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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)



BUSINESS DEVELOPMENT UPDATE

The board of directors (the “**Board**”) of China City Railway Transportation Technology Holdings Company Limited (the “**Company**”, together with its subsidiaries, collectively known as the “**Group**”) is pleased to announce that, the Company and 中建交通建設集團有限公司 (China Construction Communications Engineering Group Corporation Limited*) (“**CCCEG**”) entered into a 5-year framework agreement on strategic cooperation (the “**Framework Agreement**”), pursuant to which, both parties shall establish a long-acting cooperation mechanism comprising short-term, mid-term and long-term goals to promote continuous business growth for both parties in urban railway transportation industry as well as to assist the development of urban railway transportation businesses in China through multi-level, multi-disciplinary and multi-form cooperation to achieve mutual benefits and joint development.

The key terms of the Framework Agreement are set out below:

- both parties to the Framework Agreement shall treat urban railway transportation market as the key cooperative area during the 13th Five-Year-Plan period or any other longer term development plan period, utilising respective resource advantages including brand, profession, industry, product, market and funding etc., to jointly open up the urban railway transportation market, in particular, PPP (Public-Private-Partnership) and BOT (Build-Operate-Transfer) projects, and to provide sufficient and reliable professional support to the projects to be jointly developed by the parties. The means of cooperation between the parties shall include but not limited to joint-tendering, subcontracting, investing and financing etc.;
- both parties to the Framework Agreement shall jointly establish a strategic cooperation group, whose main functions include but not limited to market intelligence exchange, project coordination and work allocation etc.;

- CCCEG shall be the lead tender for any joint-tender formed by both parties to the Framework Agreement; and
- in the course of cooperation, investment profits shall be distributed in proportion to the respective capital contributions ratio of each party to the Framework Agreement. Upon winning of joint-tender formed by both parties to the Framework Agreement, each party shall discharge its obligation in accordance to the joint-tender agreement, and that each party shall entitle to the full amount of the revenue arising from the project solely constructed by the party specified in the joint-tender agreement.

CCCEG is a company established under the laws of People's Republic of China and is a subsidiary of 中國建築股份有限公司 (China State Construction Engineering Corporation Limited*) (“**China Construction**”). China Construction is directly managed by State-owned Assets Supervision and Administration Commission of the State Council and is listed on the Shanghai Stock Exchange (Stock Code: 601668). With a registered capital of RMB30 billion, China Construction has an abundant of capital strength. China Construction mainly engaged in building construction, international contracting, infrastructure construction and investment, real estate development and investment and design and prospecting. China Construction is not only the largest construction and real estate conglomerate and biggest building work contractor in China, but also the only construction enterprise certified for 3 top grade qualifications of general contracting for building works, municipal public works and highway works in China.

CCCEG is the strategy group of China Construction in relation to transportation infrastructure sector, engaging in the provision and integration of investment and financing, construction and construction management projects for China Construction in the transportation infrastructure sector.

The Board considers that, the entering into of the Framework Agreement is conducive to further consolidating the strategic cooperation between the Group and CCCEG in the future. Further, the establishment of a long-term strategic cooperation in the area of urban railway transportation can facilitate the expansion of the parties in such market and achieve mutual benefits and joint development, which is in the interest of the Group and the shareholders as a whole.

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

Hong Kong, 18 August 2015

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. Zhang Jie; and the independent non-executive Directors are Mr. Bai Jinrong, Mr. Luo Zhenbang and Mr. Huang Lixin.

* *For identification purpose only*