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**中國城市軌道交通科技控股**   
**CHINA CITY RAILWAY TRANSPORTATION TECHNOLOGY**  
**中國城市軌道交通科技控股有限公司**  
**CHINA CITY RAILWAY TRANSPORTATION TECHNOLOGY HOLDINGS COMPANY LIMITED**  
*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8240)**

**MAJOR TRANSACTION  
RELATING TO THE ACQUISITION OF  
THE ENTIRE EQUITY INTEREST IN  
INNOVATION HOLDING CO., LTD**

**THE ACQUISITION AGREEMENT**

The Board is pleased to announce that on 8 May 2013, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire the Sale Share from the Vendor at a consideration of HK\$107,934,465.80.

As at the date of this announcement, the Target Company was a wholly-owned subsidiary of the Vendor and an investment holding company interested in 46% equity interest in BII ERG. The Consideration of HK\$107,934,465.80 shall be satisfied by an issue of 154,192,094 Consideration Shares by the Company, under the procurement by the Purchaser, credited as fully paid, to the Vendor (or its nominees) upon Acquisition Completion, which represents (i) approximately 19.27% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.16% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares (assuming that there will be no other change in the issued share capital of the Company between the date of this announcement and the date of the Acquisition Completion save for the issue of the Consideration Shares).

The Consideration Shares will be issued under a specific mandate to be approved at the EGM.

**IMPLICATION UNDER THE GEM LISTING RULES**

As the applicable percentage ratios for the Acquisition under the GEM Listing Rules are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Rule 19.06(3) of the GEM Listing Rules. Accordingly, the Acquisition is subject to, among others, the approval of the independent Shareholders at the EGM.

## GENERAL

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Acquisition Agreement and the transactions contemplated thereunder.

As at the date of this announcement, the Vendor was one of the Shareholders which held approximately 9.95% of the issued share capital of the Company. The Vendor will be required to abstain from voting on the resolution(s) to approve the Acquisition Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Acquisition Agreement and will be required to abstain from voting on the resolution(s) to approve the Acquisition Agreement and the transactions contemplated thereunder at the EGM. Any vote exercised by the Shareholders at the EGM shall be taken by way of poll.

A circular containing, among other things, (i) further information of the Acquisition; (ii) financial information of the Target Group; and (iii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 30 May 2013.

**Shareholders and potential investors of the Company should be aware that as the Acquisition Completion is subject to the satisfaction of a number of conditions, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## MAJOR TRANSACTION

Reference is made to the announcement of the Company dated 7 November 2012 in relation to the entering into of the MOU between the Company as purchaser and BII as vendor in relation to a possible acquisition of 46% equity interest in BII ERG, subject to the execution and completion of the formal agreement to be entered into between the Company (or any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company) and BII (or any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company). Pursuant to the MOU, the Purchaser and the Vendor entered into the Acquisition Agreement on 8 May 2013 (after trading hours).

## THE ACQUISITION AGREEMENT

**Date:** 8 May 2013

### **Parties:**

- (a) The Purchaser: Beijing City Railway Holdings Company Limited, an indirect wholly-owned subsidiary of the Company and an investment holding company incorporated in Hong Kong
- (b) The Vendor: Beijing Infrastructure Investment (Hong Kong) Limited, an investment holding company incorporated in Hong Kong

As at the date of this announcement, the Vendor was one of the Shareholders which held approximately 9.95% of the issued share capital of the Company. The Vendor is the legal and beneficial owner of the entire issued share capital of the Target Company. The Target Company has an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each, of which one share has been issued as fully paid up and is beneficially owned by the Vendor.

### **Assets to be acquired**

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Share (representing the entire issued share capital of the Target Company). The principal asset of the Target Company is its 46% direct equity interest in BII ERG.

### **Consideration**

The Consideration of HK\$107,934,465.80 was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account (i) the net asset value of the Target Group; (ii) the historical financial information regarding the performance of the Target Group; (iii) the opportunity for the Group to vertically integrate its services provided to customers by enriching its capabilities to design and provide application solutions at both line level and network level; (iv) the opportunity to expand the Group's business scope and geographical coverage and market share in the industry; (v) the business synergy and potential returns from the investment in the Target Group which will contribute positively to the financial results of the Group; (vi) the Target Profits (as defined below) undertaken by the Vendor; and (vii) the opportunity to consolidate the Group's shareholding of and exercise control in the Target Group.

The Consideration will be satisfied by an issue of 154,192,094 Consideration Shares by the Company, under the procurement by the Purchaser, credited as fully paid, to the Vendor (or its nominees), of which represents (i) approximately 19.27% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.16% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares (assuming that there will be no other change in the issued share capital of the Company between the date of this announcement and the date of the Acquisition Completion save for the issue of the Consideration Shares), as illustrated in the table set out under the paragraph "Effect on shareholding structure of the Company" below.

Upon the issue of the Consideration Shares to the Vendor (or its nominees), the Vendor (or any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company) would be entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company, the Vendor (or any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company) will become a Substantial Shareholder and a connected person of the Company under Rule 20.11(1) of the GEM Listing Rules. Transactions between the Group and the Vendor (or any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company) or their respective associates upon Acquisition Completion may constitute connected transactions or continuing connected transactions (“**Connected Transactions**”) for the Company under Chapter 20 of the GEM Listing Rules.

The issue price of HK\$0.70 per Consideration Share was arrived at after arm’s length negotiations between the Purchaser and the Vendor and represents:

- (a) a discount of approximately 16.67% to the closing price of the Shares of HK\$0.84 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 16.07% to the average closing price of HK\$0.834 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (c) a discount of approximately 13.79% to the average closing price of HK\$0.812 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Consideration Shares will be allotted and issued on the Acquisition Completion pursuant to the specific mandate to be sought at the EGM.

### **Lock-up arrangement for the Consideration Shares**

Pursuant to the Acquisition Agreement, the Vendor undertakes that, without the prior written consent of the Company, the Vendor shall not, and shall procure that none of its associates or companies controlled by it or nominees or trustees holding in trust for it shall, sell, transfer or otherwise dispose of (or enter into any agreement to dispose of) any Consideration Shares held by the Vendor, or any Consideration Shares held directly or indirectly by the Vendor or its associates, in any company controlled by them which is the beneficial owner of any such Consideration Shares nor permit the registered holder to dispose of (or enter into any agreement to dispose of) any of their direct or indirect interests in such Consideration Shares during a period commencing from the date of the Acquisition Completion and ending on the date which is the first anniversary of the date of the Acquisition Completion.

## Ranking of the Consideration Shares

The Consideration Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares and the Consideration Shares, when issued, will be free from all liens, charges and encumbrances and together with all rights attaching to them including the right to receive all dividends declared, made or paid on or after the date of allotment and issue.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Consideration Shares.

## Consideration Adjustment

Pursuant to the Acquisition Agreement, the parties thereto agreed to adjust the Consideration with reference to the 2013 Profits as set out in the 2013 Audited Report. The Consideration shall be adjusted in accordance with the formula set out below in the event the 2013 Profits is less than HK\$25,000,000 (“**Target Profits**”):

$$\text{Adjusted Consideration} = \text{Consideration} - \left[ \text{Consideration} \times \frac{(\text{Target Profits} - 2013 \text{ Profits})}{\text{Target Profits}} \right]$$

The Vendor shall pay to the Purchaser in cash for the difference (“**Difference**”) between the Adjusted Consideration and the Consideration; and the Difference shall be payable to the Purchaser (or its nominees) within 15 Business Days after the issue of 2013 Audited Report.

The Vendor undertakes that the Difference would in no event exceed 50% of the Consideration (i.e. HK\$53,967,232.90).

Further announcement(s) will be made in relation to the adjustment on Consideration if and when appropriate in compliance with the applicable requirements of the GEM Listing Rules.

## Conditions precedent of the Acquisition Agreement

Completion of the Acquisition is conditional upon fulfillment of the following conditions:

- (a) the Target Group, the Company, the Vendor and the Purchaser having obtained all necessary consents and approvals in relation to the Acquisition;
- (b) the Purchaser being satisfied that all of the Vendor’s warranties (other than those disclosed to the Purchaser) remain true and accurate and not misleading in any material respect and no event or circumstance has occurred that would result in any material adverse change at all times from the date of the Acquisition Agreement up to the date of Acquisition Completion;
- (c) (if required) the SFC has granted approval or consent that the allotment, issue and listing of the Consideration Shares would not trigger a general offer under the Takeovers Code; and the Company or the relevant Shareholders have obtained the approval from the SFC in relation to the allotment, issue and listing of the Consideration Shares;
- (d) the Listing Committee granting or agreeing to grant the allotment, issue and permission to list and deal in the Consideration Shares, whether the approval or consent is unconditionally or subject to conditions;

- (e) the passing of the relevant resolution(s) by the independent Shareholders at an extraordinary general meeting of the Company approving the Acquisition Agreement and transactions contemplated thereunder (including the issue and allotment of the Consideration Shares) in compliance with the memorandum and articles of association of the Company and the GEM Listing Rules;
- (f) the obtaining by the Purchaser of: (i) a legal opinion (in form and substance satisfactory to the Purchaser) by a PRC legal adviser designated by the Purchaser; and (ii) a legal opinion (in form and substance satisfactory to the Purchaser) by a British Virgin Islands legal adviser designated by the Purchaser in relation to the due incorporation and valid subsistence of the Target Company;
- (g) the Purchaser conducting a due diligence review of and being satisfied with the assets, liabilities, operation and business of the Target Group; and
- (h) (if required) the obtaining by the Company of the approval from the independent Shareholders in relation to the Connected Transactions and the related transactions contemplated thereunder.

The Purchaser may at its absolute discretion waive in writing conditions (b), (f) and (g). In the event that any of the above conditions precedent are not fulfilled or waived (where applicable) and remain unfulfilled on or before 31 December 2013 (or such later date as may be agreed by the parties in writing), the Acquisition Agreement shall lapse and no party to the Acquisition Agreement will have any further rights or obligations under the Acquisition Agreement except in respect of the specific provisions as set out in the Acquisition Agreement which will continue in full force and effect and no party to the Acquisition Agreement shall have any claim against or liability to the other party, save for antecedent breaches of the Acquisition Agreement.

### **Acquisition Completion**

Acquisition Completion shall take place at 12:00 noon on the third Business Day following the date on which the last of the above conditions is fulfilled or waived (where applicable), or such later place or date as the parties to the Acquisition Agreement may agree in writing prior to Acquisition Completion.

### **INFORMATION OF THE GROUP**

The Company is an investment holding company. Its subsidiaries are principally engaged in the design, implementation and maintenance of application solutions for centralising various functions of public transport systems in Beijing and Hong Kong.

### **INFORMATION OF THE TARGET GROUP**

The Target Company is incorporated in the British Virgin Islands on 2 January 2013 with limited liability. As at the date of this announcement, the Target Company was a wholly-owned subsidiary of the Vendor and an investment holding company interested in 46% equity interest in BII ERG.

BII ERG was established in the PRC on 10 September 2009 and principally engaged in providing software and hardware in application solutions and products for the subsystems for the ACC System, the TCC System and the PCC System specifically for each individual subway line. As at the date of this announcement, BII ERG had a registered capital of RMB20,000,000 and a total investment of RMB40,000,000; and the registered capital of the BII ERG had been fully paid-up. BII ERG is currently owned as to 46% by the Target Company, 44% by Beijing City Railway, an indirectly wholly-owned subsidiary of the Company, and 10% by Beijing Transport Consultation.

The unaudited net asset value of the Target Group as at 30 June 2012 was approximately RMB43,353,000 (equivalent to approximately HK\$53,182,000). The unaudited net profits before taxation and extraordinary items attributable to the Target Group for the two years ended 30 June 2011 and 30 June 2012 were approximately RMB26,876,000 (equivalent to approximately HK\$31,563,000) and RMB9,596,000 (equivalent to approximately HK\$11,777,000) respectively. The unaudited net profits after taxation and extraordinary items attributable to the Target Group for the two years ended 30 June 2011 and 30 June 2012 were approximately RMB25,818,000 (equivalent to approximately HK\$30,320,000) and RMB8,253,000 (equivalent to approximately HK\$10,130,000) respectively.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The respective shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Acquisition Completion are set out below:

	As at the date of this announcement		Immediately after the Acquisition Completion (i.e. after allotment of 154,192,094 Consideration Shares)	
	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>Substantial Shareholders</b>				
More Legend Limited	481,267,527 (Notes 1 and 2)	60.16	481,267,527	50.44
Landcity Limited	481,267,527 (Notes 2 and 3)	60.16	481,267,527	50.44
Vix Technology (East Asia) Limited	481,267,527 (Notes 2 and 4)	60.16	481,267,527	50.44
<b>Public Shareholders</b>				
BII HK	79,584,969 (Note 5)	9.95	233,777,063	24.50
<b>Other public Shareholders</b>				
	239,147,504	29.89	239,147,504	25.06
<b>Total</b>	<b>800,000,000</b>	<b>100.00</b>	<b>954,192,094</b>	<b>100.00</b>

*Notes:*

1. As at the date of this announcement, More Legend Limited was the legal and beneficial owner of approximately 33.69% of the entire issued share capital of the Company. Mr. Cao Wei, an executive Director and chief executive officer of the Company, and Ms. Wang Jiangping were the legal and beneficial owners as to 75% and 25%, respectively, of the entire issued share capital of More Legend Limited.
2. Pursuant to the confirmation of concert party arrangement dated 29 November 2012 entered into by More Legend Limited, Vix Technology (East Asia) Limited and Landcity Limited, they have confirmed that they have been parties acting in concert in the operation and management of ERG Transportation Greater China Company Limited and the Company since 16 May 2012. Accordingly, each person under the concert party arrangement is taken to be interested in the shares of the Company that the other party is interested under the SFO.
3. As at the date of this announcement, Vix Technology (East Asia) Limited was the legal and beneficial owner of approximately 18.05% of the entire issued share capital of the Company. Vix Technology (East Asia) Limited was a wholly owned subsidiary of Vix Holdings Limited.
4. As at the date of this announcement, Landcity Limited was the legal and beneficial owner of approximately 8.42% of the entire issued share capital of the Company. Sino Choice Trust held 100% of Landcity Limited as trustee in favour of Mr. Chen Rui, an executive Director, and Ms. Jiang Wenjun.
5. As at the date of this announcement, BII was the legal and beneficial owner of the entire issued share capital of BII HK, a company established under PRC law with limited liability and wholly owned by the State owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group provides software and hardware application solutions at the network level of a public transport system where lines within such system are connected to. Such application solutions provide a centralised computer platform which enables different computer subsystems performing different functions at the line level of the public transport systems to be connected and linked up at the network level whereby operators of the public transport systems can monitor and oversee the operation of the entire public transport system at the control centre.

BII ERG is principally engaged in providing software and hardware in application solutions and products for the subsystems for the ACC System, the TCC System and the PCC System at the line level of the public transport systems.

Taking into account the line-level application solutions will be linked up with and integrated into the network-level systems, the Acquisition represents a good opportunity for the Group to vertically integrate its services provided to customers by enriching its capabilities to design and provide application solutions at both line level and network level. This could enable a more efficient integration of the systems at these two levels and ensure the compatibility of the line-level systems with the network-level systems; and it could also enable more efficient maintenance and management of the systems. Moreover, BII ERG has built up its customer clientele in Changchun and was awarded various contracts at the line level by the operators of public transport systems at Changchun for the provision of application solutions or products. The Acquisition represented a good opportunity for the Group to expand its business scope to include line level services and operations and also to expand its business geographical coverage to places outside Beijing and Hong Kong such as Changchun.



Therefore, the Directors believe the Acquisition will bring business synergy, enhance the competitive edge and increase the market share of the Group in the industry by virtue that the Group will be able to provide application solutions and products at both line level and network level in cities such as Beijing, Changchun and Hong Kong; and the Group will be able to provide better services to the existing customers and to attract potential customers.

After taken into account, among others, (i) the opportunity to vertically integrate its services and gain access to the line-level systems operation; (ii) the opportunity to diversify the business of the Group in terms of both business scope and geographical coverage and broaden its income source; and (iii) the basis of the Consideration as mentioned above, the Directors consider that the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interest of the Group and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE ACQUISITION**

Upon Acquisition Completion, the Target Company will become an indirectly wholly-owned subsidiary of the Company and the Company will indirectly hold 90% of the equity interest of BII ERG. The financial results of the Target Group will be consolidated into the consolidated financial statements of the Company. Details of the financial effects of the Acquisition will be included in the circular which will be published and despatched to Shareholders in due course.

## **IMPLICATION UNDER THE GEM LISTING RULES**

As the applicable percentage ratios for the Acquisition under the GEM Listing Rules are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Rule 19.06(3) of the GEM Listing Rules. Accordingly, the Acquisition is subject to, among others, the approval of the independent Shareholders at the EGM.

## **EGM**

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the Acquisition Agreement and the transactions contemplated thereunder.

As at the date of this announcement, the Vendor was one of the Shareholders which held approximately 9.95% of the issued share capital of the Company. The Vendor will be required to abstain from voting on the resolution(s) to approve the Acquisition Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transactions contemplated under the Acquisition Agreement and will be required to abstain from voting on the resolution(s) to approve the Acquisition Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further information of the Acquisition; (ii) financial information of the Target Group; and (iii) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 30 May 2013.

**Shareholders and potential investors of the Company should be aware that as the Acquisition Completion is subject to the satisfaction of a number of conditions, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

<b>“2013 Audited Report”</b>	the audited financial report of the Target Group for the year ending 31 December 2013 to be issued by an accountant appointed or approved by the Purchaser adopting the relevant accounting standards
<b>“2013 Profits”</b>	the profit after tax and extraordinary expenses as set out in the 2013 Audited Report
<b>“ACC System”</b>	automated fare collection clearing centre system, a network-level system which apportions and clears amounts among the clearing participants registered in the system to realise their commercial agreements
<b>“Acquisition”</b>	the acquisition of the Sale Share from the Vendor by the Purchaser pursuant to the Acquisition Agreement
<b>“Acquisition Agreement”</b>	the conditional sale and purchase agreement dated 8 May 2013 entered into between the Purchaser and the Vendor in relation to the Acquisition
<b>“Acquisition Completion”</b>	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
<b>“Adjusted Consideration”</b>	the new Consideration adjusted with reference to the 2013 Audited Report pursuant to the Acquisition Agreement
<b>“associate(s)”</b>	has the meaning ascribed to it under the GEM Listing Rules
<b>“Beijing City Railway” or “Purchaser”</b>	Beijing City Railway Holdings Company Limited (北京城市軌道交通控股有限公司), a company incorporated under Hong Kong law with limited liability and an indirect wholly-owned subsidiary of the Company and a holder of 44% of the equity interest in BII ERG
<b>“Beijing Transport Consultation”</b>	北京城市軌道交通諮詢有限公司(Beijing City Railway Transportation Consultation Co., Ltd.*), a company established under PRC law with limited liability, and a holder of 10% of the equity interests in BII ERG
<b>“BII”</b>	北京市基礎設施投資有限公司(Beijing Infrastructure Investment Co., Ltd.*), a company established under PRC law with limited liability and wholly owned by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality. BII is currently interested in the entire issued share capital of BII HK

<b>“BII ERG”</b>	北京京投億雅捷交通科技有限公司(Beijing BII-ERG Transportation Technology Co. Ltd.*), a company established under PRC law with limited liability. As at the date of this announcement, BII ERG was owned as to 46% by the Target Company, 44% by Beijing City Railway, and 10% by Beijing Transport Consultation
<b>“BII HK” or “Vendor”</b>	Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司), a wholly-owned subsidiary of BII incorporated under Hong Kong law with limited liability and one of the Shareholders which held approximately 9.95% of the issued share capital of the Company as at the date of this announcement, and is currently interested in the entire equity interest in the Target Company
<b>“Board”</b>	the board of Directors
<b>“Business Day”</b>	any day other than a Saturday, Sunday or public holiday on which banks are generally open for business in Hong Kong throughout their normal business hours
<b>“Company”</b>	China City Railway Transportation Technology Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Growth Enterprise Market of the Stock Exchange
<b>“connected person”</b>	has the meaning ascribed to it under the GEM Listing Rules and the word “connected” shall be construed accordingly
<b>“Consideration”</b>	consideration payable by the Purchaser to the Vendor for the Acquisition
<b>“Consideration Share(s)”</b>	154,192,094 new Shares falling to be allotted and issued by the Company to the Vendor to satisfy the Consideration pursuant to the Acquisition Agreement
<b>“Director(s)”</b>	the director(s) of the Company
<b>“EGM”</b>	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Acquisition Agreement and the respective transactions contemplated thereunder
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollar(s), the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC

<b>“Last Trading Day”</b>	8 May 2013, being the last trading day of the Shares before the release of this announcement
<b>“Listing Committee”</b>	the listing sub-committee of the Stock Exchange
<b>“MOU”</b>	the memorandum of understanding dated 7 November 2012 entered into between the Company as purchaser and BII as vendor in relation to the Acquisition
<b>“PCC System”</b>	PIS control centre system, a network-level system which centralises the functions of compiling and disseminating multimedia information and day-to-day operation data, receiving external information, and acting as information link between various lines within a public transport system with passenger interchange points
<b>“PIS”</b>	passenger information system, a line-level system which gives real-time audio and multimedia information to passengers through computerised public announcements and digital display subsystems
<b>“PRC”</b>	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
<b>“Sale Share”</b>	one allotted and issued ordinary share of the Target Company, representing its entire issued share capital
<b>“SFC”</b>	the Securities and Futures Commission of Hong Kong
<b>“SFO”</b>	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.01 each in the share capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of the Shares
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Substantial Shareholder”</b>	has the meaning ascribed to it under the GEM Listing Rules
<b>“Takeovers Code”</b>	the Hong Kong Code on Takeovers and Mergers, as amended from time to time
<b>“Target Company”</b>	Innovation Holding Co., Ltd. a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Vendor as at the date of this announcement
<b>“Target Group”</b>	the Target Company and BII ERG

“TCC System”

traffic control centre system, a network-level system whose functions include coordinating and supervising the respective control centres and operators of different lines, facilitating information exchange between the lines and operators, direct control in cases of emergency, contacting and coordinating with external public functions such as the police, fire stations and weather observatories

“%”

per cent

For the purpose of illustration only, amounts denominated in RMB in this announcement for the two years ended 30 June 2012 have been translated into HK\$ at the rate of RMB1=HKD1.174 and RMB1=HKD1.227 respectively. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

By order of the Board  
**China City Railway Transportation Technology  
Holdings Company Limited**  
**Cao Wei**  
*Chief Executive Officer*

Hong Kong, 8 May 2013

*As at the date of this announcement, the executive Directors are Mr. Cao Wei and Mr. Chen Rui; the non-executive Directors are Dr. Tian Zhenqing and Mr. Steven Bruce Gallagher; and the independent non-executive Directors are Mr. Hu Zhaoguang, Mr. Bai Jinrong and Mr. Luo Zhenbang.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or in this announcement misleading.*

*This announcement will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the “Latest Company Announcements” page of the GEM website for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at [www.ccrtt.com.hk](http://www.ccrtt.com.hk).*

\* For identification purposes only