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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)

**PROPOSED NON-PUBLIC ISSUANCE OF A SHARES; AND  
RESUMPTION OF TRADING**

**PROPOSED NON-PUBLIC ISSUANCE OF A SHARES**

The Board announces that on 16 December 2014, the Board resolved to propose a non-public issuance of not more than 1,380 million A Shares to not more than ten target investors.

According to relevant requirements of Chapter 19A of the Hong Kong Listing Rules, the Company will proceed with the Non-Public Issuance after obtaining approvals from Shareholders at the extraordinary general meeting by way of special resolutions and from A Shareholders and H Shareholders at the respective class meeting convened in compliance with the articles of association of the Company by way of special resolutions.

A circular containing, among other things, details of the Non-Public Issuance will be despatched to Shareholders as soon as practicable after the publication of this announcement.

## **RESUMPTION OF TRADING**

Trading in the H Shares of the Company and the debt securities (stock codes: 5778 and 5945) issued by CRCC Yupeng Limited and CRCC Yuxiang Limited, being the Company's wholly-owned subsidiaries, and guaranteed by the Company on the Hong Kong Stock Exchange has been suspended with effect from 9 a.m. on 9 December 2014 pending the release of this announcement by the Company. The Company has applied to the Hong Kong Stock Exchange for the resumption of trading in the H Shares and the above debt securities with effect from 9:00 a.m. on 17 December 2014.

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### **1. THE NON-PUBLIC ISSUANCE**

#### **(1) Class and nominal value of the Shares to be issued**

The Shares to be issued under the Non-Public Issuance are RMB denominated common Shares of the Company with a nominal value of RMB1.00 per Share, which will be listed domestically (A Shares).

#### **(2) Target subscribers**

The Non-Public Issuance of A Shares is proposed to target not more than ten specified investors, which shall be securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors in compliance with the stipulations of CSRC and other corporate bodies, natural persons and legitimate investors in compliance with relevant regulations. The target subscribers of the Non-Public Issuance do not include the Company's controlling Shareholder, the de facto controller and the related parties under their control.

After the Company has obtained the approval in respect of the Non-Public Issuance, the ultimate target subscribers will be determined by the Board and its authorized person and the sponsor (lead underwriter) based on the relevant requirements of CSRC and the price quoted by target subscribers, based on the price priority principle.

The subscription of Shares under this Non-Public Issuance by the target subscribers will not result in the change of the controlling Shareholder of the Company.

As at the date of this announcement, the Company has not entered into any agreements with any potential investors pursuant to the Non-Public Issuance. To the best knowledge, information and belief of the Directors, the Company (i) is not aware that any potential investors and their respective ultimate beneficial owners are connected persons of the Company; and (ii) is not certain whether they will become substantial Shareholders of the Company after their respective subscription for the Shares pursuant to the Non-Public Issuance. The Company will make appropriate disclosure in accordance with the relevant requirements of the Hong Kong Listing Rules should there be any changes or if otherwise necessary. The Company will use its best efforts to ensure that the specified investors and their ultimate beneficial owners are third parties independent of the Company and its connected persons and will seek independent Shareholders' approval should any of the specified investors be a connected person of the Company.

### **(3) Number of the issuance and method of subscription**

The number of Shares to be issued under the Non-Public Issuance will not exceed 1,380 million Shares. Within the range of the issuance mentioned above, the ultimate number of the issuance will be determined by the Board and its authorized person at the general meeting of the Company according to the market conditions at the time of the issuance after consultation with the sponsor (lead underwriter) of this issuance.

The maximum number of the Shares to be issued will be adjusted accordingly if any ex-rights or ex-dividends events occur during the period from the pricing benchmark date to the date of the issuance.

All Shares to be issued under the Non-Public Issuance shall be subscribed in cash.

#### **(4) Method of issuance**

All A Shares under this issuance will be offered to target investors by way of non-public issuance at an appropriate time to be determined, which shall be within the six months upon obtaining the approval from CSRC.

#### **(5) Pricing benchmark date, issue price and method of pricing**

The pricing benchmark date of the Non-Public Issuance shall be the date of the announcement in relation to the resolutions passed on the 4th meeting of the third session of the Board (i.e. 17 December 2014). According to the requirements of relevant laws and regulations and regulatory documents such as the Measures for Administration of the Issue of Securities by Listed Companies (《上市公司證券發行管理辦法》) and the Implementation Rules for the Non-public Issue of Shares by Listed Companies (《上市公司非公開發行股票實施細則》), the issue price of the Non-Public Issuance shall be not less than RMB7.20 per Share, i.e. not less than 90% of the average trading price of the A Shares in the 20 trading days preceding the pricing benchmark date (the average trading price of the A Shares in the 20 trading days preceding the pricing benchmark date = the total value of A Shares traded in the 20 trading days preceding the pricing benchmark date/the total volume of A Shares traded in the 20 trading days preceding to the pricing benchmark date ). The issue price will be adjusted correspondingly in case of any ex-rights or ex-dividend events during the period from the pricing benchmark date to the date of issuance.

The minimum price of Non-Public Issuance will be adjusted correspondingly in case of any ex-rights or ex-dividend events during the period from the pricing benchmark date to the date of issuance.

Based on the abovementioned minimum issue price, the issue price of the Non-Public Issuance will be determined by a book-building process. The Board and its authorized persons shall after the approval from CSRC is obtained, determine the final issue price in accordance with the authorization of general meeting of the Company, the requirements of relevant laws and regulations and other regulatory documents and the price quoted by investors based on the price priority principle after consultation with the sponsor (lead underwriter) for this issuance.

The net price to the Company of each new A Share to be issued will be determined and disclosed upon completion of the Non-Public Issuance and the determination of relevant expenses incurred or to be incurred in relation to the Non-Public Issuance in accordance with the requirements of the Hong Kong Listing Rules.

As at 8 December 2014 (i.e. the latest trading day preceding the trading suspension of the shares of the Company), the closing price of the A Shares was RMB9.79 per Share.

**(6) Conditions precedent**

The Non-Public Issuance is conditional upon, among other things, (i) the approvals of all resolutions in respect of the Non-Public Issuance by the Shareholders at the extraordinary general meeting, A Shareholders' class meeting and H Shareholders' class meeting respectively as required by the relevant PRC laws and regulations; and (ii) obtaining of the approvals and the authorization from SASAC and CSRC as required under relevant laws, regulations and regulatory documents; Upon satisfaction of the above conditions precedent, the Company will apply for the issuance and listing of the Shares to the Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited and complete all approval procedures for the Non-Public Issuance.

**(7) Lock-up period arrangement**

The Shares subscribed by the specified investors under the Non-Public Issuance shall not be transferred within 12 months from the date of the completion of the issuance.

**(8) Place of listing**

Upon expiration of the lock-up period, the Shares issued under the Non-Public Issuance will be traded on the Shanghai Stock Exchange.

## (9) Use of proceeds

The total proceeds to be raised from the Non-Public Issuance will not exceed RMB9.936 billion, after the deduction of relevant issuance expenses and are proposed to be used in the following projects:

No.	Project Name	Proposed Investment Amount from the Proceeds Raised (RMB'00 million)
1	Chongqing Rail Transit Construction BT Project (Phase II) (重慶市軌道交通環線二期工程BT項目)	25.00
2	Xiaohuilou to New Shijiazhuang section of Phase I BT project of the Rail Transit Line 3 in Shijiazhuang (石家莊市城市軌道交通 3號線一期小灰樓站至石家莊站工程BT項目)	18.00
3	Chengdu Subway Line 10 Construction BT Project (Phase I) (成都市地鐵10號線一期工程BT項目)	16.00
4	Xiajing-Liaocheng section of BOT project of Dezhou-Shangqiu Expressway (德州至商丘高速公路夏津至聊城段BOT項目)	12.00
5	Repayment of bank borrowings and replenishment of liquidity	<u>No more than 28.36</u>
Total	—	<u><u>No more than 99.36</u></u>

If the actual proceeds raised from the Non-Public Issuance are less than the aggregate amount of the proceeds proposed to be invested in the aforementioned projects, the Company will adjust and determine the final specific investment projects, the order of priority and the specific investment amounts of each project based on the net proceeds actually raised and the priority of each project and other conditions, and will make up for the shortfall by utilizing internal capital of the Company or through other financing methods.

Before the actual receipt of the proceeds to be raised from the non-public issuance, the Company will, depending on the actual situations of the progress of the projects, finance these projects by funds raised through other measures, which will be replaced once the proceeds have been received according to procedures required by relevant regulations.

**(10) Accumulated profit distribution of the Company prior to the Non-Public Issuance**

The new and existing Shareholders after the issuance will share the undistributed profits of the Company accumulated prior to the Non-Public Issuance

**(11) Valid period of the resolution regarding the Non-Public Issuance**

The resolution regarding the Non-Public Issuance shall be valid for 12 months from the date of consideration and approval at the 2015 first extraordinary general meeting, the 2015 first A Shareholders' class meeting and the 2015 first H Shareholders' class meeting of the Company.

**(12) Recent fundraising activities**

The Company did not conduct any fundraising activities involving the issuance of equity securities within the 12 months immediately prior to the publication of this announcement.

The Directors are of the opinion that the terms of the Non-Public Issuance (including the issue price) are on normal commercial terms and are fair and reasonable taking into consideration the prevailing market conditions and are in the interests of the Company and Shareholders as a whole.

**Shareholders and potential investors should be aware that the Non-Public Issuance is subject to the conditions precedent set out above, and consequently the Non-Public Issuance may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares.**

## 2. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the information on the Company's shareholding structure as at the date of this announcement and immediately after the completion of the Non-Public Issuance:

As at the date of this announcement

<b>Shareholder</b>	<b>Number of Shares held</b>	<b>Percentage of the total issued share capital of the Company</b>
A Shareholders	10,261,245,500	83.17%
H Shareholders	<u>2,076,296,000</u>	<u>16.83%</u>
Total	<u><u>12,337,541,500</u></u>	<u><u>100%</u></u>

Assuming (1) the A Shares to be issued under this Non-Public Issuance will be not more than 1,380 million Shares; and (2) the Company will not issue any additional Shares from the date of this announcement to the date of completion of the Non-Public Issuance, immediately after the completion of the Non-Public Issuance:

<b>Shareholder</b>	<b>Number of Shares to be held</b>	<b>Percentage of the total issued share capital of the Company</b>
A Shareholders	11,641,245,500	84.86%
H Shareholders	<u>2,076,296,000</u>	<u>15.14%</u>
Total	<u><u>13,717,541,500</u></u>	<u><u>100%</u></u>

### **3. BENEFITS OF AND REASONS FOR THE NON-PUBLIC ISSUANCE**

The funds raised from this Non-Public Issuance are able to replenish the capital strength, improve capital structure and financial condition of the Company, which will thus make the Company better positioned to grasp the historic opportunities arising from the economic growth and industrial structure remodelling to further expand and strengthen its principal businesses, propel management upgrade, operational innovation and technological progress, improve quality and efficiency of development and increase the overall core competitiveness of the Company.

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

According to relevant requirements of Chapter 19A of the Hong Kong Listing Rules, the Company will proceed with the Non-Public Issuance after obtaining approvals from Shareholders at the extraordinary general meeting by way of special resolutions and from A Shareholders and H Shareholders at the respective class meeting convened in compliance with the articles of association of the Company by way of special resolutions.

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### **5. RESUMPTION OF TRADING**

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## 6. GENERAL

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 goods and material trade and other businesses.

## 7. DEFINITIONS

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

“A Share(s)”	domestic share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange;
“A Shareholders”	the holders of A Share(s);
“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;
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會);
“Director(s)”	the director(s) of the Company (including independent non-executive Directors);
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars;

“H Shareholders”	the holders of H Share(s);
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time);
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Non-Public Issuance”	the proposed non-public issuance of not more than 1,380 million A Shares of the Company to not more than 10 target investors;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council(國務院國有資產監督管理委員會) ;
“Share(s)”	the share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, including A Share(s) and H Share(s);
“Shareholder(s)”	the shareholder(s) of the Company, including A Shareholders and H Shareholders; and
“%”	per cent.

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

Beijing, the PRC  
17 December 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. ZHUANG Shangbiao (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).*