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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: 1522)

PROFIT WARNING

This announcement is made by China City Railway Transportation Technology Holdings Company Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the preliminary assessment of the unaudited management accounts for the 12 months ended 31 December 2015, it is expected that the Group will record a decline in profit for the 12 months ended 31 December 2015 ("**2015 Financial Year**") as compared to that for the 18 months ended 31 December 2014 ("**2014 Financial Year**"), notwithstanding that the Company expects a growth in the civil communication transmission systems leasing service segment for the 2015 Financial Year as compared to the 2014 Financial Year. Such expected decline in profit was mainly attributable to:

a) the financial year end date of the Group had been changed from 30 June to 31 December during the 2014 Financial Year, as a result, the accounting period for the 2014 Financial Year had been extended to 18 months, while in the 2015 Financial Year, the accounting period is 12 months. As such, the profit for the 2015 Financial Year only covered the profit for the 12 months from 1 January 2015 to 31 December 2015, that is 6 months less than that of the profit for 2014 Financial Year which covered the profit for the 18 months from 1 July 2013 to 31 December 2014; and
b) the tender process for certain major design and implementation of application solution service projects were postponed.

Nevertheless, in view of the followings, the Board remains confident in the Group's long term prospects:

a) as disclosed in the announcement dated 5 November 2015, the Company has entered into the joint venture agreement with 北京市地鐵運營有限公司 (Beijing Mass Transit Railway Operation Corp., Ltd.*), pursuant to which the parties have agreed to jointly establish a joint venture company named 北京京城地鐵有限公司 (Beijing City Metro Ltd.*), with the principal business objective of investing, constructing, operating, managing subway lines, operating value-added services and related property development, including managing the operating income rights of the existing Airport Express line of the Beijing Subway. The parties intend to, through the joint venture, acquire the operating income rights of the existing Airport Express line of the Beijing Subway, and attempt to obtain the operating income rights of the new lines of Beijing Subway which are to be established, hoping to expand the Group's business scope and diversify the business into the operation sector of subway, with an aim to enhance the Group's core competitiveness and profitability; and
b) the major design and implementation of application solution service projects that were expected to be offered for tender in the 2015 Financial Year are expected to be scheduled for tender in 2016, and the Group are well prepared for the tender, endeavouring to be awarded with the tender.

The Company is still in the process of finalising the final results of the Group for the 2015 Financial Year. The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to the Group, which has not yet been audited or reviewed by the auditor and the Audit Committee of the Company. The actual results for the Group may be different from what is disclosed in this announcement. Shareholders and investors should read carefully the final results announcement of the Company for the 2015 Financial Year, which is expected to be published in March 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 22 January 2016

As at the date of this announcement, the executive Directors are Mr. Cao Wei, Ms. Xuan Jing and Mr. Shao Kai; the non-executive Directors are Dr. Tian Zhenqing, Mr. Hao Weiya and Mr. Guan Jifa; and the independent non-executive Directors are Mr. Bai Jinrong, Mr. Luo Zhenbang and Mr. Huang Lixin.

* *For identification purposes only*