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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)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The board of directors (the “**Board**”) of China Railway Signal & Communication Corporation Limited* (中國鐵路通信信號股份有限公司) (the “**Company**”) hereby announces that the Board held a meeting of the Board on 23 January 2018. At such meeting, the Board considered and approved, among other things, the resolution in relation to the amendments to the Articles of Association of China Railway Signal & Communication Corporation Limited* (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 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 State-owned Assets Supervision and Administration Commission of the State Council (“**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
	CHAPTER 1 GENERAL PROVISIONS	CHAPTER 1 GENERAL PROVISIONS
1	<p>Article 2 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 & 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 & Commerce of the People’s Republic of China and obtained a business license (No. 100000000043121) on 29 December 2010.</p>	<p>Article 2 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 & Communication Corporation Limited, 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 & Commerce of the People’s Republic of China and obtained a business license on 29 December 2010.</p>
2	<p>Article 4 The Company’s domicile: B 49 Xisihuan South Road, Fengtai District, Beijing; Postal code: 100166.</p>	<p>Article 4 The Company’s domicile: 20/F CRSC Building A, 1 Compound, Automobile Museum South Road, Fengtai District, Beijing; Postal code: 100070.</p>

No.	Current Articles of Association	Proposed Amendments
3	(New Article)	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.
	CHAPTER 3 SHARES AND REGISTERED CAPITAL	CHAPTER 3 SHARES AND REGISTERED CAPITAL
4	Article 20 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%).	Article 21 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 Limited 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%).

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 & 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, China Railway Signal & Communication Corporation Limited 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>
	CHAPTER 9 BOARD OF DIRECTORS	CHAPTER 9 BOARD OF DIRECTORS
5	<p>Article 141 The Board shall exercise the following functions and powers:</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>Article 142 The Board shall exercise the following functions and powers:</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>

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>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.</p>

No.	Current Articles of Association	Proposed Amendments
	CHAPTER 14 PARTY ORGANIZATION	CHAPTER 14 PARTY COMMITTEE
6	<p>Article 204 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>Article 205 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 supervisory committee and the senior management through statutory procedures, while eligible members of the Board of Directors of the Company, the supervisory committee 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>
7	<p>Article 205 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>Article 206 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>

No.	Current Articles of Association	Proposed Amendments
		<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>

No.	Current Articles of Association	Proposed Amendments
		<p>(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.</p> <p>(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.</p>

No.	Current Articles of Association	Proposed Amendments
8	<p>Article 206 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>
	<p>(New Chapter)</p>	<p>CHAPTER 17 GENERAL LEGAL ADVISER SYSTEM</p>
9	<p>(New Article)</p>	<p>Article 233 The Company shall implement the general counsel system:</p> <p>(I) The general counsel shall be the senior management of the Company and shall be appointed by the Board.</p> <p>(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.</p> <p>(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.</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.

This resolution is subject to consideration and approval at the shareholders' general meeting of the Company by way of a special resolution. The revised Articles of Association shall become effective on the date of passing the relevant resolution at the general meeting of the Company. Prior to the passing of the relevant resolution at the general meeting, the prevailing Articles of Association of the Company shall remain valid.

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

Beijing, the People's Republic of China
23 January 2018

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