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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: 1522)



**(1) SUBSCRIPTION OF NEW SHARES;
(2) APPLICATION FOR WHITEWASH WAIVER; AND
(3) RESUMPTION OF TRADING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



GOLDIN FINANCIAL LIMITED

高銀融資有限公司

SUBSCRIPTION OF NEW SHARES

On 29 August 2016, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 669,053,524 new Shares at the Subscription Price of HK\$1.35 per Subscription Share to the Subscriber. The Subscription is subject to various conditions set out below under the paragraph headed “Conditions precedent to the Subscription”.

The Subscription Shares represent approximately 46.60% of the existing issued share capital of the Company as at the date of this announcement. After Completion, the Subscription Shares represent approximately 31.79% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares). BII HK will then hold 1,157,634,900 Shares, representing approximately 55.00% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares).

Pursuant to the Subscription Agreement, the Subscriber undertook that, without the prior written consent of the Company, during a period commencing from and including the date of Completion and ending on and including the date which is one year from the date of Completion, the Subscriber shall not, and shall procure that none of the 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 Subscription Shares held by the Subscriber, or any Subscription Shares held directly or indirectly by the Subscriber or its associates, in any company controlled by them which is the beneficial owner of any such 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 Subscription Shares.

GENERAL

The Subscription Price is fixed at HK\$1.35 per Subscription Share, which represents: (i) a discount of approximately 9.40% to the closing price per Share of HK\$1.49 as quoted on the Stock Exchange on 29 August 2016, being the date prior to this announcement; (ii) a discount of approximately 8.54% to the average closing price per Share of HK\$1.476 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of this announcement; and (iii) a discount of approximately 4.66% to the average closing price per Share of HK\$1.416 as quoted on the Stock Exchange for the last 30 consecutive trading days immediately preceding the date of this announcement. The gross proceeds from the Subscription are expected to be approximately HK\$903.22 million in aggregate. After deducting related professional fees and all related expenses of about HK\$0.6 million which will be borne by the Company, the net proceeds of the Subscription will amount to approximately HK\$902.62 million.

IMPLICATIONS OF THE TAKEOVERS CODE AND THE LISTING RULES

As at the date of this announcement, the Subscriber is a Shareholder which held 488,581,376 Shares, representing approximately 34.03% of the issued share capital of the Company. Since the Subscriber is a substantial Shareholder and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules, the Subscription will constitute a connected transaction for the Company, and is subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will seek the Independent Shareholders' approval for the Subscription Agreement at the EGM.

Upon Completion, the shareholding of the Subscriber will increase to approximately 55.00% of the then issued share capital of the Company as enlarged by the Subscription, hereby triggering a general offer obligation under the Takeovers Code.

An application will be made by the Subscriber to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to the approval of the Independent Shareholders taken on a poll at the EGM. As the Whitewash Waiver is one of the conditions precedent to the Subscription Agreement, the Subscription will not proceed if the Whitewash Waiver is not granted by the Executive, or is not approved by the Independent Shareholders.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Bai Jinrong, Mr. Luo Zhenbang and Mr. Huang Lixin, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the Subscription and the transactions contemplated thereunder and the Whitewash Waiver. The Independent Board Committee has approved the appointment of Goldin Financial Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Subscription and the transactions contemplated thereunder and the Whitewash Waiver.

EGM

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the grant of the specific mandate, the Subscription, the Whitewash Waiver and the transactions contemplated thereunder.

In accordance with the Listing Rules and the Takeovers Code, (i) the Subscriber and its associates; (ii) any parties acting in concert with the Subscriber; and (iii) the Shareholders involved or interested in the Subscription or the Whitewash Waiver, which in aggregate held approximately 34.03% of the issued share capital of the Company as at the date of this announcement, will be required to abstain from voting on the resolution(s) to approve the Subscription and the transactions contemplated thereunder and the Whitewash Waiver 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 Subscription Agreement and the Whitewash Waiver and will be required to abstain from voting on the resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver at the EGM.

A circular containing, among other things, (i) further details of the Subscription; (ii) a letter of recommendation from the Independent Board Committee in relation to the Subscription and the transactions contemplated thereunder and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser in relation to the Subscription and the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 22 September 2016.

The Subscription Shares will be allotted and issued under a specific mandate to allot, issue and deal with Shares by an ordinary resolution to be proposed for passing by the Independent Shareholders at the EGM. The general mandate of the Company will not be used for the issue of the Subscription Shares.

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

As the Subscription Agreement may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

As disclosed in the Trading Halt Announcement, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 30 August 2016 pending the release of this announcement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 1 September 2016.

SUBSCRIPTION OF NEW SHARES

The Subscription Agreement

Date

29 August 2016 (After trading hours)

Parties

- (a) the Company (as issuer); and
- (b) BII HK (as subscriber), a company incorporated under Hong Kong law with limited liability, a Shareholder which held 488,581,376 Shares, representing approximately 34.03% of the issued share capital of the Company as at the date of this announcement.

The Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 669,053,524 new Shares at the Subscription Price of HK\$1.35 per Subscription Share to the Subscriber, with an aggregate consideration of approximately HK\$903.22 million. The Subscriber shall pay the consideration by cheque or bank transfer to the Company upon Completion.

The Subscription Shares

The Subscription Shares represent approximately 46.60% of the existing issued share capital of the Company as at the date of this announcement. After Completion, the Subscription Shares represent approximately 31.79% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares). BII HK will then hold 1,157,634,900 Shares, representing approximately 55.00% of the then issued share capital of the Company as enlarged by the Subscription (assuming there will be no other change in the number of issued Shares between the date of this announcement and the date of Completion, save for the issue and allotment of the Subscription Shares).

Principal terms of the Subscription Agreement

Set out below are the key terms of the Subscription Agreement.

Subscription Price

The Subscription Price of HK\$1.35 per Subscription Share, which represents:

- (i) a discount of approximately 9.40% to the closing price per Share of HK\$1.49 as quoted on the Stock Exchange on 29 August 2016, being the date prior to this announcement;
- (ii) a discount of approximately 8.54% to the average closing price per Share of HK\$1.476 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of this announcement; and
- (iii) a discount of approximately 4.66% to the average closing price per Share of HK\$1.416 as quoted on the Stock Exchange for the last 30 consecutive trading days immediately preceding the date of this announcement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to market prices of the Shares in recent times, and taking into account the provisions for the restrictions on disposal of the Subscription Shares by the Subscriber. The Directors (excluding the independent non-executive Directors whose views will be provided after taking into consideration of the advice from the Independent Financial Adviser) consider that the terms of the Subscription Agreement are on normal commercial terms, and are fair and reasonable based on the current market conditions and are in the interest of the Company and its Shareholders as a whole.

Conditions precedent to the Subscription

Completion is conditional upon fulfillment of the following conditions:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares;
- (b) the Executive granting the Whitewash Waiver pursuant to Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code to the Subscriber and its parties acting in concert;
- (c) the Independent Shareholders approving the Subscription and the related transactions contemplated thereunder (including the Whitewash Waiver to be approved by way of poll); and
- (d) all the warranties by the Company as issuer under the Subscription Agreement remain true, accurate and not misleading in all material respects at all times from the date of the Subscription Agreement up to Completion.

If the Company cannot fulfill the above conditions precedent, the Company shall serve a written notice to inform the Subscriber. All conditions set out above cannot be waived by the Company or the Subscriber, save for condition (d) above which may be waived by the Subscriber at its absolute discretion. In the event that any of the conditions of the Subscription is not fulfilled or waived on or before 4:00 p.m. on 31 March 2017 (or such later date as may be agreed between the Company and the Subscriber in writing), the Subscription Agreement will terminate and all obligations of the Company and the Subscriber under the Subscription Agreement shall cease and determine and neither the Company nor the Subscriber shall have any claim against the other in respect of any matter arising out of or in connection with the Subscription Agreement, except for any antecedent breach of any obligation and any liabilities under the Subscription Agreement.

Completion

Completion will take place on the fifth business day after the date on which all the conditions of the Subscription are fulfilled or waived (or such other date as may be agreed between the Company and the Subscriber in writing).

Lock-up arrangement for the Subscription Shares

Pursuant to the Subscription Agreement, the Subscriber undertook that, without the prior written consent of the Company, during a period commencing from and including the date of Completion and ending on and including the date which is one year from the date of Completion, the Subscriber 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 Subscription Shares held by the Subscriber, or any Subscription Shares held directly or indirectly by the Subscriber or its associates, in any company controlled by them which is the beneficial owner of any such 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 Subscription Shares.

GENERAL

Specific mandate

The Subscription Shares will be allotted and issued under a specific mandate to allot, issue and deal with Shares by an ordinary resolution to be proposed for passing by the Independent Shareholders at the EGM. The general mandate of the Company will not be used for the issue of the Subscription Shares.

Implications of the Takeovers Code and the Listing Rules

As at the date of this announcement, the Subscriber is a Shareholder which held 488,581,376 Shares, representing approximately 34.03% of the issued share capital of the Company. Since the Subscriber is a substantial Shareholder and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules, the Subscription will constitute a connected transaction for the Company, and is subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will seek the Independent Shareholders' approval for the Subscription Agreement at the EGM.

Upon Completion, the shareholding of the Subscriber will increase to approximately 55.00% of the then issued share capital of the Company as enlarged by the Subscription, hereby triggering a general offer obligation under the Takeovers Code.

An application will be made by the Subscriber to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to the approval of the Independent Shareholders taken on a poll at the EGM. As the Whitewash Waiver is one of the conditions precedent to the Subscription Agreement, the Subscription will not proceed if the Whitewash Waiver is not granted by the Executive, or is not approved by the Independent Shareholders.

As at the date of this announcement, the Company does not believe that the Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular to be issued in relation to the Subscription and the transactions contemplated thereunder and the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if the Subscription does not comply with other applicable rules and regulations.

Save as disclosed in the paragraph headed "Changes to the shareholding as a result of the Subscription" below, none of the Subscriber or any person acting or presumed to be acting in concert with it owns or has control or direction over any voting right in or rights over any Shares or any convertible securities, warrants or options in respect of the Shares, or has entered into any outstanding derivatives in respect of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; nor is there any arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or shares of the Subscriber and which might be material to the transactions contemplated under the

Subscription Agreement and the Whitewash Waiver, or any agreements or arrangements to which the Subscriber or any person acting or presumed to be acting in concert with it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the Subscription Agreement and/or the Whitewash Waiver. None of the Subscriber or any persons acting or presumed to be acting in concert with it has received an irrevocable commitment to vote for or against the resolutions relating to the Subscription Agreement and/or the Whitewash Waiver. Further, none of Subscriber or any persons acting or presumed to be acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. The Subscriber or any persons acting in concert with it had not acquired voting rights in the Company during the six months prior to this announcement. There was no disqualifying transaction (as described in paragraph 3 of Schedule VI to the Takeovers Code) by the Subscriber or any person acting in concert with it in the six months prior to this announcement.

FORMATION OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising the non-executive Directors (excluding Dr. Tian Zhenqing, Mr. Hao Weiya and Mr. Guan Jifa due to their interest in the transactions contemplated under the Subscription Agreement and the Whitewash Waiver), namely Mr. Bai Jinrong, Mr. Luo Zhenbang and Mr. Huang Lixin, has been formed to advise the Independent Shareholders in respect of the Subscription and the transactions contemplated thereunder and the Whitewash Waiver. The Independent Board Committee has approved the appointment of Goldin Financial Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Subscription and the transactions contemplated thereunder and the Whitewash Waiver.

EGM

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving, among other things, the grant of the specific mandate, the Subscription, the Whitewash Waiver and the transactions contemplated thereunder.

In accordance with the Listing Rules and the Takeovers Code, (i) the Subscriber and its associates; (ii) any parties acting in concert with the Subscriber; and (iii) Shareholders involved or interested in the Subscription or the Whitewash Waiver, which in aggregate held approximately 34.03% of the issued share capital of the Company as at the date of this announcement, will be required to abstain from voting on the resolution(s) to approve the Subscription and the transactions contemplated thereunder and the Whitewash Waiver 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 Subscription Agreement and the Whitewash Waiver and will be required to abstain from voting on the resolution(s) to approve the Subscription Agreement and the transactions contemplated thereunder and the Whitewash Waiver at the EGM.

As at the date of this announcement, Dr. Tian Zhenqing, a non-executive Director, was the chairman of BII and a director of BII HK. Ms. Xuan Jing, an executive Director, was the general manager of investment management department of BII and a director of BII HK. Mr. Shao Kai, an executive Director, was the chief expert of BII. Mr. Hao Weiya, a non-executive Director, was the general manager of BII. Mr. Guan Jifa, a non-executive Director, was the vice general manager of BII. BII HK is a wholly-owned subsidiary of BII and also the Subscriber under the Subscription. Accordingly, each of Dr. Tian Zhenqing, Ms. Xuan Jing, Mr. Shao Kai, Mr. Hao Weiya and Mr. Guan Jifa was considered to have a material interest in the transactions contemplated under the Subscription Agreement and the Whitewash Waiver by virtue of their senior management position held in BII respectively and had abstained from voting on the board resolutions approving the transactions contemplated under the Subscription Agreement and the Whitewash Waiver. Mr. Cao Wei, Mr. Bai Jinrong, Mr. Luo Zhenbang and Mr. Huang Lixin had voted for the board resolutions approving the transactions contemplated under the Subscription Agreement and the Whitewash Waiver.

A circular containing, among other things, (i) further details of the Subscription; (ii) a letter of recommendation from the Independent Board Committee in relation to the Subscription and the transactions contemplated thereunder and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser in relation to the Subscription and the transactions contemplated thereunder and the Whitewash Waiver; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the circular will be despatched to the Shareholders on or before 22 September 2016.

Application for listing

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

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors consider that the Subscription represents an opportunity to raise capital for the Company in order to maintain the cash flow position of the Group and to enhance the capital base of the Company, and the Subscription will be in the interest of the Group and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds from the Subscription are expected to be approximately HK\$903.22 million in aggregate. After deducting related professional fees and all related expenses of about HK\$0.60 million which will be borne by the Company under the Subscription, the net proceeds of the Subscription will amount to approximately HK\$902.62 million. The net proceeds from the Subscription will be applied to (i) the general working capital of the Group, including salary and wages, purchase of materials and repayment of trade and other payables; (ii) acquisition of civil communication assets as disclosed in the announcement of the Company dated 29 June 2015; and (iii) injection of capital into the joint venture company formed by the Company and Beijing MTR Operation as disclosed in the announcement of the Company dated 5 November 2015. The net Subscription Price is approximately HK\$1.35 per Subscription Share. The aggregate nominal value of share capital for the Subscription Shares is approximately HK\$6,690,535.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities in the past 12 months as at the date of this announcement.

CHANGES TO THE SHAREHOLDING AS A RESULT OF THE SUBSCRIPTION

As at the date of this announcement, the Company has 1,435,737,203 Shares in issue. Set out below is a table showing the shareholding structure of the Group (i) as at the date of this announcement; and (ii) immediately upon Completion.

Name of Shareholder	At the date of this announcement		Immediately upon Completion	
	No. of Shares	%	No. of Shares	%
BII HK and its concert parties	488,581,376	34.03	1,157,634,900	55.00
More Legend Limited (<i>Note</i>)	245,509,815	17.10	245,509,815	11.66
China Property Reinsurance	115,301,534	8.03	115,301,534	5.48
Other public Shareholders	586,344,478	40.84	586,344,478	27.86
Total	1,435,737, 203	100.00	2,104,790,727	100.00

Note: More Legend Limited is the legal and beneficial owner of approximately 17.10% of the entire issued share capital of the Company. More Legend Limited is owned as to 75% by Mr. Cao Wei and as to 25% by Ms. Wang Jiangping, the spouse of Mr. Cao Wei. Mr. Cao Wei is the sole director of More Legend Limited.

As the Subscription Agreement may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

As disclosed in the Trading Halt Announcement, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 30 August 2016 pending the release of this announcement.

Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 1 September 2016.

DEFINITIONS

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

- “Beijing MTR Operation” 北京市地鐵運營有限公司 (Beijing Mass Transit Railway Operation Corp., Ltd.*), a company established under PRC law with limited liability and directly administered by the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality and one of the operators of the Beijing Subway, and an Independent Third Party
- “Beijing Subway” the transit rail network that serves the urban and suburban districts of Beijing municipality which is owned by the city of Beijing
- “BII” 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
- “Board” the board of Directors
- “China Property Reinsurance” 中國財產再保險有限責任公司 (China Property and Casualty Reinsurance Company Limited*), a limited company established in the PRC, and a wholly-owned subsidiary of 中國再保險(集團)股份有限公司 (China Reinsurance (Group) Corporation*), each of them being an Independent Third Party
- “Company” 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 Stock Exchange

“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the specific mandate, the Subscription, the Whitewash Waiver and the respective transactions contemplated thereunder
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent Board committee, comprising the non-executive Directors (excluding Dr. Tian Zhenqing, Mr. Hao Weiya and Mr. Guan Jifa due to their interest in the transactions contemplated under the Subscription Agreement and the Whitewash Waiver), namely Mr. Bai Jinrong, Mr. Luo Zhenbang and Mr. Huang Lixin, which has been formed to advise the Independent Shareholders in respect of the Subscription and the transactions contemplated thereunder and the Whitewash Waiver
“Independent Financial Adviser”	Goldin Financial Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, and a licenced corporation under the SFO permitted to carry out Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO
“Independent Third Party”	independent third party who is not connected person (as defined in the Listing Rules) of the Company and is independent of and not connected with the connected persons of the Company
“Independent Shareholders”	Shareholders other than (i) the Subscriber and its associates; (ii) any parties acting in concert with the Subscriber; and (iii) parties involved or interested in the Subscription or the Whitewash Waiver
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange

“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber” or “BII HK”	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 a Shareholder which held approximately 34.03% of the issued share capital of the Company as at the date of this announcement
“Subscription”	the conditional allotment and issue of the Subscription Shares by the Company to the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the formal legally-binding agreement dated 29 August 2016 entered into between the Company and BII HK in respect of the Subscription
“Subscription Price”	HK\$1.35 per Subscription Share
“Subscription Share(s)”	669,053,524 new Shares to be allotted and issued to the Subscriber pursuant to the Subscription Agreement
“Trading Halt Announcement”	the announcement of the Company dated 30 August 2016 in relation to the trading halt in the Shares on the Main Board of the Stock Exchange
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and share buybacks

“Whitewash Waiver”

the waiver by the Executive under Note 1 to the Notes on Dispensations from Rule 26 of the Takeovers Code of the obligation on the part of the Subscriber to make a general offer to the Shareholders for all issued shares of the Company not already owned or agreed to be acquired by the Subscriber or parties acting in concert with it as a result of the allotment and issue of the Subscription Shares to the Subscriber

%

per cent

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

Hong Kong, 31 August 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* For identification purpose only