The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) and announces that the stabilizing period in connection with the Global Offering ended on August 30, 2015, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering.

Unless otherwise defined herein, the capitalized terms used in this announcement shall have the same meaning as those defined in the prospectus dated July 28, 2015 issued by the Company.

CRSC
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)

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION, STABILIZATION ACTIONS AND END OF STABILIZATION PERIOD

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Joint Global Coordinators, on behalf of the International Underwriters, on August 28, 2015 in respect of an aggregate of 39,819,000 H Shares (the "**Over-allotment Shares**"), representing approximately 2.28% of the total number of the Offer Shares initially available under the Global Offering to, among other things, cover over-allocations in the International Offering. The Over-allotment Shares will be issued and allotted by the Company at HK$6.30 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

STABILIZATION ACTIONS AND END OF STABILIZATION PERIOD

The Company announces that the stabilizing period in connection with the Global Offering ended on August 30, 2015, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing actions undertaken by Goldman Sachs (Asia) L.L.C, the Stabilizing Manager, during the stabilizing period were:

(1) over-allocations of an aggregate of 262,500,000 H Shares in the International Offering, representing 15% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);

(2) successive market purchases of an aggregate of 232,681,000 H Shares at a price in the range of HK$5.67 to HK$6.30 per H Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) during the stabilization period, representing approximately 13.30% of the Offer Shares initially offered under the Global Offering before any exercise of the Over-allotment Option;

(3) the sale of an aggregate of 10,000,000 H Shares at a price in the range of HK$6.43 to HK$6.55 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilization period, representing approximately 0.57% of the Offer Shares initially offered under the Global Offering before any exercise of the Over-allotment Option; and

(4) the partial exercise of the Over-allotment Option by the Joint Global Coordinators, on behalf of the International Underwriters, on August 28, 2015 in respect of the over-allotment shares at the Offer Price to facilitate the delivery to certain cornerstone investors who have agreed to a delayed delivery of H Shares subscribed by them under their respective cornerstone investment agreements.

The last purchase made by the Stabilizing Manager on the market during the course of stabilization period was on 28 August 2015 at the price of HK$6.29 per H Shares.

Exercise of Over-allotment Option

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Joint Global Coordinators, on behalf of the International Underwriters, on August 28, 2015 in respect of an aggregate of 39,819,000 H Shares (the "**Over-allotment Shares**"), representing approximately 2.28% of the total number of the Offer Shares initially available under the Global Offering to, among other things, cover over-allocations in the International Offering. The Over-allotment Shares will be issued and allotted by the Company at HK$6.30 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

Conversion of Domestic Shares

In accordance with relevant PRC regulations regarding the reduction of state-owned shares and a letter issued by NSSF on March 30, 2015 in this regard, proceeds from the conversion of the Domestic Shares held by CRSC Corporation Group, CCT Group, CRHC and SINOMACH to H Shares upon partially exercise of the Over-allotment Option (the "**Conversion**"), being 3,982,000 H Shares (representing 10% of the number of H Shares issuable by the Company pursuant to the partial exercise of the Over-allotment Option), will be remitted to an account designated by NSSF. The above conversion of the Domestic Shares was made on a one-for-one basis into H Shares in accordance with relevant PRC regulations. The Company will not receive any proceeds from the Conversion.

Approval of Listing

Approval for the Listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in such Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on September 4, 2015.

Share Capital upon Exercise of Over-allotment Option

The shareholding structure of the Company immediately before and immediately after the completion of the issue and allotment by the Company of the Over-allotment Shares is as follows:

	Immediately before the allotment and issue of the Over-allotment Shares		Immediately after the allotment and issue of the Over-allotment Shares	
	Number of Shares	Approximate percentage of share capital (%)	Number of Shares	Approximate percentage of share capital (%)
Domestic Shares	6,825,000,000	78.00%	6,821,018,000	77.60%
H Shares				
H Shares converted from Domestic Shares and transferred to the NSSF	175,000,000	2.00%	178,982,000	2.04%
H Shares issued pursuant to the Global Offering	1,750,000,000	20.00%	1,789,819,000	20.36%

Use of Proceeds

The additional net proceeds of approximately HK$246.6 million from the issue of the Over-allotment Shares after deducting the underwriting commissions, the incentive fees and transaction levy and trading fee relating to the exercise of the Over-allotment Option will be used by the Company for the purposes stated below:-

- approximately HK$74.0 million (equivalent to approximately RMB59.3 million), representing approximately 30% of the net proceeds from the issue of the Over-allotment Shares, will be used for long-term R&D, among which, 72% will be used on the R&D investment for railway and urban transit control systems and the establishment of relevant research centers, 15% on the R&D of communication information technology, 7% on the R&D of modern tram technologies and the rest 6% on others;

- approximately HK$49.3 million (equivalent to approximately RMB39.5 million), representing approximately 20% of the net proceeds from the issue of the Over-allotment Shares, will mainly be used for fixed asset investments;

- approximately HK$49.3 million (equivalent to approximately RMB39.5 million), representing approximately 20% of the net proceeds from the issue of the Over-allotment Shares, will be used for general domestic and overseas acquisitions that, among others, accommodate our business strategies, complement our technologies, strengthen our core value chain as well as widen our marketing channels; in particular, we will focus our efforts in European and North America market;

- approximately HK$49.3 million (equivalent to approximately RMB39.5 million), representing not more than 20% of the net proceeds from the issue of the Over-allotment Shares, will be used for investment in rail transportation PPP projects that are in compliance with the government policies; and

- approximately HK$24.7 million (equivalent to approximately RMB19.8 million), representing not more than 10% of the net proceeds from the Global Offering, will be used to supplement working capital.

For more detailed plans on the use of proceeds, please refer to the "Future Plans and Use of Proceeds" section in the prospectus dated July 28, 2015 issued by the Company.

Stabilization Action

The Company announces that the stabilizing period in connection with the Global Offering ended on August 30, 2015, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing actions undertaken by Goldman Sachs (Asia) L.L.C, the Stabilizing Manager, during the stabilizing period were:

(1) over-allocations of an aggregate of 262,500,000 H Shares in the International Offering, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option);

(2) successive market purchases of an aggregate of 232,681,000 H Shares at a price in the range of HK$5.67 to HK$6.30 per H Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) during the stabilization period, representing approximately 13.30% of the Offer Shares initially offered under the Global Offering before any exercise of the Over-allotment Option;

(3) the sale of an aggregate of 10,000,000 H Shares at a price in the range of HK$6.43 to HK$6.55 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the market during the stabilization period, representing approximately 0.57% of the Offer Shares initially offered under the Global Offering before any exercise of the Over-allotment Option; and

(4) the partial exercise of the Over-allotment Option by the Joint Global Coordinators, on behalf of the International Underwriters, on August 28, 2015 in respect of the Over-allotment Shares, representing approximately 2.28% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) to facilitate the delivery to certain cornerstone investors who have agreed to a delayed delivery of H Shares subscribed by them under their respective cornerstone investment agreements. The Over-allotment Shares were allotted and issued by the Company at HK$6.30 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

The last purchase made by the Stabilizing Manager on the market during the course of stabilization period was on 28 August 2015 at the price of HK$6.29 per H Shares.

Public Float

Immediately following the completion of the Global offering and the issue of Over-allotment Shares, not less than 22.40% of the total issued share capital of the Company will be held by the public.

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

Hong Kong, August 30, 2015

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

* *For identification only.*