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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)

**REVISION OF THE 2018 ANNUAL CAP  
FOR CONTINUING CONNECTED TRANSACTIONS  
UNDER THE SERVICES PROVISION FRAMEWORK AGREEMENT**

On 30 October 2018, the Board resolved to revise the 2018 annual cap for the continuing connected transactions under the Services Provision Framework Agreement from RMB600 million to RMB850 million.

CRCCG, holding approximately 51.13% equity interests in the Company, is the Controlling Shareholder of the Company and hence a connected person of the Company. Therefore, the transactions between the Group and CRCCG under the Services Provision Framework Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the transactions of provision of related services by CRCCG to the Group in 2018 under the Services Provision Framework Agreement exceeds 0.1% but is less than 5%, such transactions are therefore subject to the reporting, announcement and annual review requirements but are exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under the Hong Kong Listing Rules.

**1. INTRODUCTION**

References are made to the announcements on continuing connected transactions of the Company dated 29 December 2012 and 29 December 2015, respectively.

In order to regulate the purchase of related services under the Services Provision Framework Agreement by the Group from CRCCG and/or its associates, the Company and CRCCG entered into the Services Provision Framework Agreement on 28 December 2012 and renewed the abovementioned agreement on 28 December 2015, whereby it set the annual caps for the three years from 2016 to 2018 in respect of the provision of such services.

**2. REVISION OF THE 2018 ANNUAL CAP OF PURCHASE OF RELATED SERVICES UNDER THE SERVICES PROVISION FRAMEWORK AGREEMENT BY THE GROUP FROM CRCCG AND/OR ITS ASSOCIATES**

As disclosed by the Company in the announcement dated 29 December 2015 in relation to the continuing connected transactions, the Company estimated that the annual caps of expenses generated from the continuing connected transactions under the Services Provision Framework Agreement for the three years ended 31 December 2018 amounted to RMB600 million, RMB600 million and RMB600 million, respectively.

In recent years, following the continuous increase in revenue of the Company from survey and design, the volume of the transactions with CRCCG and/or its associates in relation to survey, testing and mapping in the industry chain have increased correspondingly, therefore, the originally determined 2018 annual cap for the continuing connected transactions will no longer satisfy the needs for business development. It is expected that the volume of the continuing connected transactions under the Services Provision Framework Agreement will increase in 2018.

Given the aforementioned reasons, on 30 October 2018, the Board resolved to revise the 2018 annual cap for the continuing connected transactions under the Services Provision Framework Agreement as follows:

	Existing annual cap of 2018 <i>(RMB million)</i>	Revised annual cap of 2018
Expenses generated from the provision of services by CRCCG and/or its associates under the Services Provision Framework Agreement	600	850

Directors (including independent non-executive Directors) consider that the abovementioned revision of the annual cap is fair and reasonable and is in the interests of shareholders of the Company as a whole.

### **3. IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

CRCCG, holding approximately 51.13% equity interests in the Company, is the Controlling Shareholder of the Company and hence a connected person of the Company. Therefore, the transactions between the Group and CRCCG under the Services Provision Framework Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the transactions of provision of related services by CRCCG to the Group in 2018 under the Services Provision Framework Agreement exceeds 0.1% but is less than 5%, such transactions are therefore subject to the reporting, announcement and annual review requirements but are exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under the Hong Kong Listing Rules.

As they also hold the position of director in CRCCG, Mr. CHEN Fenjian, Mr. ZHUANG Shangbiao and Mr. XIA Guobin, who are Directors, did not vote on the Board resolution approving the abovementioned revision of the annual cap. Save for the aforementioned, none of the Directors has any material interest in the aforesaid continuing connected transactions, thus no other Directors have abstained from voting on the Board resolution.

### **4. INFORMATION ON PARTIES TO THE RELEVANT TRANSACTIONS**

As one of the largest integrated construction groups in the world, the Company is engaged in construction operations, survey, design and consultancy operations, manufacturing operations, real estate development, logistics and materials trading and other businesses.

CRCCG is the Controlling Shareholder of the Company, holding approximately 51.13% equity interests in the Company as at the date of this announcement. As a state-owned enterprise, CRCCG is wholly-owned by SASAC and mainly engaged in supervision of state-owned assets; management, operation and disposal of unlisted assets; construction, operation and management of concession investment projects; and publication and issuance of the *China Railway Construction News*, etc.

## 5. DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“Company”	China Railway Construction Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, whose H shares and A shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Controlling Shareholder”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CRCCG”	China Railway Construction Co., Ltd. (中國鐵道建築有限公司), formerly known as China Railway Construction Corporation, the Controlling Shareholder of the Company
“Directors”	the directors of the Company (including the independent non-executive Directors)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China

“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Services Provision Framework Agreement”	the Services Provision Framework Agreement dated 28 December 2012 entered into between the Company and CRCCG and renewed on 28 December 2015 for a term from 1 January 2016 to 31 December 2018
“Shareholder(s)”	the shareholders of the Company
“%”	per cent.

By order of the Board  
**China Railway Construction Corporation Limited**  
**CHEN Fenjian**  
*Chairman*

Beijing, the PRC  
30 October 2018

*As at the date of this announcement, the Board comprises Mr. CHEN Fenjian (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).*