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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)

PROPOSED GRANTING OF GENERAL MANDATE TO THE BOARD OF DIRECTORS TO REPURCHASE H SHARES

References are made to the notice of the 2019 annual general meeting (the “**AGM**”) and the notice of 2020 first H shareholders class meeting (the “**H Shareholders Class Meeting**”) dated 21 April 2020 and the circular of the AGM and H Shareholders Class Meeting (the “**Circular**”) and revised notice of the AGM dated 15 May 2020 of China Railway Signal & Communication Corporation Limited* (the “**Company**”), which set out the resolutions to be proposed at the AGM and/or the H Shareholders Class Meeting for the Shareholders’ approval. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Board hereby announces that according to the Company Law, the Articles of Association and other relevant regulations, China Railway Signal and Communication (group) Corporation Limited (holding approximately 62.37% of the total issued share capital of the Company), the Controlling Shareholder of the Company, put forward an ad hoc proposal – Resolution on Granting the General Mandate to the Board of Directors to Repurchase H Shares (the “**Resolution**”), on 27 May 2020 and submitted it to the convener of the general meeting in writing. The Resolution has been considered and approved at the 20th meeting of the third session of the Board and the ninth meeting of the third session of the Supervisory Committee of the Company.

In order to strengthen the Company’s capital market value management and in response to the Shareholders’ demands, the Board proposes the granting of the general mandate to the Board to repurchase H Shares be considered and approved at the AGM and the Shareholders Class Meetings, for the Board to repurchase H Shares not exceeding 10% of the total number of the H Shares of the Company in issue at the time when the Resolution is passed at the AGM and the Shareholders Class Meetings in accordance with the relevant laws, regulations, the Articles of Association, requirements of securities regulators of the places where the Shares of the Company are listed and any other relevant government or regulatory authorities of the PRC and with reference to market conditions, based on funding arrangements and in accordance with needs of the Company.

It is proposed at the AGM and the Shareholders Class Meetings to grant to the Board authorities including but are not limited to:

1. to formulate and implement specific repurchase plans, including but not limited to repurchase price(s), number of Shares to be repurchased, timing(s) of repurchase and period(s) of repurchase, etc.;

2. to notify creditors and issue announcement(s) in accordance with the Company Law and the Articles of Association;
3. to set up overseas Share accounts and carry out relevant procedures for change of foreign exchange registration;
4. to carry out the relevant approval, filing and/or disclosure procedures in accordance with laws, regulations, the Articles of Association, requirements of securities regulators of the places where the Shares of the Company are listed and any other relevant government or regulatory authorities of the PRC (if necessary);
5. to carry out the cancellation procedures for repurchased Shares, reduce registered capital, and make corresponding amendments to the Articles of Association in respect of total share capital and shareholding structure, etc., and to carry out the statutory registration and filing procedures within and outside the PRC;
6. to execute other documents, and deal with all other necessary or appropriate measures, actions, matters and affairs, in connection with the repurchase of H Shares.

If the Resolution is considered and approved as a special resolution at the AGM and the Shareholders Class Meeting, respectively, the Board will be granted the repurchase mandate until the earlier of (a) the conclusion of the 2020 annual general meeting of the Company; or (b) the date on which the authorities conferred by the relevant special resolution is revoked or varied by special resolution by the Shareholders at the general meeting, the A shareholders class meeting and the H shareholders class meeting, respectively.

In repurchasing its H Shares, the Company intends to apply and only apply its own funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC.

The Resolution is subject to be submitted to the AGM and Shareholders Class Meetings for consideration and approval by way of a special resolution. A supplementary circular containing, among others, details of the Resolution, the further revised notice of the AGM and the revised notice of the H Shareholders Class Meeting will be dispatched to the Shareholders in due course.

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

Beijing, the PRC
27 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