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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the annual results announcement of China Railway Signal & Communication Corporation Limited* (中國鐵路通信信號股份有限公司) (the “**Company**”) dated 29 March 2018 for the year ended 31 December 2017 in respect of the audited annual results of the Company and its subsidiaries for the year ended 31 December 2017. (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board would like to clarify that:

As stated on page 8 of the Announcement, the new orders signed by the Group amounted to RMB6,073.1 million during the reporting period, which shall be corrected as RMB60,731.1 million.

As stated on page 10 of the English version of the Announcement, “During the reporting period, revenue from the equipment manufacturing business was RMB5,792.2 million, a year-on-year decrease of 18.9%. Gross profit margin was 42.0%, a year-on-year increase of 4.6 percentage points, primarily due to: (i) a decrease in the Group’s market share of traditional railway communication signal business as investment demand in the railway market experienced a cyclical slowdown during the year; ...”, which shall be corrected as “During the reporting period, revenue from the equipment manufacturing business was RMB5,792.2 million, a year-on-year decrease of 18.9%. Gross profit margin was 42.0%, a year-on-year increase of 4.6 percentage points, primarily due to: (i) a decrease in the Group’s revenue from business as the demand in the railway market experienced a cyclical slowdown during the year and the sales of railway signal equipment dropped down; ...”.

As stated on page 11 of the English version of the Announcement, “During the reporting period, revenue from construction contracting business was RMB9,635.3 million, a year-on-year increase of 67.0%, primarily due to continuous implementation of the Group’s development strategy of ‘one core business with diversification into related businesses’, active cooperation with local government and accelerated construction of municipal engineering projects such as sponge cities, comprehensive pipe galleries, Smart Cities, intelligent buildings and intelligent architecture led by local government, resulting in a rapid growth in the revenue of the construction contracting segment”, which shall be corrected as “During the reporting period, revenue from construction contracting business was RMB9,635.3 million, a year-on-year increase of 67.0%, primarily due to continuous implementation of the Group’s development strategy of ‘one core business with diversification into related businesses’, active cooperation with local government and accelerated construction of municipal engineering projects such as sponge cities, comprehensive pipe galleries, Smart Cities, intelligent buildings and intelligent architecture led by local government, resulting in a rapid growth in the revenue of the construction contracting segment, which eased the impact of decline in traditional business to some extent”.

Save as disclosed above, all other information disclosed in the Announcement remains unchanged.

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

Beijing, the PRC
29 March 2018

As of the date of this announcement, the executive directors of the Company are Mr. ZHOU Zhiliang 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.*