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**中国通号**

**中國鐵路通信信號股份有限公司**

**China Railway Signal & Communication Corporation Limited\***

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

**(Stock Code: 3969)**

## **ANNOUNCEMENT ON BID-WINNING OF IMPORTANT PROJECTS IN THE RAIL TRANSIT MARKET**

This announcement is made by China Railway Signal & Communication Corporation Limited\* (the “**Company**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

From March to April 2020, the Company won a total of four important projects in the rail transit market, including two important projects in the railway market, namely, the “four power” system integration and related works QHSD-1 bid section for the Heze-Qufu section and the “four power” system integration and related works HLSD-1 bid section for the Heze-Lankau Railway (Shandong Section) of the newly-built Lunan High-speed Railway (the “**Phase II of Lunan High-speed Railway**”), and the GSSG-14 bid section of the strong electricity and weak electricity integration project of the newly-built Guangdong section of Ganzhou-Shenzhen Railway (the “**Guangdong Section of Ganshen High-speed Railway**”); and two important projects in the urban rail transit market, namely, the engineering signal system procurement project of Shenzhen Metro Line 16, and the engineering signal system procurement project of Wuhan Rail Transit Line 16 (Hannan Line). Details of the projects awarded are hereby announced as below:

# I. RELEVANT INFORMATION OF THE PROJECTS WON IN THE RAILWAY MARKET

	Project One	Project Two
<b>(I). General information</b>		
1. Name of the project	Phase II of Lunan High-speed Railway	Guangdong Section of Ganshen High-speed Railway
2. Bid originator	Lunan High Speed Railway Co., Ltd.	China Railway Guangzhou Group Co.,Ltd.
3. Amount of the bid won (RMB100 million)	5.72	8.02
4. Overview of the project	<p>The main line of Phase II of Lunan High-speed Railway is 204.428 km long (of which the Heze-Qufu section is 160.750 km and the Heze-Lankau section is 43.678 km), the designed running speed of the line is 350km/h. The main line will be equipped with a CTCS-3 level high-speed train operation control system.</p> <p>The Company will be responsible for equipment procurement, system debugging and other system integration work for all communications, signaling and other projects of Phase II of Lunan High-speed Railway, and will cooperate with joint debugging, trial operation and other tasks.</p>	<p>The main line of Guangdong Section of Ganshen High-speed Railway is 301.800 km long, and the designed running speed of the line is 350km/h. The main line will be equipped with a CTCS-3 level high-speed train operation control system.</p> <p>The Company will be responsible for equipment procurement, system debugging and other system integration work for all communications, signaling and other projects of Guangdong Section of Ganshen High-speed Railway, and will cooperate with joint debugging, trial operation and other tasks.</p>

**Project One****Project Two****(II). Information on the counterparty**

1.	Name of the enterprise	Lunan High Speed Railway Co., Ltd.	China Railway Guangzhou Group Co.,Ltd.
2.	Nature of the enterprise	State-owned enterprise	State-owned enterprise
3.	Legal representative	Wang Jiquan	Wu Yong
4.	Registered capital	RMB33,250 million	RMB249,254.03 million
5.	Date of incorporation	29 September 2016	5 December 1992
6.	Main office location	No. 2000, Shunhua Road, High-tech Zone, Jinan City, Shandong Province	No. 151, Zhongshan First Road, Yuexiu District, Guangzhou City, Guangdong Province
7.	Major shareholders	Shandong Railway Development Fund Co., Ltd.  China Railway Jinan Group Co.,Ltd.  Jining Railway Investment Co., Ltd.  Linyi Railway Construction Investment Co., Ltd.	China State Railway Group Co., Ltd.
8.	Principal business	Construction and passenger transportation of Lunan High-Speed Railway; real estate investment development, sales and leasing, railway construction equipment procurement and sales, railway technical consulting services, railway and road freight transportation, storage (excluding hazardous chemicals).	Railway passenger and cargo transportation and related service business; manufacturing, installation, maintenance and leasing of railway transportation equipment, facilities, and accessories; manufacturing, installation, maintenance, distribution and leasing of special railway equipment and related industrial equipment; organizing and managing railway passenger and freight transportation, technology and other industrial development; survey and design, construction and maintenance of railway internal and external construction projects; project general contracting and management; engineering design; technology development, transfer, service, consultation in the field of railway transportation technology; railway machinery and equipment leasing; engineering management services; information system integration, research and development and services.

	<b>Project One</b>	<b>Project Two</b>
<b>(III). Major terms and conditions of the contract to be signed</b>		
1. Amount of the contract (RMB100 million)	5.72	8.02
2. Payment schedule	Payments of the project will be made based on advance payments, progress payments, completion payments and warranty payments.	Payments of the project will be made based on advance payments, progress payments, completion payments and warranty payments.
3. Place of performance	Within Shandong Province	Within Guangdong Province
4. Term of performance	From the date of signing of the contract to the end of the project warranty period, of which, the project execution cycle is approximately 16 months and the warranty period is 24 months, totaling 40 months.	From the date of signing of the contract to the end of the project warranty period, of which, the project execution cycle is approximately 17 months and the warranty period is 12 months, totaling 29 months.
5. Conditions for entry into force of the contract	The contract shall become formally effective after the legal representatives of both parties or their authorized representatives have affixed their signatures and official seals.	The contract shall become formally effective after the legal representatives of both parties or their authorized representatives have affixed their signatures and official seals.
6. Contract signing place	Jinan	Guangzhou

## **II. RELEVANT INFORMATION OF THE PROJECTS WON IN THE URBAN RAIL TRANSIT MARKET**

	<b>Project Three</b>	<b>Project Four</b>
<b>(I). General information</b>		
1. Name of the project	the engineering signal system procurement project of Shenzhen Metro Line 16	the engineering signal system procurement project of Wuhan Rail Transit Line 16 (Hannan Line)
2. Bid originator	Shenzhen Metro Group Co., Ltd.	Wuhan Metro Group Co., Ltd.
3. Amount of the bid won (RMB100 million)	4.01	2.69
4. Overview of the project	<p>The engineering of Shenzhen Metro Line 16 is 29.2 km long, all of which are underground lines, with a total of 24 stations.</p> <p>The Company will provide the signal system solution Urbalis888 for this line.</p>	<p>The total length of the main line of Wuhan Rail Transit Line 16 (Hannan Line) project is approximately 33.1 km (from the starting point to end point of the structural design), of which the underground section is approximately 12.8km and the elevated section is approximately 18.5km. There are 12 stations for the line, including five elevated stations and seven underground stations.</p> <p>The Company will provide the signal system solution Urbalis888 for this line.</p>

**Project Three****Project Four****(II). Information of the counterparty**

1.	Name of the enterprise	Shenzhen Metro Group Co., Ltd.	Wuhan Metro Group Co., Ltd.
2.	Nature of the enterprise	State-owned enterprise	State-owned enterprise
3.	Legal representative	Xin Jie	Zhang Jun
4.	Registered capital	RMB44,071.36 million	RMB8,800 million
5.	Date of incorporation	31 July 1998	02 November 2000
6.	Main office location	Floor 27-31, Metro Building, No. 1016, Fuzhong 1st Road, Futian District, Shenzhen	No. 77, Huanle Avenue, Hongshan District, Wuhan
7.	Major shareholders	State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government	State-owned Assets Management Committee of Wuhan Municipal People's Government  China Development Fund Co., Ltd.
8.	Principal business	Construction, operation, development and comprehensive utilization of subway and light rail transportation projects; investment and establishment of industries (specific projects will be reported separately); domestic commerce, material supply and marketing industry (excluding franchise, special control, monopoly commodities); operating advertising business; own property management consulting and education training of rail transit related business.	Rail transit construction, operation and management (projects with special regulations by the state can only be operated after approval); design, manufacture, and release of street signs, light boxes, neon lights, ticket, body advertising Business; real estate development, sales of commercial houses; construction of municipal roads and bridges; property management; landscaping; construction and general contracting of engineering projects; rail engineering consulting (projects subject to special approval by the state can only be operated after approval).

	<b>Project Three</b>	<b>Project Four</b>
<b>(III). Major terms and conditions of the contract to be signed</b>		
1. Amount of the contract (RMB100 million)	4.01	2.69
2. Payment schedule	Payments of the project will be made based on advance payments, progress payments, payments after arrival of goods, payments on interim acceptance, payments on completion and acceptance, settlement payments and payments on final acceptance.	Payments of the project will be made based on advance payments, progress payments, payments after arrivals of equipment, payments on pre-acceptance, payments on interim acceptance and payments on final acceptance.
3. Place of performance	Shenzhen	Wuhan
4. Term of performance	From the date of signing of the contract to the end of the project warranty period, of which, the project execution cycle is approximately 36 months and the warranty period is 36 months, totaling 72 months.	From the date of signing of the contract to the end of the project warranty period, of which, the project execution cycle is approximately 20 months and the warranty period is 24 months, totaling 44 months.
5. Conditions for entry into force of the contract	The contract shall become formally effective after the legal representatives of both parties or their authorized representatives have affixed their signatures and official seals.	The contract shall become formally effective after the legal representatives of both parties or their authorized representatives have affixed their signatures and official seals.
6. Contract signing place	Shenzhen	Wuhan

### **III. IMPACT ON THE COMPANY**

1. The total amount of bids for the above projects is approximately RMB2,044 million, accounting for approximately 4.91% of the Company's audited operating income in 2019 under the Chinese Accounting Standards. Given that the above projects will be implemented in phases across years, there are uncertainties as to the impact on the results for 2020. If formal contracts are signed for the above projects and the projects are smoothly implemented, it is expected to have a relatively positive impact on the Company during the implementation period of the projects.

2. The Company has no related relationships with the above tender parties, and the bid-winning of the above projects does not affect the independence of the Company's business.

#### **IV. POTENTIAL RISKS**

The bid-winning of the above projects has been published. Due to the relevant formalities involved, the Company has not signed the relevant formal contracts with the tender parties and uncertainties exist. The final amount, the terms of performance and other details of the above projects are subject to the formally signed contracts. Investors are reminded of the investment risks.

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

Beijing, the PRC, 14 May 2020

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

\* *For identification purpose only.*