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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

**THE RESOLUTIONS PASSED AT THE 36TH MEETING OF
THE SECOND SESSION OF THE BOARD
AND
RESUMPTION OF TRADING**

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

RESOLUTIONS OF THE BOARD

I. Convening the Board Meeting

The 36th meeting of the second session of the board of directors (the “**Board**”) of China Railway Construction Corporation Limited (the “**Company**”) was held at the CRCC Bureau Building on 10 October 2014. The notice and materials of the Board meeting were delivered through written materials directly, by emails or other means on 30 September 2014. Nine out of the nine eligible directors attended the meeting. The supervisors and senior management of the Company attended the meeting. 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 and the Articles of Association of China Railway Construction Corporation Limited.

II. Considerations at the Board Meeting

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

(I) Considered and Approved the Proposal in Relation to the Plan of the Overseas Listing of Kunming China Railway Large Maintenance Machinery Co., Ltd. (昆明中鐵大型養路機械集團有限公司)*

Kunming China Railway Large Maintenance Machinery Co., Ltd.* (“**KCRC**”), a wholly-owned subsidiary of the Company, was approved to carry out the initial public offering and listing of its H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), after its overall restructuring into a joint stock company with limited liability, the plan of which is as follows:

1. Type of securities to be issued: Overseas listed foreign invested shares (H shares) to be listed on the Main Board of the Hong Kong Stock Exchange.
2. Method of issuance: Hong Kong public offering and international placing.
3. Par value per share: RMB1.00.

4. Size of issuance: The number of H shares to be issued will be no less than 25% of the total share capital after issuance and no more than 35% of the total share capital after issuance (before exercise of the over-allotment option); 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.
5. Over-allotment option: No more than 15% of the number of H shares to be issued.
6. Target subscribers: Foreign institutional investors, qualified domestic investors, enterprises and natural persons and other qualified investors.
7. Offer Price: The final offer price will be negotiated and determined together by the board of directors of the restructured KCRC or a subcommittee thereof as authorized by its general meeting and the lead underwriter(s) after full consideration of the interests of the existing shareholders of the restructured KCRC and domestic and foreign investors in accordance with international capital market conditions for the issuance, Hong Kong stock market conditions for the issuance, the average valuation level of the industry that KCRC engages in, conditions of market subscriptions and the results of overseas road show and bookkeeping.
8. Issuing date: The listing of H shares will be completed at an appropriate window within the effective period of the resolutions of the general meeting of the restructured KCRC in due course. The specific issuing date will be determined by the board of directors of the restructured KCRC or the subcommittee thereof as authorized by its general meeting in accordance with the international capital market conditions and approval progress of domestic and overseas regulating authorities.

9. Reduction of State-owned shares: Pursuant to the Interim Management Measures on the Reduction of State-owned Shares and Raising Social Security Funds (《減持國有股籌集社會保障資金管理暫行辦法》) issued by the State Council on 12 June 2001, upon the public offering of the H Shares by the restructured KCRC, the State-owned shareholders shall allocate shares equivalent to 10% of the new shares to be issued overseas (if the over-allotment option is exercised, then 10% of the shares of the over-allotment option shall be included as well) or make cash payment with equivalent value to the National Council for Social Security Fund, and issue corresponding undertaking letters. The cost incurred for the reduction of shares held in the Company will be fully borne by China Railway Construction Corporation, the State-owned controlling shareholder of the Company. The above arrangements are subject to the approval of related competent authorities.

Since this plan is a preliminary plan, which shall be submitted to China Securities Regulatory Commission (“CSRC”) and the Hong Kong Stock Exchange for consideration and approval, for the purpose of ensuring the smooth application progress of the overseas listing of KCRC, it will be proposed to the general meeting of the Company that the Board and its authorized persons will be authorized to determine or adjust the plan of the overseas listing of KCRC depending on specific conditions.

The proposal shall be submitted for consideration at the general meeting of the Company.

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

(II) Considered and Approved the Proposal in Relation to the Compliance of the Overseas Listing of Kunming China Railway Large Maintenance Machinery Co., Ltd.*, a Subsidiary of the Company, with the Circular on Issues in Relation to Regulating Overseas Listing of Subsidiaries of Domestic Listed Companies

The overseas listing of KCRC complies with the relevant provisions under the Circular on Issues in Relation to Regulating Offshore Listing of Subsidiaries of Domestic Listed Companies (Zheng Jian Fa [2004] No. 67) (《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”) issued by CSRC.

The Company, as the controlling shareholder of KCRC, complies with the following conditions 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 (2014) Shen Zi No. 60618770_A01, An Yong Hua Ming (2013) Shen Zi No. 60618770_A01 and An Yong Hua Ming (2012) Shen Zi No. 60618770_A01) issued by Ernst & Young Hua Ming LLP, the net profit attributable to owners of the parent company as realized by the Company for 2011, 2012 and 2013 amounted to approximately RMB7,854.29 million, RMB8,629.13 million and RMB10,344.66 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 subsidiaries for the purpose of applying for overseas listing.

As the Company has not issued shares for fundraising since January 2011, there is no such circumstance as using the proceeds from share issues or fundraisings within the latest three fiscal years as capital contribution to KCRC.

3. The net profits 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 profits in the consolidated statements of the listed company.

Pursuant to the audit report (An Yong Hua Ming (2014) Shen Zi No. 60618770_A01) issued by Ernst & Young Hua Ming LLP, the net profit attributable to owners of the parent company in the consolidated statements of the Company for 2013 amounted to approximately RMB10,344.66 million. In accordance with the audit report (CHW Jing Shen Zi [2014] No. 0115) issued by CHW CPA Limited Liability Partnership (Special General Partnership) (中審華寅五洲會計師事務所(特殊普通合夥)) for KCRC, the net profit attributable to the parent company of KCRC for 2013 amounted to RMB282.61 million. The net profit of KCRC that the Company is entitled to according to the owner's equity 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.

Pursuant to the audit report (An Yong Hua Ming (2014) Shen Zi No. 60618770_A01) issued by Ernst & Young Hua Ming LLP, the equity attributable to shareholders of the parent company for 2013 amounted to RMB80,986.89 million. In accordance with the audit report (CHW Jing Shen Zi [2014] No. 0115) issued by CHW CPA Limited Liability Partnership (Special General Partnership) (中審華寅五洲會計師事務所(特殊普通合夥)) for KCRC, the equity attributable to the shareholders of the parent company of KCRC for 2013 amounted to RMB2,437.93 million. The net assets of KCRC that the Company is entitled to according to the owner's equity 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.

KCRC is principally engaged in the manufacture and repair of over 30 types of large railway maintenance machinery used for ballast cleaning, tamping and ballast distributing, stabilizing, materials, rail welding, etc. The principal businesses of the Company are different from those of KCRC. The Company (excluding KCRC) is principally engaged in construction, survey, design and consultancy, industrial manufacturing and real estate development, etc., of which the large machinery manufacture business apart from that of KCRC mainly focuses on underground engineering equipment and high speed rail spur, while the business of KCRC falls into a different sub-industry under the construction machinery industry.

The businesses and products of the Company and KCRC 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 KCRC.

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

The Company and KCRC have their own independent and complete operational assets with clear ownership. KCRC conducts registration, prepares accounts and carries out accounting and management independently for all its assets. The Company has never occupied or disposed of assets of KCRC, or intervened with the operation and management of assets by KCRC. The Company and KCRC have set up independent financial department and established the financial accounting system and financial management system for the parent company and its subsidiaries.

The Company and KCRC are 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 senior management of the Company and KCRC do not hold any overlapping positions in each other.

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

The directors, senior management personnel and related personnel of the Company and its subsidiaries do not hold shares of KCRC.

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 company, and there are no major related party transactions that would prejudice the interests of the company.

The Company complies with the above condition.

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

The Company complies with the above condition.

In conclusion, the overseas listing of KCRC, a subsidiary of the Company, complies with the relevant provisions under the Circular.

The proposal shall be submitted for consideration at the general meeting of the Company.

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

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

The Company and KCRC shall 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 KCRC 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 position, which is in compliance with applicable laws, regulations, rules and regulatory documents as well as the requirements prescribed in the Circular issued by the CSRC. The Company will employ a securities institution registered with the CSRC and listed among the sponsors as the financial adviser of the Company, which will provide financial advice in relation to ensuring the ongoing independent listing position and maintaining the sustainable operation ability of the core assets and businesses of the Company upon the overseas listing of KCRC, as well as continue to supervise the Company to maintain its independent listing position.

This proposal shall be submitted for consideration at the general meeting of the Company.

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

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

Each business of the Company is keeping excellent momentum at present. KCRC keeps high business independency from the other business sectors of the Company. The overseas listing of KCRC will not have any substantial impact on the sustainable operation of the other business sectors of the Company. As KCRC is still a relatively small business sector at present, its value is not reflected adequately. This overall restructuring, spin-off and listing can increase the estimated value of the professional machinery manufacturing sector of the Company, and accordingly realize the increase of the overall of the Company. Through this spin-off and listing, KCRC 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. In addition, the overseas listing of KCRC will firmly facilitate the strategic upgrade of the Company, as well as further consolidate the core competitiveness of the Company and promote the sustainable development of the Company.

Upon the overseas listing of KCRC, the Company is able to continue to maintain favorable sustainable operation ability and sustainable profitability. The relevant transaction terms of the spin-off and listing of KCRC by the Company are fair and reasonable, and are in the interest of the shareholders of the Company as a whole.

This proposal shall be submitted for consideration at the general meeting of the Company.

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

(V) Considered and Approved the Proposal in Relation to the Authorization to the Board and its Authorized Persons to Deal With the Spin-off and Listing Matters of Kunming China Railway Large Maintenance Machinery Co., Ltd*.

It was approved to propose at the general meeting of the Company to authorize the Board and its authorized persons to deal with, in their sole discretion, matters of the spin-off and overseas listing of KCRC, including but not limited to:

1. in their sole discretion, to exercise, on behalf of the Company, the shareholders' right of KCRC, and to make relevant resolution(s) in relation to the spin-off and overseas listing of KCRC which shall be made at the general meeting of the Company (except for the matters that are required to be resolved on at the general meeting pursuant to the laws and regulations).
2. to adjust and change the relevant matters, plans and contents thereof in relation to the overseas listing of KCRC in accordance with the specific conditions.
3. to authorize the Board of the Company and its authorized persons to deal with, in their sole discretion, the relevant matters relating to the submission of spin-off and listing application to the Hong Kong Stock Exchange and submission of relevant application matters to State-owned Assets Supervision and Administration Commission of the State Council, CSRC and other related regulators in respect of the spin-off and overseas listing of KCRC, including but not limited to submitting the spin-off and listing application to the Hong Kong Stock Exchange, communicating the relevant matters of the spin-off and listing application with the Hong Kong Stock Exchange, adjust and change the relevant matters of the spin-off and listing of KCRC pursuant to the requirements of the Hong Kong Stock Exchange, etc.

4. other specific matters relating to the spin-off and overseas listing, including but not limited to appointing relevant intermediaries, signing, submitting and receiving necessary agreements and legal documents as well as disclosing relevant information in accordance with applicable regulatory rules.

The term of the aforesaid authorization is 18 months, calculated from the day on which the proposal is considered and approved at the general meeting.

The proposal shall be submitted for consideration at the general meeting of the Company.

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

(VI) Considered and Approved the Proposal in Relation to Convening the 2014 Second Extraordinary General Meeting

Convening the 2014 second extraordinary general meeting was approved, to consider the Proposal in Relation to the Plan of the Overseas Listing of Kunming China Railway Large Maintenance Machinery Co., Ltd.*, the Proposal in Relation to the Compliance of the Overseas Listing of Kunming China Railway Large Maintenance Machinery Co., Ltd., a Subsidiary of the Company with the Circular on Issues in Relation to Regulating the Overseas Listing of Subsidiaries of Domestic Listed Companies, the Proposal in Relation to the Undertaking of Maintaining Independent Listing Position of the Company, the Proposal in Relation to the Explanations of the Sustainable Profitability and Prospects of the Company and the Proposal in Relation to the Authorization to the Board and its Authorized Persons to Deal with the Spin-off and Listing Matters of Kunming China Railway Large Maintenance Machinery Co., Ltd.*.

The authorization to the Chairman to determine the specific time and location of convening the 2014 second extraordinary general meeting was approved.

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

GENERAL INFORMATION

The Company will publish further announcement(s) regarding the spin-off and listing of KCRC 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.

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

RESUMPTION OF TRADING

At the request of the Company, trading in the H shares of the Company (stock code: 1186) and the debt securities (stock codes: 5778 and 5945) issued by CRCC Yupeng Limited and CRCC Yuxiang Limited, being the wholly-owned subsidiaries of the Company, and guaranteed by the Company on the Hong Kong Stock Exchange has been halted with effect from 9 a.m. on 10 October 2014, pending the release of this announcement. The Company has made an application to the Hong Kong Stock Exchange for the resumption of trading in its H shares and aforesaid debt securities on the Hong Kong Stock Exchange with effect from 9:00 a.m. on 13 October 2014.

By order of the Board

China Railway Construction Corporation Limited

MENG Fengchao

Chairman

Beijing, the PRC

11 October 2014

As at the date of this announcement, the Board comprises Mr. MENG Fengchao (Chairman and Executive Director), Mr. PENG Shugui (Vice Chairman and Executive Director), Mr. ZHANG Zongyan (President and Executive Director), Mr. HU Zhenyi (Executive Director), Mr. ZHU Mingxian (Non-executive Director), Mr. LI Kecheng (Independent Non-executive Director), Mr. ZHAO Guangjie (Independent Non-executive Director), Mr. WU Taishi (Independent Non-executive Director) and Mr. NGAI Wai Fung (Independent Non-executive Director).

** For identification purpose only*