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中国通号

China Railway Signal & Communication Corporation Limited*

中國鐵路通信信號股份有限公司

(a joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 03969)

ANNOUNCEMENT ON PAYMENT OF SPECIAL DIVIDEND

Reference is made to the prospectus of China Railway Signal and Communication Corporation Limited (the “**Company**”) dated 28 July 2015 (the “**Prospectus**”).

As disclosed in the Prospectus, according to the resolutions of the shareholders of the Company passed on 6 February 2015, which was amended and supplemented by the resolutions of the shareholders of the Company passed on 21 May 2015, the Company declared special dividends representing all of the undistributed distributable profit of the Company and its subsidiaries accrued up to 30 June 2015 to the then existing shareholders of the Company. The special dividend representing the undistributed distributable profit of the period up to 31 December 2014 was RMB3,227.7 million. The Company paid such special dividend to the then existing shareholders of the Company with its available cash and cash equivalents on hand in June 2015. The actual amount of the special dividend representing the undistributed distributable profit of the period from 1 January 2015 to 30 June 2015 (the “**Remaining Special Dividend**”) will be determined upon the completion of a special audit for the six months ended 30 June 2015.

The Company has engaged an independent auditor to conduct an audit for the purpose of determining the amount of the Remaining Special Dividend. According to the audit result, the audited net profit attributable to the shareholders of the Company for the period from 1 January 2015 to 30 June 2015 is RMB1,125.1 million. After appropriations of the statutory and discretionary reserve, the Company will pay the Remaining Special Dividend in the amount of RMB723.4 million to the then existing shareholders of the Company. Shareholders of H Shares of the Company are not entitled to the Remaining Special Dividend.

By order of the Board
**China Railway Signal &
Communication Corporation Limited***
ZHOU Zhiliang
Chairman

Beijing, the People's Republic of China, 28 December 2015

As of the date of this announcement, the executive directors of the Company are Mr. ZHOU Zhiliang, Ms. LI Yanqing and Mr. YIN Gang, and the independent non-executive directors of the Company are Mr. WANG Jiajie, Mr. SUN Patrick, Mr. CHEN Jin'en and Mr. GAO Shutang.

** For identification only.*