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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 May to June 2020, the Company has won a total of seven important projects in the rail transit market. Among which, four are acquired from the railway market, namely four power and the related works for the “weak electricity integration” tender section of the newly built Huanggang-Huangmei Railway (“**Huang Huang High-speed Railway**”) with a tender amount of RMB255 million, “four power” and the related works for the ZJHSD-2 tender section of the newly built Zhangjiajie-Jishou-Huaihua Railway (“**Zhang Ji Huai High-speed Railway**”) with a tender amount of RMB670 million, relocation works for the second tender section of the newly built Henghuang section of Shihengcang Port Intercity Railway (“**Second Tender of Shihengcang Port Intercity Railway Relocation**”) with a tender amount of RMB581 million, and four power and the related works for the DRSD-2 tender section of the newly built Dali-Ruili Railway (“**Darui Railway**”) with a tender amount of RMB419 million. The other three are acquired from the city rail transit market, namely signal, comprehensive monitoring, access control, BAS and security system installation and construction project for Phase I engineering of Nantong Urban Rail Transit Line 1 with a tender amount of RMB153 million, tendering project of the signal system of the engineering of Zhengzhou Airport-Xuchang Suburban Railway (Zhengzhou Section) with a tender amount of RMB363 million, and general contracting project of electromechanical equipment procurement and installation of Fenghuan Maglev Culture and Tourism Project (Phase I Engineering) with a tender amount of RMB425 million.

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	Project Three	Project Four
I. General information				
1. Name of the project	Huang Huang High-speed Railway	Zhang Ji Huai High-speed Railway	Second Tender of Shihengcang Port Intercity Railway Relocation	Darui Railway
2. Bid originator	Wuhan-Jiujiang Passenger Railway Hubei Co., Ltd.	Huai Shao Heng Railway Co., Ltd.	China Railway Beijing Group Co., Ltd.	Yunnan-Guizhou Railway Yunnan Co., Ltd.
3. Tender amount (RMB100 million)	2.55	6.70	5.81	4.19
4. Overview of the project	<p>The main line of Huang Huang High-speed Railway is 125.160km long, 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 system debugging and other system integration work for all communications, signaling and other projects of Huang Huang High-speed Railway, and will cooperate with joint debugging, trial operation and other tasks.</p>	<p>The main line of Zhang Ji Huai High-speed Railway is 243.265km long, 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 Zhang Ji Huai High-speed Railway, and will cooperate with joint debugging, trial operation and other tasks.</p>	<p>The main line of the Second Tender of Shihengcang Port Intercity Railway Relocation is 149.003km long.</p> <p>The Company will be responsible for the relocation of all communication lines, communication bases and their cables, relocation of power circuit, relocation of pipes and other works of the Second Tender of Shihengcang Port Intercity Railway Relocation.</p>	<p>The main line of Darui Railway is 330.103km long, the designed running speed of the line is 140km/h. A CTCS-0 level train operation control system is selected. Individual locomotive signaling equipment is used in combination with LKJ-2000 locomotive operation monitoring device.</p> <p>The Company will be responsible for equipment procurement, system debugging and other system integration work for all communications, signaling, disaster monitoring, spare rooms for ancillary facilities and other relevant projects of Darui Railway, and will cooperate with joint debugging, trial operation and other tasks.</p>

	Project One	Project Two	Project Three	Project Four
II. Information of the counterparty				
1. Name of the enterprise	Wuhan-Jiujiang Passenger Railway Hubei Co., Ltd.	Huai Shao Heng Railway Co., Ltd.	China Railway Beijing Group Co., Ltd.	Yunnan-Guizhou Railway Yunnan Co., Ltd.
2. Nature of the enterprise	State-owned enterprise	State-owned enterprise	State-owned enterprise	State-owned enterprise
3. Legal representative	Wang Zhijian	Kong Wenya	Zhao Chunlei	Wu Min
4. Registered capital (RMB)	39,612.5 million	100 million	248,959.69 million	28,862 million
5. Date of incorporation	10 March 2015	2 November 2012	22 April 1993	31 December 2009
6. Main office location	1 Wenhua Avenue, Jiangxia District, Wuhan	1001 Qutang Road, Yuhua District, Changsha, Hunan Province	6 Fuxing Road, Haidian District, Beijing	438 Shilong Road, Chenggong District, Kunming, Yunnan Province
7. Major shareholders	China Railway Wuhan Group Co., Ltd.	China Railway Development Fund Co., Ltd.	China State Railway Group Co., Ltd.	Yunnan Provincial Railway Investment Co., Ltd.
	Hubei Passenger Railway Investment Co., Ltd.	Hunan Railway Construction Investments Co., Ltd.		China Railway Development Fund Co., Ltd.
		China Railway Guangzhou Group Co., Ltd.		China Railway Kunming Group Co., Ltd.

	Project One	Project Two	Project Three	Project Four
8. Principal business	<p>Project construction management, railway transportation business (where licensed business items are involved, operation is subject to permission by relevant departments); procurement and sale of material and equipment; transportation business consulting services; advertising and catering services (where licensed business items are involved, operation is subject to permission by relevant authorities); comprehensive development and operation of real estate; property management; logistics management.</p>	<p>Construction and passenger and cargo transportation of Huihua-Shaoyang-Hengyang Railway and Zhangjiajie-Jishou-Huaihua Railway; comprehensive development of land; engineering technology services and other professional technical services; real estate development; catering and tourism services; property management; advertising operation and commercial trading (excluding dangerous chemicals and monitored items). (Businesses that require approval according to the law can only be conducted with approval from relevant authorities.)</p>	<p>Railway passenger and cargo transportation business; employment of construction projects; coordination and management of project surveying, design and construction; rail transit management services; construction and installation; architectural design; professional technical services; technological exchange and promotion services; ticket agents for tourists; enterprise management services; comprehensive development and utilization of railway land.</p>	<p>Construction and passenger and cargo transportation of the Yunnan Section of Yunnan-Guizhou Railway; material supply; agency of railway passenger and cargo transportation services; collection of utility bills.</p>

	Project One	Project Two	Project Three	Project Four
III. Major terms and conditions of the contract to be signed				
1. Amount of the contract (RMB100 million)	2.55	6.70	5.81	4.19
2. Payment schedule	Payments of the project will be made based on advance payments, progress payments, payments on completion and acceptance and warranty payments.	Payments of the project will be made based on advance payments, progress payments, payments on completion and acceptance and warranty payments.	Payments of the project will be made based on advance payments, progress payments, payments on completion and acceptance and warranty payments.	Payments of the project will be made based on advance payments, progress payments, payments on completion and acceptance and warranty payments.
3. Place of performance	Within Hubei Province	Within Hunan Province	Within Hebei Province	Within Yunnan Province
4. Term for 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 19 months and the warranty period is 12 months, totaling 31 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 15 months and the warranty period is 12 months, totaling 27 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 6 months and the warranty period is 24 months, totaling 30 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 78.5 months and the warranty period is 12 months, totaling 90.5 months.
5. Conditions for the contract to take effect	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.	The contract shall become formally effective after the legal representatives of both parties or their authorized representatives have affixed their signatures and official seals or stamps for contracts.	The contract shall become formally effective after the legal representatives of both parties or their authorized representatives have affixed their signatures and official seals or stamps for contracts.
6. Contract signing place	Wuhan	Changsha	Beijing	Kunming

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

	Project Five	Project Six	Project Seven
I. General information			
1. Name of the project	Signal, comprehensive monitoring, access control, BAS and security system installation and construction project of the Phase I engineering of Nantong Urban Rail Transit Line 1	Tendering project of the signal system of the engineering of Zhengzhou Airport-Xuchang Suburban Railway (Zhengzhou Section)	General contracting project of electromechanical equipment procurement and installation of Fenghuan Maglev Culture and Tourism Project (Phase I Engineering)
2. Bid originator	Nantong City Rail Transit Co., Ltd.	Zhengzhou Metro Group Co., Ltd.	Fenghuang Maglev Culture and Tourism Co., Ltd.
3. Tender amount (RMB100 million)	1.53	3.63	4.25
4. Overview of the project	The Phase I engineering of Nantong Urban Rail Transit Line 1 is 39.146km long, with 28 underground stations, 6 interchange stations, Pingdong rolling stock depot, Xiaohai car park and a common control center.	The total length of the Zhengzhou Airport-Xuchang Suburban Railway (Zhengzhou Section) project is 33.43km, of which the underground line is approximately 28.35km long, the transitional section is approximately 0.32km and the elevated section is approximately 4.76km. There are 16 stations for the line, all of which are underground stations.	Fenghuan Maglev Culture and Tourism Project (Phase I Engineering) uses innovative maglev transportation vehicles. The total length is 9.121km. There is a total of 6 stations, all of which are side platforms. The maglev high-speed railway station and Shiwaitaoyuan Station are ground stations with the remaining being elevated stations. The average distance between stations is 1.777km. There is a control center at the rolling stock depot.
	The Company will be responsible for the installation of all equipment and material for signaling, comprehensive monitoring, access control, BAS and security system, cable laying, debugging, joint debugging, trial operation, warranty period, training, after-sales service and other work of the project.	The Company will provide the signal system solution TRANAVI for this line.	The Company will be responsible for all communications, signaling, power supply projects, automatic fire alarm, environment and equipment monitoring, security and access control, ventilation, conditioning and heating, water supply and drainage, fire safety, automatic ticket sales and inspection, auxiliary equipment at stations, rolling stock depots and comprehensive bases and other general contracting work of electromechanical equipment procurement and installation.

	Project Five	Project Six	Project Seven
II. Information of the counterparty			
1. Name of the enterprise	Nantong City Rail Transit Co., Ltd.	Zhengzhou Metro Group Co., Ltd.	Fenghuang Maglev Culture and Tourism Co., Ltd.
2. Nature of the enterprise	State-owned enterprise	State-owned enterprise	State-owned enterprise
3. Legal representative	Wang Zhi	Zhang Zhou	Wang Lianghua
4. Registered capital (RMB)	3,700 million	2,779 million	30 million
5. Date of incorporation	19 December 2016	6 March 2008	25 February 2019
6. Main office location	11th Floor, 150-1 Gongnong South Road, Chongchuan District, Nantong	100 Kangning Street, Zhengzhou Area (Zhengdong), Henan Pilot Free Trade Zone	S308 Party School Building of Fenghuang County Committee of CPC of Fenghuang County (First floor, Fenghuang Guobin International Hotel)
7. Major shareholders	Nantong City Construction Group Co., Ltd.	Zhengzhou Development and Investment Group Co., Ltd. CDB Development Fund Co., Ltd. Zhengzhou Non-tax Income Administration Bureau	Hunan Maglev Group Co., Ltd. Fenghuang County Zhanfeng Investment Co., Ltd.
8. Principal business	Construction of city rail transit engineering projects; land development.	Engineering investment in rail transit project; construction and operation of rail projects (operating with qualification certificate and permits); rental of communications equipment; sales of construction machinery and equipment and construction materials; rail transit-related business consulting.	Development, construction, operation, management, consulting and technical services of maglev culture and tourism projects; travel agency and related services; real estate development and operation; house construction projects; accommodation and catering services; development of tourist attractions; food manufacturing and sales; processing and sales of crafts; tourism consulting services.

	Project Five	Project Six	Project Seven
III. Major terms and conditions of the contract to be signed			
1. Amount of the contract (RMB100 million)	1.53	3.63	4.25
2. Payment schedule	Payments of the project will be made based on initial payment, progress payments, payments on completion and acceptance and warranty payments.	Payments of the project will be made based on advance payments, payments on completion of design liaison, payments after arrival of goods, payments on initial acceptance, payments on completion and acceptance and payments on final acceptance.	Payments of the project will be made based on advance payments, progress payments, payments on completion and acceptance and warranty payments.
3. Place of performance	Nantong	Zhengzhou	Fenghuang County, Hunan Province
4. Term for 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 23 months and defects liability period is 24 months, totaling 47 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 24 months and the warranty period is 24 months, totaling 48 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 10 months and the warranty period is 24 months, totaling 34 months.
5. Conditions for the contract to take effect	The contract shall become effective upon being signed and after the contractor has provided performance guarantee.	The contract shall become formally effective after the legal representatives of both parties or their authorized representatives have affixed their signatures and official seals and the seller have paid a satisfactory performance guarantee deposit.	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	Nantong	Zhengzhou	Fenghuang County, Hunan Province

III. IMPACT ON THE COMPANY

- The total amount of bids for the above projects is approximately RMB2,866 million, accounting for approximately 6.88% 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, 20 July 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.*