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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)

ANNOUNCEMENT ON BID-WINNING OF IMPORTANT PROJECT 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 January to February 2021, there were fewer major projects of rail transit as a result of the Spring holidays. Yet, the Company won a bid for an important project in the rail transit market, being the signal system integration and procurement project of Phase I of Tianjin Metro Line 11.

Details of the project awarded are hereby announced as follows:

I. INFORMATION OF THE PROJECT WON IN THE URBAN RAIL TRANSIT MARKET

Project One

I. General information

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|-----------------------------------|--|
| 1. Name of the Project | The signal system integration and procurement project of Phase I of Tianjin Metro Line 11 |
| 2. Bid originator | CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd. |
| 3. Tender amount (RMB100 million) | 2.18 |
| 4. Overview of the project | Phase I of Tianjin Metro Line 11 has a total length of 22.6 km with 21 stations, all of which are underground stations. A vehicle section of Qijing Road will be set up in Dongli District; a control centre will be set up in Huayuan; and a backup control centre will be set up in the vehicle section of Qijing Road. Tianjin Metro Line 11 has a total of 23 trains/138 vehicles at the initial stage, and adopts “B2” electric passenger vehicles in the M/T ratio of 4:2. It is planned to commence trial operation on 31 October 2023. The Company will be responsible for the procurement and integration of signal system equipment for the project. |

Project One

II. Information of the counterparty

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|----|--------------------------|--|
| 1. | Name of the enterprise | CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd. |
| 2. | Nature of the enterprise | State-owned enterprise |
| 3. | Legal representative | WANG Xiang |
| 4. | Registered capital | RMB5 billion |
| 5. | Date of incorporation | 2019-08-09 |
| 6. | Main office location | No. 1007 Dagu South Road, Hexi District, Tianjin |
| 7. | Major shareholders | Tianjin Rail Transit Group Co., Ltd.
China Communications Construction Company Limited |
| 8. | Principal business | Investment, design, construction, operational management and maintenance of rail transit engineering projects; Urban rail transit services; Rail transit technology development, technology transfer and technology consultation; Advertisement design, production and agency marketing; Communication engineering; Real estate development (Commencement of operation is subject to obtaining business permit); Real estate brokerage; Lease of buildings. (Projects subject to approval according to law may only be carried out after obtaining approval from relevant departments) |

III. Major terms and conditions of the contract to be signed

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| 1. | Amount of the contract (RMB100 million) | 2.18 |
| 2. | Payment schedule | Payment shall be made in accordance with the procedures of down payment, final design review, payments on equipment, full opening of the signal system, completion acceptance, completion settlement, payments on settlement and payments on warranty. |
| 3. | Place of performance | Tianjin |
| 4. | Term for performance | From the signing date of the contract to the end of the warranty period of the project. The project implementation period is 24 months, and the warranty period is 24 months, totaling 48 months. |
| 5. | Conditions for the contract to take effect | The contract shall become effective when the legal representatives or authorized representatives of both parties have signed the contract and affix the official seal of both parties respectively, and the purchaser has received the performance bond submitted by the vendor. |
| 6. | Contract signing place | Tianjin |

II. IMPACT ON THE COMPANY

1. The total bid amount of the above project is approximately RMB218 million, accounting for approximately 0.52% of the audited operating income of the Company for 2019 under the PRC accounting standards. Given that the above project will be implemented in phases across years, there are uncertainties as to the impact on the current results of 2021. If a formal contract is signed for the above project and the project is smoothly implemented, it is expected to have a relatively positive impact on the Company during the implementation period of the project.
2. The Company has no related relationships with the above tender parties, and the bid-winning of the above project does not affect the independence of the Company's business.

III. POSSIBLE RISKS

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

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

Beijing, the PRC
19 March 2021

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

** For identification purpose only*