratory, listened to expert explanations, and learned about CRSC's scientific and technological innovation achievements in the fields of rail transit and low-altitude intelligent management and control in recent years. Third, we disclosed non-IFRS performance indicators, added net cash flow from operating activities after excluding group deposits, highlighted key points, and facilitated investors to quickly grasp the Company's operating conditions. Fourth, the Company actively understood investors' demands, promptly reported investors' opinions and suggestions to the management team and relevant business lines, studied and formulated relevant measures, and actively responded through compliant information disclosure methods such as regular reports and temporary announcements. To actively respond to investors' concerns and facilitate investors to understand the Company's operating conditions and investment value, in 2025, the Company voluntarily disclosed 7 announcements on winning bids for important rail transit projects and recognition through scientific and technological innovation platforms, involving a total project amount of about RMB17,104 million.

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## **(VIII) Adhere to Standardized Operation and Improve Governance Efficiency**

The Company continued to improve and refine the corporate governance mechanism with legal and transparent rights and responsibilities, coordinated operation, and effective checks and balances. We strengthened the basic role of the Articles of Association in corporate governance, revised the Articles of Association and a series of corporate governance-related systems in accordance with the latest spirits of the Company Law, Securities Law, and state-owned assets and securities supervision, ensuring clear scope of responsibilities and standardized decision-making procedures. In 2025, the Company held 7 Board of Directors meetings, 12 special committee meetings, and 2 General Meeting of Shareholders. During the General Meeting of Shareholders, we used the “one-click access” reminder service for online voting at the General Meeting of Shareholders to facilitate minority shareholders’ participation in corporate governance and promote shareholders’ extensive participation in corporate governance. The Company implemented “zero gap” of information between internal and external directors; independent directors conducted in-depth grass-roots research, met and communicated with external auditors, conscientiously performed their duties, expressed opinions fairly and objectively, actively safeguarded the interests of the Company and minority shareholders, and made individual work reports at the annual General Meeting of Shareholders to consciously accept the supervision of all shareholders.

## **(IX) Strengthen the Responsibilities of the “Key Minority”**

The Company maintained close communication with the “key minority” such as the actual controller, controlling shareholder, shareholders holding more than 5% of the shares, and the Company’s directors, supervisors and senior management, tracked the performance of commitments by relevant parties, and continuously strengthened the sense of responsibility and performance awareness of relevant parties. The Company’s directors, supervisors and senior management actively participated in training on securities market laws, regulations and professional knowledge organized by SASAC, stock exchanges, China Association for Public Companies, and Beijing Association for Public Companies; the Secretary of the Board of Directors completed follow-up education and training; we organized the Company’s executive directors, senior management, middle-level department staff and key backbones to study the main rules and cases related to the securities market, strengthened the provisions and cases in terms of information disclosure, insider information management, and compliant transactions, and continuously improved their sense of responsibility and self-discipline.

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## II. IMPROVEMENT MEASURES FOR THE 2026 ACTION PLAN

In 2026, the Company will continue to promote the “Corporate Value and Return Enhancement” special action. Based on a comprehensive assessment of the implementation and effects of the 2025 special action, we propose the following optimization goals and measures:

### **(I) Focus on Core Responsibilities and Main Businesses, and Further Improve Operational Efficiency and Profitability**

The Company will fully, accurately and comprehensively implement the new development concept, focus on the theme of high-quality development, closely focus on the overall goal of building a “national heavyweight” in the field of intelligent control, fully promote the maturity and finalization of four intelligent system businesses, strengthen and expand the intelligent terminal equipment industry, consolidate the “first curve”, create the “second curve”, focus on enhancing the “five values”, effectively implement every task objectives, and make a good start and lay a solid foundation for the high-quality transformation and development during the “15th Five-Year Plan” period.

### **(II) Strengthen Scientific and Technological Innovation, and Further Enhance the Momentum for the Development of New Quality Productive Forces**

We will accelerate the research on key core technologies, build a source of original technologies, accelerate the layout, cultivation and growth of emerging industries and future industries, and continuously improve the capacity and level of scientific and technological innovation. In 2026, the R&D investment intensity will strive to reach 6%. The Company will deeply cultivate the “dual tracks” of rail transit and low-altitude economy, accelerate the cultivation of emerging industries such as low-altitude economy, smart cities, and intelligent operations, and accelerate the development of intelligent terminal businesses. As a key track, the low-altitude economy will adhere to the integrated development pattern of “three industries and one ecology”, and deeply participate in the formulation of national low-altitude industry plans and standard regulations; we continue to advance research on the intelligent control system for low-altitude airspace under the “100 Major Projects” initiative, and promote its implementation at both the provincial and municipal levels; develop intelligent flight control and swarm intelligent collaborative operation systems; accelerate the industrialization of low-altitude communication private networks; accelerate the R&D and full-scenario application of characteristic technologies of perception and countermeasure systems, and actively seize the security market of key places, regions and events; improve the “one network unified flight” operation service system, and enhance low-altitude collaborative management and service capabilities; focus on key scenarios deployed by the state such as inspection, logistics, urban governance, emergency rescue, and low-altitude cultural tourism, and promote the implementation and construction of demonstration projects; accelerate the cultivation of inspection and testing capabilities, and build an inspection and testing system for low-altitude intelligent networking systems and product equipment.

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## **(III) Intensify Market Development Efforts and Further Consolidate the Leading Position in the Industry**

The Company will seize the renewal and renovation market, closely monitor the dynamics of high-speed railway lines entering the overhaul and renovation cycle, drive the landing of domestic key conventional speed railway renovation orders with intelligent products, and focus on key cities such as Shanghai, Guangzhou and Nanjing to seize the urban rail renovation market. We will gradually expand the operation and maintenance market, build an intelligent operation and maintenance management platform integrating multiple professional fields, and promote the rapid formation of scale in operation and maintenance business. The Company will strengthen the expansion of strategic emerging markets, continue to deepen government-enterprise cooperation to promote the landing of management and control platforms; continue to deeply cultivate smart railway stations, smart factories and mines, and smart logistics parks, quickly break through markets such as smart port and waterway and civil aviation ground services, and expand the application of intelligent operations in factories and mines, ports, terminals, comprehensive logistics parks, etc. We will implement the Belt and Road Initiative and the high-speed railway “going global” strategy, accelerate the layout of overseas operations, expand market operation areas, strengthen overseas joint ventures and cooperation, seek major breakthroughs in overseas business, and promote the “going global” of China’s railway standards and railway equipment.

## **(IV) Strengthen Market Value Management and Strive to Further Enhance Investors’ Sense of Gain**

Based on improving the development quality of the listed company, the Company will adhere to laws and regulations, focus on improving the Company’s intrinsic value and market recognition, strive to improve the Company’s investment value, and promote the long-term stable performance of the Company in the capital market. The Company’s Party Committee and Board of Directors will closely monitor the market’s reflection of the Company’s value. When the market performance deviates significantly from the Company’s value, we will conduct prudent analysis and judgment, actively take measures, strive to promote the improvement of the Company’s investment value, and effectively safeguard the interests of investors.

## **(V) Adhere to the Policy of Implementing a High Proportion of Cash Dividends**

The Company is committed to actively providing stable returns to shareholders. After being reviewed and approved by the 35th meeting of the 4th Board of Directors of the Company, it is proposed to distribute a cash dividend of RMB1.70 per 10 shares (tax inclusive) to all shareholders based on the total share capital registered on the equity registration date for the implementation of the equity distribution. As of 31 December 2025, the total share capital of the Company was 10,589,819,000 shares. Based on this, the total cash dividend to be distributed is RMB1,800 million (tax inclusive), accounting for 48.84% of the Company’s net profit attributable to shareholders of the listed company in 2025.

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## **(VI) Establish a Multi-Level Investor Communication and Interaction Mechanism**

The Company will adhere to the concept that communication creates value, actively carry out investor relations maintenance work, organize investor exchange activities in an orderly manner, listen to investors' voices, attach importance to market feedback, reasonably guide expectations, and convey the Company's value. Through communication and exchange, we will increase recognition from all parties, allowing investors to get close, understand, see clearly, and have confidence. We will hold regular performance briefings, plan to hold 3 performance briefings, with the Company's directors and senior management attending the annual performance briefing. The Company will disclose non-IFRS performance indicators, add net cash flow from operating activities after excluding group deposits, highlight key points, and facilitate investors to quickly grasp the Company's operating conditions. We will actively communicate and interact with investors through compliant disclosure platforms, investor briefings, roadshows, reverse roadshows (Company open days), analyst meetings, reception of research visits, etc., making full use of digital technologies such as live broadcasts, video conferences, and online meetings, timely respond to investors' demands, and protect the legitimate rights and interests of all types of investors. Investors can make an appointment by calling or sending an email to the Company's email address [ir@crsc.cn](mailto:ir@crsc.cn).

## **(VII) Adhere to Standardized Operation and Improve Governance Efficiency**

The Company will fully implement the "Two Integrations", unify the strengthening of Party leadership with the improvement of corporate governance, clarify the scope of rights and responsibilities of each governance subject through lists, and further improve the corporate governance system of "legal and transparent rights and responsibilities, coordinated operation, and effective checks and balances". We will strengthen the basic role of the Articles of Association in corporate governance, clarify the management boundary of state-owned shareholders over listed companies, and effectively maintain the independence of listed companies. The Company will give full play to the role of special committees and actively provide suggestions for the Board of Directors. We will strengthen the support for independent directors to perform their duties, increase the intensity of the Board of Directors' review of investment projects, and establish a mechanism for external directors (including independent directors) to participate in the research and demonstration of major and complex projects in advance. The Company will strengthen the supervision of resolution implementation and authorization management, rely on the regular feedback and reporting mechanism, effectively give play to the supervisory function of the Board of Directors, and systematically improve the scientificity and effectiveness of the Board of Directors' decisions. We will actively use the "one-click access (一鍵通)" reminder service for online voting at the General Meeting of Shareholders to facilitate minority shareholders' participation in corporate governance.

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### (VIII) Strengthen the Responsibilities of the “Key Minority”

The Company will maintain close communication with the “key minority” such as the actual controller, controlling shareholder, shareholders holding more than 5% of the shares, and the Company’s directors and senior management, track the performance of commitments by relevant parties, and continuously strengthen the sense of responsibility and performance awareness of relevant parties. We will organize the Company’s directors and senior management to actively participate in training related to listed company governance and laws and regulations for no less than 15 hours per person, actively participate in meetings and forums organized by regulatory authorities, strengthen the “key minority’s” mastery of securities market-related laws, regulations and professional knowledge, continuously improve their sense of self-discipline, and promote the high-quality development of listed companies.

The Company will continue to assess the specific measures of the Corporate Value and Return Enhancement Action Plan and perform its information disclosure obligations in a timely manner. The Company’s plans, work plans and related forecasts involved in this report are forward-looking statements of non-existing facts, which do not constitute the Company’s commitments to investors. Investors are requested to pay attention to relevant risks.

*Board of Directors of*  
**China Railway Signal & Communication Corporation Limited**  
24 March 2026