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中国铁建

中國鐵建股份有限公司

China Railway Construction Corporation Limited

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

(Stock Code: 1186)

ANNOUNCEMENT ON RESOLUTIONS IN RELATION TO THE EIGHTH MEETING OF THE FOURTH SESSION OF THE BOARD OF DIRECTORS

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

RESOLUTIONS OF THE BOARD OF DIRECTORS

I. CONVENING OF THE BOARD MEETING

The eighth meeting of the fourth session of the board of directors (the “**Board**”) of China Railway Construction Corporation Limited (the “**Company**”) was held at the CRCC Bureau Building on 11 June 2018. The notice and materials of the Board meeting were dispatched directly in writing, via e-mail or by other means on 6 June 2018. Eight out of nine eligible directors attended the meeting while Mr. Patrick SUN, an independent director, was absent from the meeting due to other business engagements and appointed Ms. Amanda Xiao Qiang LU, an independent director, to vote on behalf of him. Supervisors and senior management of the Company attended the meeting as observers. The meeting was presided over by Mr. MENG Fengchao, the Chairman of the Board. This meeting was convened in compliance with the requirements of the relevant laws, administrative regulations, departmental rules, regulatory documents, the Articles of Association of China Railway Construction Corporation Limited and the Rules of Procedure for the Board of Directors of China Railway Construction Corporation Limited.

II. CONSIDERATIONS AT THE BOARD MEETING

The proposals were considered and approved by open ballot at the on-site meeting as the following resolutions:

(I) Considered and Approved the Proposal in relation to the Appointment of LIU Chengjun and Two Others as the Vice Presidents of the Company

The appointment of Mr. LIU Chengjun, Mr. WANG Lixin and Mr. NI Zhen as the vice presidents of the Company, with a term commencing from the date on the approval by the Board to 21 December 2020 (same as the term of office of the existing senior management personnel), was approved. Please refer to the appendix for biographical details.

Voting results: For: 9, against: 0, and abstaining: 0.

(II) Considered and Approved the Proposal in relation to the Overseas Initial Public Offering of Shares and Listing of China Railway Construction Heavy Industry Co., Ltd.

It was approved that after appropriate restructuring (the “**Listing Related Restructuring**”) of China Railway Construction Heavy Industry Co., Ltd. (“**CRCHI**”), a wholly-owned subsidiary, and relevant entities by the Company, the overall CRCHI would be converted to be established as a joint stock company with limited liability, and would become the to-be-listed entity to carry out the overseas public offering of overseas listed foreign invested shares (H shares) and to be listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The proposal of issuance is preliminarily determined as:

1. Place of listing: The Main Board of the Hong Kong Stock Exchange.
2. Type of shares to be issued: H shares, the overseas listed foreign invested shares (by way of ordinary shares).
3. Par value of shares: RMB1.00.
4. Target subscribers: Foreign institutional investors, qualified domestic investors, enterprises and natural persons and other qualified investors.

5. Time of issuance and listing: The specific time of issuance and listing of the to-be-listed entity is determined by its board of directors authorised by the to-be-listed entity in accordance with the condition of overseas capital market, approval progress and other conditions.
6. Method of issuance: Hong Kong public offering and international placing.
7. Size of issuance: The number of H shares to be issued will be no less than 15% of the total share capital after issuance; meanwhile, depending on the market conditions, the underwriter(s) may be granted the over-allotment option of no more than 15% of the number of H shares to be issued. In particular, the total size of actual issuance, over-allotment matters and allotment ratios will be determined, in accordance with the capital demand of the to-be-listed entity, communication of domestic and overseas regulatory authorities and specific conditions of domestic and overseas market when the issuance takes place, by the board of directors of the to-be-listed entity through negotiation with underwriter(s) in accordance with the authorization of general meeting of the to-be-listed entity.
8. Method of pricing: The price of the issuance will be negotiated and determined together by its board of directors authorised by the to-be-listed entity and the underwriter(s) after full consideration of the interests of existing shareholders of the to-be-listed entity and domestic and overseas investors, together with the overseas capital market condition when the issuance takes place, Hong Kong stock market conditions for the issuance and the normal valuation level of the industry that the to-be-listed entity engages in, and based on the bookkeeping results of overseas road show.
9. Implementation of strategic allotment when issuance takes place: Strategic allotment may be implemented to allot part of the shares to the investors (cornerstone investors) who are in compliance with the requirements of development strategies of the to-be-listed entity when H share issuance takes place in accordance with the requirements of business cooperation and size of financing. In particular, the ratio of H share allotment will be in compliance with the prevailing laws and regulations and the relevant stipulations and requirements of the Hong Kong Stock Exchange.

As the abovementioned issuance plan is a preliminary plan, which is subject to the submission to China Securities Regulatory Commission (the “CSRC”), the Hong Kong Stock Exchange and the Securities and Futures Commission (the “SFC”) for consideration and/or approval, in order to ensure smooth progress of the application work for overseas listing of the to-be-listed entity, the general meeting of the Company is proposed to authorise the Board and its authorised persons to determine or adjust the issuance plan of overseas listing of the to-be-listed entity.

The proposal shall be submitted to the general meeting of the Company for consideration and approval.

Voting results: For: 9, against: 0, and abstaining: 0.

(III) Considered and Approved the Proposal in Relation to the Compliance of the Overseas Listing of the To-be-listed Entity with the Circular on Issues in relation to Regulating Overseas Listing of Subsidiaries of Domestic Listed Companies Issued by China Securities Regulatory Commission

It was agreed that in accordance with the Circular on Issues in Relation to Regulating Overseas Listing of Subsidiaries of Domestic Listed Companies issued by China Securities Regulatory Commission (Zheng Jian Fa [2004] No. 67) (《中國證券監督管理委員會關於規範境內上市公司所屬企業到境外上市有關問題的通知》(證監發[2004]67號)) (the “Circular”), the Company, which has the right of control of the to-be-listed entity, complies with the conditions of application for overseas listing of subsidiary of the listed companies under Article 2 in the Circular:

1. The listed company has been profitable in the latest three years consecutively.

Pursuant to the audit reports (An Yong Hua Ming (2016) Shen Zi No. 60618770_A01, An Yong Hua Ming (2017) Shen Zi No. 60618770_A01) issued by Ernst & Young Hua Ming LLP for the Company and (De Shi Bao (Shen) Zi (18) No. P01866) issued by Deloitte Touche Tohmatsu CPA LLP for the Company, the net profit attributable to owners of the parent company as realized by the Company for 2015, 2016 and 2017 amounted to approximately RMB12,645.478 million, RMB13,999.61 million and RMB16,057.235 million, respectively, which complies with the provision of “profitable in the latest three years consecutively”.

2. The businesses and assets in which the listed company has invested with the proceeds from its share issues and fundraisings within the latest three fiscal years shall not be used as its capital contribution to the subsidiary for the purpose of applying for overseas listing.

There is no such circumstance as using the businesses and assets in which the Company has invested with the proceeds from its share issues and fundraisings within the latest three fiscal years as its capital contribution to the to-be-listed entity for the purpose of applying for overseas listing.

3. The net profit of the subsidiary that the listed company is entitled to according to the owner's equity in the consolidated statements for the latest fiscal year shall not exceed 50% of the net profit in the consolidated statements of the listed company.

The net profit of the to-be-listed entity that the Company is entitled to according to the owner's equity in the consolidated statements for the latest fiscal year does not exceed 50% of the net profit in the consolidated statements of the Company.

4. The net assets of the subsidiary that the listed company is entitled to according to the owner's equity in the consolidated statements for the latest fiscal year shall not exceed 30% of the net assets in the consolidated statements of the listed company.

The net assets of the to-be-listed entity that the Company is entitled to according to the owner's equity in the consolidated statements for the latest fiscal year does not exceed 30% of the net assets in the consolidated statements of the Company.

5. There is no competition within the same industry between the listed company and the subsidiary, and they are independent from each other in assets and finance, and have no overlapping management.

(1) There is no competition within the same industry between the listed company and the subsidiary.

The principal businesses of the Company (excluding the to-be-listed entity) are construction, survey, design and consultancy, manufacturing and real estate development, etc., while the principal businesses of the to-be-listed entity are manufacture and sale of railway system, roadheader, special equipment and other products.

The principal businesses and products of the Company and the to-be-listed entity are completely different from each other and cannot be replaced by each other. Meanwhile, there is clear delineation in respect of customers and major raw material suppliers, etc.

There is no competition within the same industry between the Company and the to-be-listed entity.

- (2) The listed company and the subsidiary are independent from each other in assets and finance.

The Company and the to-be-listed entity have their own independent and complete operational assets with clear ownership, have established independent financial department and financial management system, conduct registration, prepare accounts and carry out accounting and management independently for all assets. The Company has never occupied or disposed of assets of the to-be-listed entity, or intervened with the operation and management of assets by the to-be-listed entity. The Company and the to-be-listed entity will remain independent from each other in assets and finance.

- (3) The management of the listed company and the subsidiary do not hold any overlapping positions in each other.

The to-be-listed entity has its own independent managerial personnel, and they do not hold any overlapping positions as managerial personnel of the Company.

6. The shares of the subsidiary held by the directors, senior management and related personnel of the listed company and the subsidiary shall not exceed 10% of the total share capital of the subsidiary prior to the overseas listing.

The directors, senior management and related personnel of the Company and the to-be-listed entity will not become shareholders of the to-be-listed entity.

7. The funds or assets of the listed company are not in the possession of the individual, legal person or other organization and their related parties which has the actual controlling power over the listed company, and there are no major related party transactions that would prejudice the interests of the listed company.

The funds or assets of the Company are not in the possession of the individual, legal person or other organization and their related parties which has the actual controlling power over the Company, and there are no major related party transactions that would prejudice the interests of the Company.

8. The listed company has no acts of major violations of laws or regulations in the latest three years.

The Company has no acts of major violations of laws or regulations in the latest three years.

In conclusion, the overseas listing of the to-be-listed entity of the Company complies with the relevant provisions under the Circular.

The proposal shall be submitted to the general meeting of the Company for consideration and approval.

Voting results: For: 9, against: 0, and abstaining: 0.

(IV) Considered and Approved the Proposal in Relation to the Undertaking of Maintaining Independent Listing Status of the Company

The Company and the to-be-listed entity will continue to be independent from each other in the aspects of staff, asset, finance, institution, business and others. They have respective independent accounting and independently undertake liabilities and risks.

The overseas listing of the to-be-listed entity will have no adverse impact on the sustainable operation of other business sectors of the Company, neither will it affect the Company in maintaining its independent listing status, which is in compliance with applicable laws, regulations, rules and regulatory documents as well as the requirements prescribed in the Circular. The Company will, according to the requirements prescribed in the Circular, engage a securities institution registered with and included in the list of sponsors of the CSRC as the financial adviser of the Company to provide financial advice in relation to ensuring the ongoing independent listing status and maintaining the sustainable operation ability of the core assets and businesses of the Company after the overseas listing of the to-be-listed entity, as well as continue to supervise the Company to maintain its independent listing status.

The proposal shall be submitted to the general meeting of the Company for consideration and approval.

Voting results: For: 9, against: 0, and abstaining: 0.

(V) Considered and Approved the Proposal in Relation to the Explanations on the Sustainable Profitability Statement and Prospects of the Company

Each business of the Company is keeping strong momentum at present. As the to-be-listed entity keeps high business independency from the other business sectors of the Company, the overseas listing of the to-be-listed entity will not have any substantial impact on the sustainable operation of the other business sectors of the Company. In addition, through this overseas listing, the to-be-listed entity is expected to further accelerate its development. Meanwhile, its revenue and profit will be reflected in the accounting statements of the Company, which will benefit the overall financial performance of the Company. Therefore, the overseas listing of the to-be-listed entity will firmly facilitate the strategic upgrade of the Company, further consolidate the core competitiveness of the Company and promote the sustainable development of the Company.

In conclusion, after the overseas listing of the to-be-listed entity, the Company is able to maintain favorable sustainable operation ability and sustainable profitability.

The proposal shall be submitted to the general meeting of the Company for consideration and approval.

Voting results: For: 9, against: 0, and abstaining: 0.

(VI) Considered and Approved the Proposal in Relation to the Authorisation to the Board and its Authorised Persons to Deal with Matters Relating to the Overseas Listing of the To-be-listed Entity at Their Full Discretion

It was approved to propose at the general meeting of the Company to authorise the Board and its authorised persons to deal with matters relating to the overseas listing of the to-be-listed entity at their full discretion, including but not limited to:

1. The Board and its authorised persons are authorised to exercise, at their full discretion, shareholders' rights in CRCHI and other controlling subsidiaries involved in the Listing Related Restructuring on behalf of the Company to make the proposals in relation to the matters concerning the Listing Related Restructuring, the conversion of CRCHI into a joint stock company with limited liability and the overseas listing of the to-be-listed entity, which shall be resolved at the general meeting of the Company (other than those for which proposals must be resolved at a general meeting as required by the laws and regulations).
2. The Board and its authorised persons are authorised to make adjustments and modifications to the matters and plans relating to the Listing Related Restructuring, the conversion of CRCHI into a joint stock company with limited liability and the overseas listing of the to-be-listed entity based on the specific conditions.
3. The Board and its authorised persons are authorised to deal with, at their full discretion, relevant matters in respect of the submission of spin-off and listing application to the Hong Kong Stock Exchange and submission of relevant applications to relevant authorities including the State-owned Assets Supervision and Administration Commission of the State Council and the CSRC for the purpose of the Listing Related Restructuring, the conversion of CRCHI into a joint stock company with limited liability and the overseas listing of the to-be-listed entity, including but not limited to the submission of spin-off and listing application to the Hong Kong Stock Exchange, communication with the Hong Kong Stock Exchange in respect of the matters relating to the spin-off and listing application, as well as adjustments and modifications to the matters relating to the Listing Related Restructuring, the conversion of CRCHI into a joint stock company with limited liability and the overseas listing of the to-be-listed entity in accordance with the requirements of the Hong Kong Stock Exchange, etc.

4. The Board and its authorised persons are authorised to decide on other specific matters in connection with the Listing Related Restructuring, the conversion of CRCHI into a joint stock company with limited liability and the overseas listing of the to-be-listed entity, including but not limited to the engagement of relevant intermediaries, execution, delivery and receipt of necessary agreements and legal documents and relevant information disclosure in accordance with applicable regulatory rules.

The abovementioned authorisation is valid for 24 months from the date of this resolution being considered and approved at the general meeting of the Company.

The proposal shall be submitted to the general meeting of the Company for consideration and approval.

Voting results: For: 9, against: 0, and abstaining: 0.

(VII) Considered and Approved the Proposal in Relation to Convening 2018 First Extraordinary General Meeting

The convening of the 2018 first extraordinary general meeting of the Company to consider relevant resolutions was approved. The authorisation to the Chairman of the Board to determine the specific time and venue for convening the 2018 first extraordinary general meeting was approved.

Voting results: For: 9, against: 0, and abstaining: 0.

GENERAL MATTERS

The Company will make further announcement(s) in respect of the matters of spin-off and listing of CRCHI in due course or in accordance with the applicable requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shareholders of the Company and potential investors should note that, the spin-off and listing of CRCHI is subject to, among other things, the review and/or approval of the CSRC, the Hong Kong Stock Exchange and the SFC. Accordingly, shareholders of the Company and potential investors should be aware that, there is no assurance that the spin-off and listing of CRCHI will take place or as to when it may take place. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Railway Construction Corporation Limited
MENG Fengchao
Chairman

Beijing, the PRC
12 June 2018

As at the date of this announcement, the board of directors comprises Mr. MENG Fengchao (Chairman and Executive Director), Mr. ZHUANG Shangbiao (President and Executive Director), Mr. XIA Guobin (Executive Director), Mr. LIU Ruchen (Executive Director), Mr. GE Fuxing (Non-executive Director), Mr. WANG Huacheng (Independent Non-executive Director), Mr. Patrick SUN (Independent Non-executive Director), Mr. CHENG Wen (Independent Non-executive Director) and Ms. Amanda Xiao Qiang LU (Independent Non-executive Director).

ATTACHMENT:

LIU Chengjun, aged 54, Chinese nationality with no right of abode overseas, is currently a vice president of the Company. He successively served as a trainee, a technician, an assistant, an engineer, technical chief of infrastructure project of China Railway No.3 Survey & Design Group Co., Ltd. (鐵道部第三勘測設計院), project director and technical chief of China Railway Construction Development Center of the Ministry of Railways (鐵道部中鐵建設開發中心), senior engineer (deputy head level) of China Railway No.3 Survey & Design Group Co., Ltd.; deputy director and director of Neikun Railway command engineering department of China Railway Engineering Corporation (中國鐵路工程總公司), deputy director (in charge of work) of design department of China Railway Engineering Corporation (中國鐵路工程總公司), director of design department, general manager of design and consulting branch and secretary-general of expert committee of the parent company, director of design department, general manager of design and consultancy branch, secretary-general of expert committee of the headquarters and shareholder representative, vice chairman, director of design department, general manager of design and consultancy branch, secretary-general of expert committee of the headquarters of China Railway Eryuan Engineering Group Co., Ltd. (中鐵二院工程集團有限責任公司), chairman of supervisory committee of China Railway Southern Investment Development Co., Ltd. (中鐵南方投資發展有限公司); deputy chief engineer, head of scientific design division, general manager of design and consultancy branch of China Railway Group Limited (中國中鐵股份有限公司), chairman of China Railway Northwest Research Institute Co., Ltd. (中鐵西北科學研究院有限公司), secretary-general of expert committee of the headquarters, chairman of supervisory committee of China Railway Southern Investment Company and chairman of China Railway Major Bridge Reconnaissance & Design Institute Co., Ltd. (中鐵大橋勘測設計院集團有限公司), chairman of supervisory board of China Railway Group Limited and other positions. He has served as a vice president of the Company since June 2018. Mr. LIU obtained a correspondence bachelor's degree in architectural structure from North Jiaotong University (北方交通大學) in December 1990, and a master's degree of engineering in architecture and civil engineering from Southwest Jiaotong University (西南交通大學) in January 2002. He is a professor-level senior engineer.

WANG Lixin, aged 48, Chinese nationality with no right of abode overseas, is currently a vice president of the Company. He successively served as a trainee of Transportation Engineering Emergency Repairing Research Institute of Railway Research Institute (鐵道建築研究設計院交通工程搶修研究所), an assistant of technology department, engineer, deputy manager, manager of Bridge Construction Company (造橋公司), manager of Bridge Engineering Company (橋樑工程公司), deputy chief economist of Railway Construction Study and Design Institute (鐵道建築研究設計院) and manager of Road and Bridge Company (路橋公司); deputy chief economist of China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司) and president and deputy secretary of the Party Committee of Harbin branch, assistant of president and president of northeast branch (Northeast Survey & Design Institute), vice president, director, president and deputy secretary of the Party Committee, chairman and secretary of the Party Committee; chairman, general manager and deputy secretary of the Party Committee of China Railway 24th Bureau Group Co., Ltd (中鐵二十四局集團有限公司). He serves as a vice president of the Company since June 2018. Mr. Wang graduated from Southwest Jiaotong University (西南交通大學), majoring in bridge engineering, with bachelor's degree in engineering in July 1992, and obtained a postgraduate qualification, majoring in economic management, from Central Party School (中央黨校) in January 2013. He is a professor-level senior engineer.

NI Zhen, aged 46, a Chinese with no right of abode overseas, is currently a vice president of the Company. He successively served as a trainee and an assistant of the equipment branch of Beijing China Railway Construction Engineering Corporation (北京中鐵建築工程公司), manager of Shili River Complex Construction Project of the equipment and installation branch, head of operation department of installation branch and manager of the installation branch; deputy manager of the equipment and installation branch of Beijing China Railway Construction Ltd. (北京中鐵建設有限公司), deputy manager and agency manager of market tendering No.1 department and manager of equipment and installation branch; deputy general manager of China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司); director, general manager and deputy secretary of Party Committee of China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司); director, general manager, deputy secretary of CRCC Property Group Co., Ltd. (中國鐵建房地產集團有限公司). Mr. NI serves as a vice president of the Company in June 2018. Mr. NI graduated from Beijing University of Technology (北京工業大學), majoring in civil engineering, with postgraduate qualification and doctoral degree of engineering. He is a professor-level senior engineer.