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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

**If you have sold or transferred** all your shares in China Railway Signal & Communication Corporation Limited\*, you should at once hand this circular and the accompanying form of proxy and the reply slip to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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**中國鐵路通信信號股份有限公司**

**CHINA RAILWAY SIGNAL & COMMUNICATION CORPORATION LIMITED\***

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

**(Stock Code: 3969)**

- (1) Report of the Board of Directors for 2017**
- (2) Report of the Board of Supervisors for 2017**
- (3) Financial Report for 2017**
- (4) Audit Report for 2017**
- (5) Profits Distribution Plan for 2017**
- (6) Remuneration Plan for Independent Non-Executive Directors for 2018**
- (7) Appointment of External Auditor for 2018**
- (8) Appointment of Mr. WU Zuwei as Shareholder Representative Supervisor**
- (9) Amendments to the Articles of Association**
- (10) General Mandate for the Issuance of Shares**
- (11) General Authorization for the Issuance of Debt Financing Instruments  
and**
- (12) Notice of 2017 Annual General Meeting**

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A letter from the Board is set out on pages 3 to 23 of this circular.

A notice convening the AGM to be held at 9:30 a.m. on Friday, 25 May 2018 at Meeting Room 1945, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, PRC is set out on pages 24 to 25 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

Whether or not you propose to attend the AGM, holders of H Shares of the Company are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon and return it to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof, i.e. not later than 9:30 a.m. on Thursday, 24 May 2018. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish. If you propose to attend the AGM in person or by proxy, you are requested to complete the enclosed reply slip in accordance with the instruction printed thereon and return the same on or before Saturday, 5 May 2018.

\* For identification purpose only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company for the year 2017 to be convened and held at Meeting Room 1945, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, PRC at 9:30 a.m. on Friday, 25 May 2018
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Company”	China Railway Signal & Communication Corporation Limited*
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the Company’s share capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, to be subscribed for and traded in HK dollars and listed on the Stock Exchange
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Practicable Date”	18 April 2018, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purposes of this circular excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

\* For identification purpose only

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Share(s)”	Domestic Shares and H Shares
“State Council”	State Council of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

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LETTER FROM THE BOARD

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**CRSC**

**中国通号**

**中國鐵路通信信號股份有限公司**

**CHINA RAILWAY SIGNAL & COMMUNICATION CORPORATION LIMITED\***

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

**(Stock Code: 3969)**

*Chairman of the Board and Executive Director:*

Mr. ZHOU Zhiliang

*Registered Address:*

20th Floor, Building A, CRSC Building  
1 Compound, Automobile Museum South Road  
Fengtai District  
Beijing, PRC

*Executive Director:*

Mr. YIN Gang

*Independent non-executive Directors:*

Mr. WANG Jiajie

Mr. SUN Patrick

Mr. CHEN Jin'en

Mr. GAO Shutang

*Principal place of business in the PRC:*

CRSC Building  
1 Compound, Automobile Museum South Road  
Fengtai District  
Beijing, PRC

*Principal place of business  
in Hong Kong:*

18th Floor, Tesbury Centre  
28 Queen's Road East  
Wan Chai  
Hong Kong

*To the Shareholders*

- (1) Report of the Board of Directors for 2017**
  - (2) Report of the Board of Supervisors for 2017**
  - (3) Financial Report for 2017**
  - (4) Audit Report for 2017**
  - (5) Profits Distribution Plan for 2017**
  - (6) Remuneration Plan for Independent Non-Executive Directors for 2018**
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- and**
- (11) General Authorization for the Issuance of Debt Financing Instruments**

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

The Company intends to hold the AGM at 9:30 a.m. on Friday, 25 May 2018 at Meeting Room 1945, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, PRC. The notice to convene the AGM has been published on 10 April 2018, and is set out on pages 24 to 25 of this circular.

The purpose of this circular is to provide you with details of the resolutions to be proposed for you to consider and approve as ordinary resolutions or special resolutions, as the case may be, at the AGM and provide relevant information to enable you to make an informed decision on whether to vote for or against or abstain from voting at those resolutions. Such resolutions and details are set out in the letter from the Board.

### II. MATTERS TO BE RESOLVED AT THE AGM

#### ORDINARY RESOLUTIONS

##### 1. *Report of the Board of Directors for 2017*

An ordinary resolution will be proposed at the AGM to approve the report of the Board for 2017, the full text of which is included in the 2017 annual report of the Company to be published at the Company's website and the HKEXnews website of the Stock Exchange in due course.

##### 2. *Report of the Board of Supervisors for 2017*

An ordinary resolution will be proposed at the AGM to approve the report of the Board of Supervisors for 2017, the full text of which is included in the 2017 annual report of the Company to be published at the Company's website and the HKEXnews website of the Stock Exchange in due course.

##### 3. *Financial Report for 2017*

An ordinary resolution will be proposed to the AGM to approve the financial report for 2017.

The financial report for 2017 prepared by the Company according to China Accounting Standards is summarized as follows:

###### (1) *Revenue and profit*

In 2017, the Company's consolidated statements recorded operating income of RMB34,585.9 million and profit for the year of RMB4,209.8 million. Net profit realized was RMB3,437.2 million, of which RMB3,222.5 million was attributable to the parent company. Gross profit margin of the Company for 2017 was 24.7%.

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## LETTER FROM THE BOARD

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### (2) *Cash flows*

In 2017, the net cashflow used in operating activities in the Company's consolidated statements was RMB886.0 million. The net cash flow used in investing activities was RMB1,729.2 million. The net cashflow used in financing activities was RMB140.2 million. The effect of change in exchange rate on cash and cash equivalents was -RMB69.6 million.

### (3) *Assets and liabilities*

As at 31 December 2017, the total assets in the consolidated statements of the Company were RMB61,244.6 million, total liabilities amounted to RMB36,020.0 million and gearing ratio was RMB58.8%. Owner's equity of the Company was RMB 25,224.6 million, and equity attributable to the parent company was RMB24,019.1 million.

The full text of the financial report for 2017 prepared by the Company according to International Financial Reporting Standards, which will be included in the 2017 annual report of the Company to be published on the Company's website and on the HKExnews website of the Stock Exchange in due course, is summarized as follows:

### (1) *Revenue and profit*

In 2017, the Company's consolidated statements recorded operating income of RMB34,433.7 million. Profit for the year was RMB4,285.7 million, and net profit realized was RMB3,513.1 million, of which RMB3,310.0 million was attributable to the parent company. Gross profit margin of the Company for 2017 was 24.4%.

### (2) *Cash flows*

In 2017, the net cash outflow generated from operating activities in the Company's consolidated statements was RMB886.0 million. The net cash outflow generated from investing activities was RMB1,729.2 million. The net cashflow used in financing activities was RMB140.2 million. The effect of change in exchange rate on cash and cash equivalents was -RMB69.6 million.

### (3) *Assets and liabilities*

As at 31 December 2017, the total assets in the consolidated statements of the Company were RMB61,244.6 million, total liabilities amounted to RMB36,020.0 million and gearing ratio was RMB58.8%. Owner's equity of the Company was RMB25,224.6 million, and equity attributable to the parent company was RMB24,019.1 million.

## 4. *Audit Report for 2017*

An ordinary resolution will be proposed to the AGM to approve the Company's audit report for 2017, the full text of which is included in the 2017 annual report of the Company to be published at the Company's website and the HKEXnews website of the Stock Exchange in due course.

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## LETTER FROM THE BOARD

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### 5. *Profits Distribution Plan for 2017*

Pursuant to the Articles of Association, an ordinary resolution will be proposed at the AGM to approve profits distribution plan for 2017 of the Company.

The Board has proposed to distribute final dividend for 2017 to the Shareholders, whose names appear on the register of members of the Company on Wednesday, 6 June 2018, a cash dividend of RMB0.15 (tax inclusive) per share (“**Proposed Final Dividend**”). The 2017 final dividend to be distributed will be denominated and announced in RMB, of which domestic shareholders will be paid in RMB and H shareholders will be paid in HK dollars. The exchange rate of HK dollars will be the average of the central parity rates published by the People’s Bank of China for the three working days before the day the dividend distribution announcement is made (inclusive of the day of the dividend distribution announcement). Such final dividend will be distributed on Wednesday, 25 July 2018. The above dividend is subject to the approval of Shareholders on the AGM.

In addition, the transfer of Shares will be closed from Friday, 1 June 2018 to Wednesday, 6 June 2018, both days inclusive. To be qualified for entitlement of the final dividend mentioned above, holders of H Shares of the Company shall lodge the instruments of transfer with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 31 May 2018.

Meanwhile, the resolution of authorizing the Board to implement the aforementioned distribution plan is proposed on the AGM.

### **Withholding and Payment of Final Dividend Income Tax**

#### *Final dividend income tax applicable to overseas shareholders*

#### *Withholding and Payment of Enterprise Income Tax on behalf of Overseas Non-Resident Enterprise Shareholders*

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementing rules and the requirements under the Notice on the Issues Concerning Withholding and Payment of the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) issued by the State Administration of Taxation (國家稅務總局《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), the Company will withhold and pay enterprise income tax at the rate of 10% when it distributes the final dividend to overseas non-resident enterprise holders of H shares (including any H shares of the Company registered in the name of HKSCC Nominees Limited, but excluding any H shares of the Company registered in the name of HKSCC Nominees Limited which are held by China Securities Depository and Clearing Corporation Limited as nominee shareholder on behalf of investors who invest in the H shares of the Company through Shanghai-Hong Kong Stock Connect).



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## LETTER FROM THE BOARD

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### *Withholding and Payment of Individual Income Tax on behalf of Overseas Individual Shareholders*

Pursuant to the applicable provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementing rules, the Tax Notice, the Notice of the State Administration of Taxation on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other relevant laws, regulations and requirements under normative documents, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on behalf of the overseas individual H shareholders:

- For individual H shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of these individual H shareholders in the distribution of the final dividend;
- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of these individual H shareholders in the distribution of the final dividend. If relevant individual H shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Company will handle, on their behalf, the applications for tax preferential treatments under relevant tax treaties according to the Tax Notice. Qualified shareholders please submit in time a letter of entrustment and all application materials as required under the Tax Notice to the Company's H share registrar, Computershare Hong Kong Investor Services Limited. The Company will then submit the above documents to the competent tax authorities and, after their examination and if and when approved, the Company will assist in refunding the excess amount of tax withheld and paid;
- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty on behalf of these individual H shareholders in the distribution of the final dividend; and
- For individual H shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of these individual H shareholders in the distribution of the final dividend.

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## LETTER FROM THE BOARD

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### **Final dividend income tax applicable to Shareholders in Mainland China investing in H Shares of the Company through Southbound Trading Link**

#### *Withholding and Payment of Individual Income Tax on behalf of Domestic Individual Shareholders Investing through Southbound Trading Link*

- **Shanghai-Hong Kong Stock Connect:**

Pursuant to the Notice on Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Program (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for domestic individual shareholders who invest in H shares of the Company through Shanghai-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the final dividend. For domestic shareholders who are securities investment funds investing in H shares of the Company through Shanghai-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the final dividend.
- **Shenzhen-Hong Kong Stock Connect:**

Pursuant to the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for domestic individual shareholders who invest in H shares of the Company through Shenzhen-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the final dividend. For domestic shareholders who are securities investment funds investing in H shares of the Company through Shenzhen-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the final dividend.

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## LETTER FROM THE BOARD

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### *No Withholding and Payment of Enterprise Income Tax on behalf of Domestic Enterprise Shareholders Investing through Southbound Trading Link*

- Shanghai-Hong Kong Stock Connect:**

Pursuant to the Notice on Tax Policies for Shanghai-Hong Kong Stock Connect Pilot Program (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for domestic enterprise shareholders who invest in H shares of the Company through Shanghai-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will not withhold or pay enterprise income tax on their behalf in the distribution of the final dividend, and the domestic enterprise shareholders shall report and pay the relevant taxes payable by themselves. Any dividend received in respect of H shares of the Company which have been continuously held by a domestic enterprise shareholder for 12 months shall be exempted from enterprise income tax.
- Shenzhen-Hong Kong Stock Connect:**

Pursuant to the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for domestic enterprise shareholders who invest in H shares of the Company through Shenzhen-Hong Kong Stock Connect (such H shares are registered in the name of HKSCC Nominees Limited and held by China Securities Depository and Clearing Corporation Limited as nominee shareholder), the Company will not withhold or pay enterprise income tax on their behalf in the distribution of the final dividend, and the domestic enterprise shareholders shall report and pay the relevant taxes payable by themselves. Any dividend received in respect of H shares of the Company which have been continuously held by a domestic enterprise shareholder for 12 months shall be exempted from enterprise income tax.

H shareholders of the Company are recommended to consult their own tax advisors on the relevant tax impact in China, Hong Kong and other countries (regions) on the possession and disposal of H shares of the Company.

The time arrangement such as record date and the cash payment date of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect investors is in line with that of H Shareholders of the Company.

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## LETTER FROM THE BOARD

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### 6. *Remuneration Plan for Independent Non-Executive Directors for 2018*

An ordinary resolution will be proposed at the AGM to approve the remuneration plan for the year ending 31 December 2018 for independent non-executive Directors, and authorize the human resources department of the Company to perform the details of such plan. According to the plan, the basic remuneration of each independent non-executive Director shall be as below:

*(before tax, in RMB)*

<i>Independent non-executive Directors</i>	<i>Basic emolument</i>	<b>Annual remuneration</b>	
		<i>Allowance for attending Board meetings</i>	<i>Allowance for attending Board committee meetings</i>
Mr. WANG Jiajie	80,000	3,000/attendance	2,000/attendance
Mr. SUN Patrick	100,000	3,000/attendance	2,000/attendance
Mr. CHEN Jin'en	60,000	—	—
Mr. GAO Shutang	60,000	—	—

### 7. *Plan for Appointment of External Auditor for 2018*

An ordinary resolution will be proposed at the AGM to approve the re-appointment of Ernst & Young and Ernst & Young Hua Ming LLP as the international auditor and domestic auditor of the Company for 2018 respectively for a term of office until next annual general meeting, and authorize the management of the Company to determine their respective audit fees.

### 8. *Appointment of Mr. WU Zuowei as Shareholder Representative Supervisor*

An ordinary resolution will be proposed at the AGM to approve the appointment of Mr. WU Zuowei as a shareholder representative Supervisor of the Company.

Reference is made to the announcement of the Company dated 29 March 2018 relating to the proposed appointment of Mr. WU Zuowei as a Supervisor of the Company. Upon nomination by the Board of Supervisors, Mr. WU Zuowei was elected as a Supervisor of the second session of the Board of Supervisors of the Company, and his term of office shall commence on the date of approval by the AGM until the expiry of the current session of the Board of Supervisors. After expiry of his term, he may be reappointed for a consecutive term if re-elected according to the Articles of Association. Mr. Gao Fan has resigned as a supervisor of the Company due to personal work arrangement, and his resignation will be effective upon Mr. WU Zuowei official assumption of office.

The biographical details of Mr. WU Zuowei required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out as follows:

Mr. WU Zuowei, aged 40, has been the head of the Asset Management Division of the Capital Operation Management Department of China Reform Holdings Corporation Ltd.\* (中國國新控股有限責任公司) since February 2018. Mr. WU Zuowei served as a technician of the technology institute, a

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## LETTER FROM THE BOARD

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staff of the technical reform office, a staff of the development planning department, the deputy head of the asset management department, the deputy head of the asset operation department and the deputy head of the operation planning department of Beijing Huabei Optical Instrument Co., Ltd.\* (北京華北光學儀器有限公司) successively from July 2002 to May 2009. He served as the deputy head of the operation planning department of Zhongbing Optoelectronics Technology Co., Ltd.\* (中兵光電科技股份有限公司) (now known as North Navigation Control Technology Co., Ltd.\* (中國兵器北方導航控制技術股份有限公司) which is listed on the Shanghai Stock Exchange, Stock Code: 600435) from May 2009 to March 2011; and the deputy head of the strategic development department of Zhongbing Optoelectronics Technology Co., Ltd.\* (中兵光電科技股份有限公司) from March 2011 to August 2012. And he served as a senior manager of the Asset Management Department (subsequently renamed as the Capital Operation Management Department) of China Reform Holdings Corporation Ltd.\* from August 2012 to February 2018.

Mr. WU Zuowei graduated from Beijing Institute of Technology in July 2002 with a bachelor's degree in engineering and majored in mechanical engineering and automation, and graduated from University of Science and Technology Beijing in June 2009 with a master's degree in engineering and majored in project management. Mr. WU Zuowei was accredited as a senior engineer in December 2011.

During the tenure of office of Mr. WU Zuowei as a Supervisor of the Company, he will not obtain any remuneration from the Company. If the appointment of Mr. WU Zuowei is approved by the Shareholders, he will enter into a supervisor service contract with the Company upon his appointment.

Apart from those described above, as at the Latest Practicable Date, Mr. WU Zuowei confirms that he (i) has not held any other directorships in any listed companies, in Hong Kong or overseas, in the last three years, nor any other positions within the Group; (ii) does not have any relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company; (iii) does not have any interests in the shares of the Company or its associated corporation(s) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (iv) there are no other matters relating to his appointment that need to be brought to the attention of the Shareholders nor is there any information to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters should be brought to the attention of the Shareholders or the Stock Exchange.

### SPECIAL RESOLUTIONS

#### 9. *Amendments to the Articles of Association*

A special resolution will be proposed at the AGM to approve the amendments to the Articles of Association.

Reference is made to the announcement of the Company dated 23 January 2018 relating to the proposed amendments to the Articles of Association. Given that (1) on 16 November 2017, the business registered address of the Company was changed from “B 49 Xisihuan South Road, Fengtai District, Beijing” to “20/F CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai

## LETTER FROM THE BOARD

District, Beijing”; (2) on 7 December 2017, China Railway Signal & Communication Corporation, one of the promoters of the Company, was changed from “China Railway Signal & Communication Corporation” (中國鐵路通信信號集團公司) to “China Railway Signal & Communication Corporation Limited” (中國鐵路通信信號集團有限公司) due to corporate restructuring; (3) the SASAC approved the new Articles of Association, in which the articles concerning the general requirements of Party building were amended; and (4) in order to implement the relevant requirements of incorporating the requirements of the rule of law into the enterprise’s Articles of Association by the SASAC, it is proposed that the relevant articles concerning the general legal adviser system be added to the Articles of Association, so as to be consistent with the requirements of the SASAC, the Company proposed to make amendments to the Articles of Association (the “**Proposed Amendments**”). The Proposed Amendments are primarily for the amendments to the relevant articles concerning the address and the name of the promoter of the Company, the amendment to the relevant articles concerning the general requirements of Party building, and the addition of the relevant articles concerning the general counsel system. The details of the Proposed Amendments are as follows:

No.	Current Articles of Association	Proposed Amendments
	<b>CHAPTER 1 GENERAL PROVISIONS</b>	<b>CHAPTER 1 GENERAL PROVISIONS</b>
1	<p><b>Article 2</b> The Company is a joint stock limited company incorporated pursuant to the Company Law, the Securities Law, the Special Regulations and other relevant laws and regulations of China.</p> <p>Following approval by the State-owned Assets Supervision and Administration Commission of the State Council, the Company was jointly established by China Railway Signal &amp; Communication Corporation, China National Machinery Industry Corporation, China Chengtong Holdings Group Ltd., China Reform Holdings Corporation Ltd. and CICC Jiacheng Investment Management Co., Ltd. by way of promotion. The Company was registered with the State Administration for Industry &amp; Commerce of the People’s Republic of China and obtained a business license (No. 100000000043121) on 29 December 2010.</p>	<p><b>Article 2</b> The Company is a joint stock limited company incorporated pursuant to the Company Law, the Securities Law, the Special Regulations and other relevant laws and regulations of China.</p> <p>Following approval by the State-owned Assets Supervision and Administration Commission of the State Council, the Company was jointly established by <b>China Railway Signal &amp; Communication Corporation Limited</b>, China National Machinery Industry Corporation, China Chengtong Holdings Group Ltd., China Reform Holdings Corporation Ltd. and CICC Jiacheng Investment Management Co., Ltd. by way of promotion. The Company was registered with the State Administration for Industry &amp; Commerce of the People’s Republic of China and obtained a business license on 29 December 2010.</p>

**LETTER FROM THE BOARD**

No.	Current Articles of Association	Proposed Amendments
2	<b>Article 4</b> The Company's domicile: B 49 Xisihuan South Road, Fengtai District, Beijing; Postal code: 100166.	<b>Article 4</b> The Company's domicile: <b>20/F CRSC Building A, 1 Compound, Automobile Museum South Road</b> , Fengtai District, Beijing; Postal code: <b>100070</b> .
3	(New Article)	<b>Article 12 According to the Constitution of the Communist Party of China, the Company shall establish an organization under the Communist Party of China. The Party organization will play a core leadership role and a core political role by holding the general direction, managing the general situation and ensuring the implementation. The Company shall establish the related working organs of the Party which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</b>
	<b>CHAPTER 3 SHARES AND REGISTERED CAPITAL</b>	<b>CHAPTER 3 SHARES AND REGISTERED CAPITAL</b>
4	<b>Article 20</b> Upon approval from the approval authority authorized by the State Council, the Company issued 4,500,000,000 shares to its promoters upon its establishment on 29 December 2010, representing 100% of the total issuable ordinary shares of the Company. Among the promoters, China Railway Signal & Communication Corporation held 4,357,540,000 shares (96.8343%), China National Machinery Industry Corporation held 41,900,000 shares (0.9311%), China Chengtong Holdings Group Ltd. held 41,900,000 shares (0.9311%), China Reform Holdings Corporation Ltd. held 41,900,000 shares (0.9311%) and CICC Jiacheng Investment Management Co., Ltd. held 16,760,000 shares (0.3724%).	<b>Article 21</b> Upon approval from the approval authority authorized by the State Council, the Company issued 4,500,000,000 shares to its promoters upon its establishment on 29 December 2010, representing 100% of the total issuable ordinary shares of the Company. Among the promoters, <b>China Railway Signal &amp; Communication Corporation Limited</b> held 4,357,540,000 shares (96.8343%), China National Machinery Industry Corporation held 41,900,000 shares (0.9311%), China Chengtong Holdings Group Ltd. held 41,900,000 shares (0.9311%), China Reform Holdings Corporation Ltd. held 41,900,000 shares (0.9311%) and CICC Jiacheng Investment Management Co., Ltd. held 16,760,000 shares (0.3724%).



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**LETTER FROM THE BOARD**

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No.	Current Articles of Association	Proposed Amendments
	<p>On 6 December 2013, the Company issued 2,500,000,000 ordinary shares to its original shareholders by way of capital increase on a pro-rata basis, whereby the Company's total number of shares was changed to 7,000,000,000 ordinary shares. Among the promoters, China Railway Signal &amp; Communication Corporation held 6,778,390,000 shares (96.8343%), China National Machinery Industry Corporation held 65,180,000 shares (0.9311%), China Chengtong Holdings Group Ltd. held 65,180,000 shares (0.9311%), China Reform Holdings Corporation Ltd. held 65,180,000 shares (0.9311%) and CICC Jiacheng Investment Management Co., Ltd. held 26,070,000 shares (0.3724%).</p>	<p>On 6 December 2013, the Company issued 2,500,000,000 ordinary shares to its original shareholders by way of capital increase on a pro-rata basis, whereby the Company's total number of shares was changed to 7,000,000,000 ordinary shares. Among the promoters, <b>China Railway Signal &amp; Communication Corporation Limited</b> held 6,778,390,000 shares (96.8343%), China National Machinery Industry Corporation held 65,180,000 shares (0.9311%), ChinaChengtong Holdings Group Ltd. held 65,180,000 shares (0.9311%), China Reform Holdings Corporation Ltd. held 65,180,000 shares (0.9311%) and CICC Jiacheng Investment Management Co., Ltd. held 26,070,000 shares (0.3724%).</p>
	<b>CHAPTER 9 BOARD OF DIRECTORS</b>	<b>CHAPTER 9 BOARD OF DIRECTORS</b>
5	<p><b>Article 141</b> The Board shall exercise the following functions and powers:</p> <p>.....</p> <p>The abovementioned functions and powers of the Board as well as any transaction or arrangement of the Company shall be proposed to the general meeting for approval as prescribed by the regulatory rules in the place where shares of the Company are listed.</p>	<p><b>Article 141</b> The Board shall exercise the following functions and powers:</p> <p>.....</p> <p>The abovementioned functions and powers of the Board as well as any transaction or arrangement of the Company shall be proposed to the general meeting for approval as prescribed by the regulatory rules in the place where shares of the Company are listed.</p>



## LETTER FROM THE BOARD

No.	Current Articles of Association	Proposed Amendments
	<p>When necessary, reasonable and legal, the Board may authorize the chairman and other persons authorized by the chairman to decide on specific matters that relate to the matters to be resolved and that cannot or need not be promptly decided on by the Board.</p> <p>With the authorization made by the Board, the chairman of the Board may exercise part of functions and powers of the Board when the Board is not in session. The content of the authorization made by the Board shall be clear and specific.</p>	<p>When necessary, reasonable and legal, the Board may authorize the chairman and other persons authorized by the chairman to decide on specific matters that relate to the matters to be resolved and that cannot or need not be promptly decided on by the Board.</p> <p>With the authorization made by the Board, the chairman of the Board may exercise part of functions and powers of the Board when the Board is not in session. The content of the authorization made by the Board shall be clear and specific.</p> <p><b>Prior to making decisions on material issues of the Company, the Board of Directors of the Company shall seek advices from the Party Committee of the Company.</b></p>
	<b>CHAPTER 14 PARTY ORGANIZATION</b>	<b>CHAPTER 14 PARTY COMMITTEE</b>
6	<p><b>Article 204</b> According to the Constitution of the Communist Party and relevant provisions, the Company set up a Chinese communist party organization, established a work mechanism of the party and assigned personnel to handle party affairs, included the establishment of party organization and staffing of party members into the Company's management organization and staffing, included the party organization's work funding into the Company's budget which is charged to the Company's management costs. The party organization plays a core political role in the Company.</p>	<p><b>Article 205</b> The Company shall establish the Party Committee consisting of one secretary and several other members. The chairman of the Board of Directors of the Company and the secretary of the Party Committee shall, in principle, be assumed by the same person, and one deputy secretary shall be designated to mainly carry out the Party building work. Eligible members of the Party Committee may take seats in the Board of Directors of the Company, the Board of Supervisors and the senior management through statutory procedures, while eligible members of the Board of Directors of the Company, the Board of Supervisors and the senior management may take seats in the Party Committee in accordance with relevant rules and procedures. Meanwhile, a discipline inspection committee shall be established in accordance with relevant regulations.</p>

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**LETTER FROM THE BOARD**

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No.	Current Articles of Association	Proposed Amendments
7	<p><b>Article 205</b> For significant matters of the Company considered and decided by the Board, opinion from the Company’s party organization should be sought first. Significant operation and management matters involving the country’s macro adjustment, national development strategy and national security, the Board shall make decisions based on the discussion of the party organization.</p>	<p><b>Article 206</b> The Party Committee of the Company shall perform the following duties in accordance with the internal laws and regulations of the Party including the Constitution of the Communist Party of China:</p> <p>(I) To ensure and supervise the Company’s implementation of guidelines and policies of the Party and the country, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of the Party Committee of State-owned Assets Supervision and Administration Commission and the Party organizations at higher levels.</p> <p>(II) To adhere to the principle of the Party supervising the performance of cadres while ensuring the lawful selection by the Board of Directors of the Company of the senior management and the lawful exercise of the power of the senior management in the employment of personnel. The Party Committee shall consider and propose opinions and suggestions on the candidates as nominated by the Board of Directors of the Company or general manager, or nominate candidates to the Board of Directors of the Company or general manager; and, together with the Board of Directors of the Company, conduct investigations on the candidates to be appointed and collective research to raise opinions and suggestions.</p>

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**LETTER FROM THE BOARD**

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<b>No.</b>	<b>Current Articles of Association</b>	<b>Proposed Amendments</b>
		<p><b>(III) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employees' immediate interests, and propose comments and suggestions thereon.</b></p> <p><b>(IV) To undertake the primary responsibility of comprehensive and strict Party management; to lead the Company's ideological and political work, the united front work, the cultural and ethical progress, the corporate culture cultivation as well as the work of groups such as the labor union and the Communist Youth League; to lead the construction of the Party's working style and its clean and honest administration, and support the discipline inspection committee in earnestly performing its supervisory responsibilities.</b></p>
8	<p><b>Article 206</b> During the recruitment of senior management personnel, the Company's party organization shall vet and raise opinion on the candidates nominated by the Board or the General Manager. The Company's party organization may recommend nominees to the Board or the General Manager. The Company's party organization shall inspect the proposed personnel and raise opinion collectively.</p>	<p>(Delete the original article)</p>

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## LETTER FROM THE BOARD

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No.	Current Articles of Association (New Chapter)	Proposed Amendments CHAPTER 17 GENERAL LEGAL ADVISER SYSTEM
9	(New Article)	<p><b>Article 233 The Company shall implement the general counsel system:</b></p> <p><b>(I) The general counsel shall be the senior management of the Company and shall be appointed by the Board.</b></p> <p><b>(II) The audit and risk management committee of the Board shall be responsible for promoting the construction of the rule of law of the Company and supervising the management of enterprise according to law by the managers.</b></p> <p><b>(III) Where the matters considered by the Board relate to legal issues, the general counsel shall be present at the meeting and give legal advices.</b></p>

The Proposed Amendments add 2 new articles, delete 1 article and amend 9 articles in total. The number of the articles of the amended Articles of Association increases from the original 261 articles to 262 articles, and the numbering of the relevant chapters and the relevant articles is adjusted accordingly.

The revised Articles of Association shall become effective on the date of passing the relevant resolution at the AGM. Prior to the passing of the relevant resolution at the AGM, the prevailing Articles of Association of the Company shall remain valid.

### 10. *General Mandate for the Issuance of Shares*

A special resolution will be proposed at the AGM to approve the general mandate for the issue of shares.

In order to take full advantage of the capital market's financing environment and seize the market financing window, with reference to market practice, the Company proposes to grant the Board a general mandate for the issuance of shares, that is, based on market conditions and the needs of the Company, and subject to applicable PRC laws and regulations, the Listing Rules or all applicable laws, regulations and rules of any other government or regulatory authorities and the approval by the CSRC and/or other relevant PRC governmental authorities (if necessary), the rights to decide the issuance, allotment and dealing with (“**issuance**”), individually or simultaneously, new shares which shall not exceed 20% of the newly issued Domestic Shares and/or H Shares of the Company at the date this resolution is passed at the AGM (such 20% shall be based on the total share capital of Domestic Shares

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## LETTER FROM THE BOARD

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and/or H Shares issued by the Company at the date this resolution is passed at the AGM). The new shares include but not limited to convertible bonds. As at the Latest Practicable Date, issued share capital of the Company comprises 6,821,018,000 Domestic Shares and 1,968,801,000 H Shares. Upon the passing of the resolution of general mandate for the issuance of Shares, and on the assumption that no further Shares are issued before the AGM, the Company may issue a maximum of 1,364,203,600 Domestic Shares and 393,760,200 H Shares.

Details of the general mandate include but not limited to the follows:

- (1) To formulate and implement detailed issuance plan, including but not limited to the class of new shares to be issued, pricing mechanism and/or issuance price (including price range), number of shares to be issued, allottees and use of proceeds, timing of issuance, period of issuance and whether to allot shares to existing Shareholders.
- (2) To consider and approve, enter into and procure the entering into documents and agreements relating to the issuance, including but not limited to the placing and underwriting agreements and the agreements for appointment of intermediary agencies.
- (3) To consider and approve the statutory documents relating to the issuance to be submitted to the relevant regulatory authorities, and perform relevant approval procedures according to the requirements of domestic and foreign regulatory authorities and the stock exchanges where the shares of the Company is listed.
- (4) To approve the Company to increase the registered capital after the issuance of new shares; to revise relevant contents of the Articles of Association such as the total share capital and the shareholding structure; and to perform relevant statutory registration and filing procedures at home and abroad.
- (5) To decide on other matters relating to the aforesaid issuance.

Except that the Board may make or grant offers (refers to the issuance plan proposed by the Board for the issuance of shares), agreements (including but not limited to the placing agreements, share purchase and sale agreements or underwriting agreements, etc. entered into for the issuance of shares), or options (refers to options, warrants or similar rights for subscription of shares) during the Relevant Period (as defined below) in relation to the issuance of Domestic Shares and/or H Shares, which might require further promotion or implementation after the end of the Relevant Period, and the exercise of the powers referred to above shall be within the Relevant Period.

“Relevant Period” means the period from the passing of this resolution at the AGM until whichever is the earliest of:

- (1) the conclusion of the 2018 AGM of the Company;
- (2) the expiration of the 12-month period following the passing of this resolution at the AGM;

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## LETTER FROM THE BOARD

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- (3) the revocation or modification of the mandate under this resolution by shareholders with the passing of a resolution at any a general meeting.

### 11. *General Authorization for the Issuance of Debt Financing Instruments*

A special resolution will be proposed at the AGM to approve the general authorization for the issuance of debt financing instruments.

To further expand financing channels, to take full advantage of the financing environment of capital markets and to control financing costs, the Company proposes to issue, in one batch or in batches, one or several types of debt financing instruments, including but not limited to corporate bonds, company bonds, super short-term financing bills, short-term financing bills, medium-term notes, private placements of debt financing instruments, perpetual bonds and other domestic or foreign debt financing instruments in RMB or foreign currencies permitted by regulatory authorities. To grasp the favorable timing of the market, the Board proposes to apply for the general authorization for issuance of the aforesaid debt financing instruments with details as follows:

Issuers:	Domestic debt financing instruments will be issued by the Company or its subsidiaries; offshore debt financing instruments will be issued by the Company or its overseas subsidiaries
Size of issuance:	Except for bonds in issue of the Company, the size of issuance of domestic and foreign debt financing instruments in total shall not exceed RMB15 billion (inclusive of RMB15 billion, calculated based on the outstanding balance at the time of the issuance and, in the case where the instrument is denominated in a foreign currency, reference would be made to the median rate for the exchange rates as quoted by the People's Bank of China on the date of such issuance)
Methods of issuance:	One-off or multi-tranche issuance basis through public offerings or private placements
Targeting subscribers and subscription arrangement:	Onshore and offshore investors meeting the conditions for subscription (except for the case of the issuance of corporate bonds (if any), Shareholders)
Category(ies):	Onshore and offshore debt financing instruments can take the form of single term debenture or a combination of multiple categories with different terms. The specific composition of such terms and the issue size of each category with a specific term will be determined in accordance with relevant requirements and the market conditions, and the issue size of each category of debentures shall not exceed the limit applicable to the issue of such category of debentures by the Company in accordance with relevant requirements of PRC.

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## LETTER FROM THE BOARD

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Use of proceeds:	The proceeds to be raised from such issuance will be used to satisfy the production and operation needs of the Company, repay loans from financial institutions, replenish working capital of the Company and/or make project investments etc.
Validity term of the resolution:	From the date of approval of this resolution at the AGM to the date of expiry of twelve months therefrom. Where the Company has resolved to implement the issue or part of the issue and has also obtained the approval(s), permit(s) or registration(s) from regulatory authorities for such issuance within the above validity term of the resolution, the Company may complete the issuance within the validity period determined under such approval(s), permit(s) or registration(s)

The Board requests the grant of a general and unconditional authorization to the Board at the AGM and to approve the Board to further authorize the management at their sole discretion to deal with all matters relating to the issuance of the onshore and offshore debt financing instruments according to specific needs of the Company and other market conditions during the validity of the resolution, including but not limited to:

- (1) determining the type(s), specific category(ies), specific terms and conditions as well as other matters of the debt financing instruments, including but not limited to all the matters relating to the issuance such as the size of issue, actual total amount, currency, issue price, interest rate or the determination method thereof, place of issue, timing of issue, term(s), whether to issue in tranches and the number of tranches, whether to adopt any terms for repurchase and redemption, rating arrangements, guarantee matters, term of repayment of the principal and interests, use of proceeds, as well as listing and underwriting arrangements according to applicable laws, regulations and relevant provisions from the regulatory authorities as well as resolutions passed at the AGM for such purposes;
- (2) carrying out all necessary and incidental actions and procedures for the issuance of the debt financing instruments, including but not limited to, providing necessary guarantee for issuance of debt securities by subsidiaries, engaging intermediary agencies to handle, on behalf of the Company, the approval, listing, filing, registration and other procedures with relevant regulatory authorities relating to the application for the issuance, executing all necessary legal documents relating to the issuance and dealing with other matters relating to the issuance and trading of the debt financing instruments; approving, confirming and ratifying any of the aforesaid actions and procedures relating to the issuance of the debt securities to the extent already taken by the Company;

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## LETTER FROM THE BOARD

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- (3) executing and publishing or dispatching relevant announcement(s) and circular(s) in relation to the issuance of the debt financing instruments and to comply with, if necessary, any relevant information disclosure and/or approval procedures, pursuant to the relevant laws and regulations, requirements of the Listing Rules and requirements of domestic relevant regulatory authorities;
- (4) making relevant adjustments to the relevant matters of the issuance of the debt financing instruments and determining whether to proceed with the issuance according to actual condition with reference to the opinions from relevant domestic regulatory authorities and the changes in policies and market conditions, provided that such adjustments and decision shall be within the scope of the authorization of the AGM and shall be subject to re-voting at a general meeting of the Company if otherwise required by the relevant laws and regulations and the Articles of Association;
- (5) if necessary, determining and dealing with the listing of the debt financing instruments in issue and relevant matters;
- (6) dealing with any other specific matters in relation to the issuance of the debt financing instruments and to execute all the required documents.

### III. THE AGM AND VOTING METHOD

A notice convening the AGM to be held at 9:30 a.m. on Friday, 25 May 2018 at Meeting Room 1945, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, PRC is set out on pages 24 to 25 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange and the Company.

Whether or not you propose to attend the AGM, holders of H Shares of the Company are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon and return it to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof, i.e. not later than 9:30 a.m. on Thursday, 24 May 2018. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish. H Shareholders who wish to attend the AGM in person or by proxy are requested to complete the reply slip and return the same, by hand or by fax or by post, to the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before Saturday, 5 May 2018.

Pursuant to Rules 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions set out in the notice of the AGM shall be voted by poll. Votes may be given either personally or by proxy.



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## LETTER FROM THE BOARD

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### IV. CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements of the Shareholders to attend the AGM, the register of members of the Company will be closed from Wednesday, 25 April 2018 to Friday, 25 May 2018 (both days inclusive), during which period no transfer of Shares of the Company will be effected. To be eligible to attend and vote at the AGM, all transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Tuesday, 24 April 2018.

In order to ascertain the entitlements of the Shareholders to receive the proposed final dividend, the register of members of the Company will be closed from Friday, 1 June 2018 to Wednesday, 6 June 2018 (both days inclusive), during which period no transfer of shares of the Company will be effected. To be eligible to receive the proposed final dividend, all transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares no later than 4:30 p.m. on Thursday, 31 May 2018.

### V. RECOMMENDATION

The Board considers that the above-mentioned resolutions are in the interests of the Company and the Shareholders as a whole, and thereby recommends the Shareholders to vote in favour of the resolutions at the AGM.

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

25 April 2018

\* For identification purpose only

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## NOTICE OF 2017 AGM

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*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.*

**CRSC**

**中国通号**

**中國鐵路通信信號股份有限公司**

**China Railway Signal & Communication Corporation Limited\***

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

**(Stock Code: 3969)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “AGM”) of China Railway Signal & Communication Corporation Limited\* (the “**Company**”) will be held at 9:30 a.m. on Friday, 25 May 2018 at Meeting Room 1945, Building A, CRSC Building, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing, the People's Republic of China (the “**PRC**”) for the purpose of considering, among others, and if thought fit, passing the following resolutions (with or without modifications).

#### **Ordinary Resolutions**

1. Report of the Board of Directors for 2017
2. Report of the Board of Supervisors for 2017
3. Financial Report for 2017
4. Audit Report for 2017
5. Profits Distribution Plan for 2017
6. Remuneration Plan for Independent Non-Executive Directors for 2018
7. Appointment of External Auditor for 2018
8. Appointment of Mr. WU Zuowei as Shareholder Representative Supervisor

#### **Special Resolutions**

9. Amendments to the Articles of Association
10. General Mandate for the Issuance of Shares
11. General Authorization for the Issuance of Debt Financing Instruments

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## NOTICE OF 2017 AGM

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Details of the above resolutions are set out in the circular of the Company dated 25 April 2018.

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

Beijing, the PRC, 25 April 2018

*Notes:*

- (A) The register of members will be closed from Wednesday, 25 April 2018 to Friday, 25 May 2018 (both days inclusive), during which period no transfer of the H shares will be effected. Holders of H shares of the Company whose names appear on the register of H shares of the Company kept at Computershare Hong Kong Investor Services Limited on Friday, 25 May 2018 are entitled to attend and vote at the AGM following completion of the registration procedures. To qualify for attendance and voting at the AGM, documents on transfers of H shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 24 April 2018.

The register of members of the Company will be closed from Friday, 1 June 2018 to Wednesday, 6 June 2018 (both days inclusive), during which period no transfer of shares of the Company will be effected. To be eligible to receive the proposed final dividend, all transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H shares no later than 4:30 p.m. on Thursday, 31 May 2018.

- (B) Holders of H shares intending to attend the AGM should complete and return the reply slip for attending the AGM personally, by facsimile or by post to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares on or before Saturday, 5 May 2018.
- (C) Each shareholder entitled to attend and vote at the AGM may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the AGM on its behalf. A proxy need not be a shareholder of the Company. With respect to any shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
- (D) A proxy shall be appointed by a shareholder by a written instrument signed by the appointor or his attorney duly authorized in writing. In case of a corporation, the same must be either under its common seal or under hand of its legal representative or duly authorized attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other documents of authorization of such attorney shall be notarized.
- (E) To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in Note (D) above must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the AGM or any adjournment thereof (as the case may be), i.e. not later than 9:30 a.m. on Thursday, 24 May 2018. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the meeting if he so desires.
- (F) A shareholder or his proxy should produce proof of identity when attending the AGM. Where a shareholder is a legal person, the legal representative of that shareholder or the person authorized by its board of directors or other governing body shall produce a copy of the authorization documents of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.
- (G) The AGM is expected to last for not more than half a day. Shareholders who attend the AGM shall bear their own travelling and accommodation expenses.

*As of the date of this notice, 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 purpose only.