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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)

SUBSCRIPTION OF NEW SHARES

SUBSCRIPTION OF NEW SHARES

Reference is made to the announcement of the Company dated 13 April 2015 in relation to, among other matters, the memorandum of understanding entered into between the Company and each of the two subscribers intending to subscribe for Shares.

On 23 April 2015, 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 114,617,534 new Shares at the Subscription Price of HK\$2.081 per Subscription Share to the Subscriber. The Subscription is subject to the conditions set out below under the paragraph headed “Conditions precedent to the Subscription”.

The Subscription Shares represent approximately 8.77% of the issued share capital of the Company as at the date of this announcement and approximately 8.06% of the issued share capital of the Company after completion of the Subscription. As at the date of this announcement, the number of issued Shares was 1,307,243,669 Shares; and after completion of the Subscription, the number of issued Shares will be increased to 1,421,861,203 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 the Subscription Completion and ending on and including the date which is two years from the date of Subscription 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 Subscription 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 Shares will be issued under the general mandate to allot, issue and deal in Shares granted to the Directors by a resolution of the Shareholders passed at the Company's annual general meeting held on 27 November 2014. Under such general mandate, the Company is authorised to issue up to 261,011,133 Shares (representing 20% of the issued share capital in the Company as at the date of the said annual general meeting). Up to the date of this announcement, such general mandate has not been utilised. The issue of the Subscription Shares is not subject to Shareholders' approval.

The gross proceeds from the Subscription are expected to be approximately HK\$238.5 million in aggregate. After deducting related professional fees and all related expenses of about HK\$1.2 million which will be borne by the Company under the Subscription, the net proceeds of the Subscription will amount to approximately HK\$237.3 million. The net proceeds from the Subscription will be applied to the general working capital of the Group and prepared for any future potential acquisition.

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.

SUBSCRIPTION OF NEW SHARES

The Subscription Agreement

Date

23 April 2015 (after trading hours)

Parties

- (a) The Company (as issuer); and
- (b) Zhongzai (as subscriber), a company incorporated under the law of the PRC with limited liability, which does not hold any share of the Company as at the date of this announcement.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Subscriber is a third party independent of the Company and its connected person under the Listing Rules.

The Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 114,617,534 new Shares at the Subscription Price of HK\$2.081 per Subscription Share to the Subscriber, with an aggregate consideration of approximately HK\$238.5 million. Such consideration shall be satisfied by cheque to be delivered or fund transferred by the Subscriber to the Company upon Subscription Completion.

The Subscription Shares

The Subscription Shares represent approximately 8.77% of the issued share capital of the Company as at the date of this announcement and approximately 8.06% of the issued share capital of the Company after completion of the Subscription. As at the date of this announcement, the number of issued Shares was 1,307,243,669 Shares; and after completion of the Subscription, the number of issued Shares will be 1,421,861,203 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\$2.081 per Subscription Share represents:

- (i) a discount of approximately 21.17% to the closing price per Share of HK\$2.64 as quoted on the Stock Exchange on the date of this announcement;
- (ii) a discount of approximately 19.96% to the closing price per Share of HK\$2.60 as quoted on the Stock Exchange on the date of the Memorandum of Understanding;
- (iii) a discount of approximately 15.41% to the closing price per Share of HK\$2.46 as quoted on the Stock Exchange on the day immediately preceding the date of the Memorandum of Understanding; and
- (iv) a discount of approximately 11.82% to the average closing price per Share of HK\$2.36 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Memorandum of Understanding.

The Subscription Price was determined after arm's length negotiations between the Company and Zhongzai with reference to market prices of the Shares in recent times, and having taken into account the provisions for the restrictions on disposal of the Subscription Shares by Zhongzai. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are on normal commercial terms, 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

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; and
- (b) 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 Subscription Completion.

If the Company cannot fulfill the above conditions precedent, the Company shall serve a written notice to inform the Subscriber. The Subscriber may at its absolute discretion waive condition precedent (b). In the event that any of the conditions of the Subscription is not fulfilled or waived on or prior to 4:00 p.m. on 30 June 2015 (or such later date as may be agreed between the Company and the Subscriber in writing), unless the parties have written agreement, 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.

Subscription Completion

Subscription Completion will take place on the first 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 the Subscription Completion and ending on and including the date which is two years from the date of Subscription 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 Subscription 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 Shares will be issued under the general mandate to allot, issue and deal in Shares granted to the Directors by a resolution of the Shareholders passed at the Company's annual general meeting held on 27 November 2014. Under such general mandate, the Company is authorised to issue up to 261,011,133 Shares (representing 20% of the issued share capital in the Company as at the date of the said annual general meeting). Up to the date of this announcement, such general mandate has not been utilised. The issue of the Subscription Shares is not subject to Shareholders' approval.

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 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 prepare for any future potential acquisition, 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\$238.5 million in aggregate. After deducting related professional fees and all related expenses of about HK\$1.2 million which will be borne by the Company under the Subscription, the net proceeds of the Subscription will amount to approximately HK\$237.3 million. The net proceeds from the Subscription will be applied to the general working capital of the Group and prepared for any future potential acquisition. The net Subscription Price is approximately HK\$2.070 per Subscription Share. The aggregate nominal value of share capital for the Subscription Shares is HK\$1,146,175.34.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

In the past 12 months immediately before the date of this announcement, the Company (i) allotted and issued 248,804,313 Shares at the subscription price of HK\$1.25 to BII HK on 3 June 2014; and (ii) placed 83,887,262 Shares in aggregate at the placing price of HK\$1.25 to China Life Franklin Asset Management Co., Limited, LBN China + Opportunity Master Fund, Asian Opportunities Absolute Return Fund Limited and Pacific Alliance Asia Opportunity Fund L.P. on 10 June 2014 respectively. Details of such subscription and placing are set out in the announcement of the Company dated on 4 April 2014 and the circular of the Company dated 9 May 2014.

The gross proceeds from such placing and subscription amounted to approximately HK\$415,864,500 in aggregate, while the net proceeds of such placing and subscription amounted to approximately HK\$414,864,500. Such proceeds were intended to be applied to (i) the proposed acquisition of civil communication assets involving eight subway lines of Beijing Subway; and (ii) the general working capital of the Group. As at the date of this announcement, (i) RMB96,000,000 (equivalent to approximately HK\$119,520,000) had been used to acquire the civil communication assets involving eight subway lines of Beijing Subway as detailed in the announcements of the Company dated 8 July 2014 and 29 September 2014 and the circular of the Company dated 8 August 2014; and (ii) approximately HK\$100,000,000 had been used as general working capital of the Group. The remaining of approximately HK\$195,344,500 is intended to be retained as general working capital of the Group. Save as disclosed above, the Company has not conducted any fund raising activities in the past 12 months before 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 1,307,243,669 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 Subscription Completion.

Name of Shareholder	At the date of this Announcement		Immediately upon Subscription Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %
BII HK	482,581,376	36.92	482,581,376	33.94
More Legend Limited (<i>Note</i>)	245,509,815	18.78	245,509,815	17.27
Zhongzai	–	–	114,617,534	8.06
Other public Shareholders	579,152,478	44.30	579,152,478	40.73
Total	1,307,243,669	100.00	1,421,861,203	100.00

Note: More Legend Limited is the legal and beneficial owner of approximately 18.78% 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. Mr. Cao Wei is a Director.

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.

DEFINITIONS

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

“Board”	the board of Directors
“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
“Director(s)”	the director(s) of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Memorandum of Understanding”	the non-legally binding (save for certain provisions relating to confidentiality and the governing law of the Memorandum of Understanding and the proposed subscription price per Subscription Share) memorandum of understanding dated 13 April 2015 entered into between the Company with Zhongzai in relation to the proposed subscription by Zhongzai and/or its affiliates
“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
“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 “Zhongzai”	中再資產管理股份有限公司, a limited company established in the People’s Republic of China, an independent third party, and its controlling shareholder being 中國再保險(集團)股份有限公司

“Subscription”	the conditional allotment and issue of the Subscription Shares by the Company to the Subscriber pursuant to the Subscription Agreements
“Subscription Agreement”	the agreement dated 23 April 2015 entered into between the Company and Zhongzai in respect of the Subscription
“Subscription Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Subscription Price”	HK\$2.081 per Subscription Share
“Subscription Shares”	114,617,534 new Shares to be allotted and issued to Zhongzai pursuant to the Subscription Agreement
“%”	per cent

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

Hong Kong, 23 April 2015

For the purpose of this announcement, unless otherwise specified, conversions of RMB into Hong Kong dollars are based on the approximate exchange rate of RMB1.00 to HK\$1.245.

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