

GLOSSARY

This glossary contains explanations of certain technical terms used in this Prospectus in connection with our Company and its business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“ballast”	broken rocks placed on road beds, bridges, tunnel floors and between railway sleepers and tracks to fix the track, sustain weight and reduce traffic-induced noise;
“ballast cleaning machine”	a large track maintenance machine used for digging ballast, filtrating residue and dust, and filling ballast;
“ballast-mixing vehicle”	a large track maintenance machine used to evenly distribute the ballast onto the track bed by central plough, side plough and wing plough as per technical requirements;
“BOO”	Build-Own-Operate, a mode of business in which a project company builds and operates a property project pursuant to the concession rights granted by the government;
“BOT”	Build-Operate-Transfer, a mode in which government or local authorities grant the rights to an enterprise by concession agreement to undertake the financing, construction, operation and maintenance of a construction project. Upon expiry of the concession period, the relevant facilities will be transferred back to the contracted government authority at nil consideration;
“box girder bridge”	a type of bridge mainly for accommodating bends in which box-shaped girders are the principal support of the weight. A series of holes in the girders are supported along a row of several abutments;
“BT”	Build-Transfer, a variant of BOT in which the contractor undertakes the financing of construction expenditures and transfers the project back to the proprietor upon completion and inspection for acceptance. The proprietor will compensate the contractor for such construction expenditure and financing costs in installments pursuant to agreement;
“cable-stayed bridge”	a type of bridge in which one or more principal towers are affixed with cables to support the body of the bridge. The towers above the bridge support numerous cables that pull diagonally to support the girder;
“cargo transportation volume”	weight of freight actually delivered and discharged at destination by a transport mode within a specific period;
“cargo turnover volume”	total traffic of freight actually delivered by a transport mode multiplied by the corresponding traffic distance within a specific period;

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“China Civil Engineering Zhan Tianyou Award”	a prestigious civil engineering award in the PRC recognizing technical innovation, which is assessed once every two years by the China Civil Engineering Society and the Zhan Tianyou Civil Engineering Technology Development Fund Committee. The scope of the award includes buildings and civil construction projects, bridges, infrastructure projects, ports, tunnels and subterranean work, geotechnical work, municipal works and special projects such as maintenance works, hydropower and nuclear power facilities, and towers and masts;
“construction contracting”	a method of contracting a part or the whole of the project, by which the contractor performs the constructions work in accordance with the construction plan and design supplied by the customers and is generally only responsible for the construction work. The project owner is generally responsible for the procurement of raw materials and controls the project timetable;
“consultancy”	the entire process of the provision of consultancy services, based on independent, scientific and equitable principles, applying multi-disciplinary knowledge and experience as well as modern technology and management, for the investment decisions and implementation of construction and works by government departments and investors;
“design”	application of engineering theories and techno-economic approaches, based on the prevailing technical standards, for conducting all-round design (including non-standardized equipment design) and techno-economic analysis on newly constructed, expansion and reconstruction projects in respect of their technical process, land construction, civil works and environmental works; provision of design papers and blueprints as the basis for construction work;
“dynamic stabilizing machine”	a large track maintenance machine used for enhancing horizontal resistance of the railway and the stability of the track bed by means of a vibration device;
“engineering, procurement and construction, or EPC”	commissioned by the owner to contract the whole process or certain stages of a project based on the contract including exploration, design, procurement, construction and trial operations (inspection upon completion);
“ENR”	Engineering News Record magazine, a publication that provides news, analyses, commentary and data about the global construction industry;
“four-electrification”	communications engineering, signaling engineering, electrical engineering and electrified engineering;
“Four Excellence”	an important series of awards in the PRC survey and design industry, recognizing excellence in project survey, project design, construction

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	standards design and survey and design software at the national, provincial and ministerial levels. Recipients of national Four Excellence Awards are assessed by the MOC, while recipients of provincial Four Excellence Awards are assessed by the Departments of Construction in the respective provinces;
“GFA”	gross floor area;
“going out strategy”	a policy formulated by the PRC Government to promote overseas expansion of Chinese enterprises;
“high-speed railway”	a high-speed railway with speeds over 250 km/h;
“ISO9001:2000”	a standard for quality management systems maintained by the International Organization for Standardization (ISO) and is administered by accreditation and certification bodies;
“km”	kilometer(s);
“Luban Award”	the PRC Construction and Engineering Luban Award, which is awarded for outstanding quality in engineering work in the construction industry in the PRC under two categories, namely, main contractor and key participants; candidates nominated for this award include PRC construction enterprises who have provided contractor services in a domestic construction project that has been completed and has commenced operation, the recipients of this prize are assessed by the China Construction Industry Association and approved by the MOC;
“m”	meter(s);
“m ² ”	square meter(s);
“m ³ ”	cubic meter(s);
“maglev”	magnetic levitation, a technology utilizing the attraction and repelling properties of magnets to float and move vehicles;
“metropolitan railways”	for purposes of this Prospectus, metropolitan railways include intra-city subways and intra-city light rail;
“non-ballast track”	a non-ballast track is one that does not have ballast. It is a low-maintenance railway structure in which concrete structures transfer the force;
“overseas contracting”	a method of contracting whereby an international contractor with its own finance, expertise, labor, equipment, materials, management resources and concession rights, conducts project construction or

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	provides other commercial services for the developer at fees agreed on contract terms upon international bidding or tendering or through other negotiation channels;
“passenger transportation volume”	actual number of passengers carried by a transport mode within a specific period;
“passenger turnover volume”	actual number of passengers carried by a transport mode multiplied by the corresponding travel distance of the passengers within a specific period;
“PC beam”	abbreviation of concrete box girder, a major pre-cast component for light railways to perform both load-bearing and railway functions. The PC girder accommodates the variance of bends and slopes by techniques other than multiple straight-line segments to simulate the effect of curved lines (Precast Concrete Segment);
“passenger railway”	railway systems that are dedicated to passenger transportation only with a speed of more than 160 km/h;
“permafrost”	material that contains various rocks and soil at below zero degrees Celsius. It is very sensitive to temperature;
“pile foundation underpinning technique”	technology that converts the pile foundation of the affected buildings into new underpinning structure due to commencement of underground work, so as to avoid harm to the buildings on the ground;
“PPP”	Public-Private-Partnership, a cooperation model established by government and private enterprise or private fund on specific projects (usually infrastructure construction projects) in which parties to the projects jointly undertake responsibility and financing risks;
“project management contracting”	a method of contracting under which a construction enterprise, entrusted by the owner and as agreed in the contract, undertakes contracting of the project implementation stage. The non-core works, individual work or labor service may be subcontracted to correspondingly qualified professional contractors and correspondingly qualified labor-subcontractors respectively. Such enterprise shall assume responsibility for the whole implementation process (except design);
“railway switch”	a turnout enabling trains to be guided from one track to another, in which a single track splits into two tracks;
“railway repairs in times of war or military conflict”	quick repair and construction of railway during war time (emergency) in accordance with the relevant requirements of the Laws of National Defense and Regulations on Transport for National Defense, which includes: full implementation of policies, regulations and rules on

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	<p>transport for national defense purposes; exploration, design verification and inspection upon completion of transport facilities for national defense; formulation of transport protection plans for national defense; completion of transport protection for national defense; management and utilization of transportation assets (including various facilities, equipment and resources) in accordance with relevant national requirements; and the organization, training and management of professional transport protection teams for national defense;</p>
“Science and Technology Advancement Award”	<p>this award recognizes achievements in various industries involving the development of new products and technologies, promotion of new technology application, production of advanced technology, reform and enhancement of corporate technology, advancement of technology basis, key construction work, introduction of key equipment research and development, absorption of new foreign technology, or in-house development of innovative technology at the national and provincial levels. Recipients of national Science and Technology Advancement Awards are assessed by the State Council, while recipients of provincial Science and Technology Advancement Awards are assessed by the Departments of Science and Technology in the respective provinces;</p>
“self-financed contracting”	<p>refers to the developer not prepaying for work or not making monthly payments according to the progress of the work (not including quality surety as stipulated in the contract). The construction company advances the money to do the work;</p>
“shield tunneling”	<p>shield installed on the surface of the machine to protect it from external rock pressure, commonly used in long tunnel machinery in exploiting special geographical locations or water inflow sections and subsequent segmental installation work;</p>
“survey”	<p>survey, explore, test, and undertake overall assessment on landscape, geology and water for planning, design, implementation, operations and integrated management of the project; provide feasibility assessment and required information on the exploration results for construction; carry out rock exploration, design, management and monitoring activities;</p>
“suspension bridge”	<p>a type of bridge in which the main support comes from towers erected at both ends of the bridge. The suspension cable between the towers supports the surface of the bridge. At both ends of the bridge large anchors or counterweights are placed to hold the ends of the suspension cables;</p>
“switch tamping machine”	<p>a large track maintenance machine used in construction, alignment and fixation of the railways and switches, and tamping of the two sides of the track;</p>

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“tamping machine”	a large track maintenance machine used in the maintenance of ballast track structures, performing the functions of fixation, alignment, and tamping;
“TBM”	tunnel boring machine, a large-scale machine used to excavate a tunnel, from drilling, moving ahead, and clearing to completion;
“track bed”	a section that transfers the weight from the movement of trains on tracks evenly to the road bed; and
“turnkey contractor”	a contractor who is responsible for the whole process of design, procurement, construction and installation work in a project. When transferred to the proprietor, a turnkey project is fully ready for use.