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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

CONTINUING CONNECTED TRANSACTIONS

FINANCIAL SERVICES AGREEMENT ENTERED INTO BETWEEN FINANCE COMPANY AND CRCCG

The Board announces that as the Old Financial Services Agreement entered into between Finance Company and CRCCG in 2012 has expired, in order to regulate the continuing connected transactions under such agreement, Finance Company entered into the Financial Services Agreement with CRCCG for a term of three years from 1 January 2016 to 31 December 2018 on 25 January 2016.

As CRCCG is the Controlling Shareholder of the Company, holding approximately 55.73% equity interests in the Company, CRCCG is therefore a connected person of the Company pursuant to the Hong Kong Listing Rules. As at the date of this announcement, Finance Company is a subsidiary of the Company. Accordingly, the transactions between Finance Company and CRCCG under the Financial Services Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

Since the provision of deposit services by Finance Company to CRCCG and its subsidiaries is on normal commercial terms or better and is in the interests of the Group, and is not secured by the assets of the Group, the deposit services under the Financial Services Agreement provided by Finance Company to CRCCG and its subsidiaries are exempted from all reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements pursuant to the stipulations under Rule 14A.90 of the Hong Kong Listing Rules.

The Company expects that during the term of the Financial Services Agreement, the daily loan balance (including accrued interest thereon) in respect of the loan services provided by Finance Company to CRCCG and its subsidiaries will not exceed RMB3 billion. As the highest applicable percentage ratio exceeds 0.1% but is less than 5%, the provision of loan services by Finance Company to CRCCG and its subsidiaries shall be subject to the reporting, announcement and annual review requirements but is exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under the Hong Kong Listing Rules.

The Company expects that during the term of the Financial Services Agreement, the annual service fees charged for the provision of clearing services and other financial services by Finance Company to CRCCG and its subsidiaries on an aggregated basis will not exceed RMB200 million. As the highest applicable percentage ratio exceeds 0.1% but is less than 5%, the provision of clearing services and other financial services by Finance Company to CRCCG and its subsidiaries shall be subject to the reporting, announcement and annual review requirements but is exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under the Hong Kong Listing Rules.

1. BACKGROUND

The Board announces that as the Old Financial Services Agreement entered into between Finance Company and CRCCG in 2012 has expired, in order to regulate the continuing connected transactions under such agreement, Finance Company entered into the Financial Services Agreement with CRCCG for a term of three years from 1 January 2016 to 31 December 2018 on 25 January 2016.

2. FINANCIAL SERVICES AGREEMENT

Main contents of the Financial Services Agreement are summarized as follows:

Date:	25 January 2016
Parties:	CRCCG; and Finance Company
Term:	Three years from 1 January 2016 to 31 December 2018
Principal terms:	Finance Company shall provide CRCCG and its subsidiaries with the following financial services pursuant to the Financial Services Agreement:

(1) Deposit Services

- CRCCG or its subsidiaries shall establish deposit accounts at Finance Company and deposit funds into the deposit accounts established at Finance Company under the principle of free access to these accounts. Deposits can be in the form of current deposits, time deposits, call deposits or agreement deposits, etc.;
- For the deposits of CRCCG and its subsidiaries at Finance Company, the floating range of interest rates shall be subject to the requirements of the interest rates for the same kind of deposits for the same period offered by the People's Bank of China, and shall not be higher than the applicable interest rates offered by major commercial banks in the PRC for the same kind of deposits services for the same period;
- During the valid period of the Financial Services Agreement, the maximum daily balance (including accrued interest thereon) deposited at Finance Company by CRCCG and its subsidiaries shall not exceed RMB30 billion in principle;

- For the funds deposited at Finance Company by CRCCG and its subsidiaries, Finance Company shall develop business such as interbank deposits and lending based on the principles of complying with laws and regulations in a prudent manner. If Finance Company fails to pay the deposits in full to CRCCG or its subsidiaries on schedule, CRCCG shall be entitled to terminate the Financial Services Agreement and make claims in accordance with the laws. If CRCCG or its subsidiaries suffers from economic losses arising from other breaches of contract of Finance Company, Finance Company shall make full compensation, while CRCCG shall be entitled to terminate the Financial Services Agreement.

(2) *Loan Services*

- In compliance with the PRC's relevant laws and regulations, Finance Company shall provide CRCCG and its subsidiaries with loan services according to the needs for operation and development of CRCCG;
- CRCCG and its subsidiaries shall pay loan interests to Finance Company. The loan interest rates shall not be lower than the applicable interest rates offered by major commercial banks in the PRC for the same type of loan services for the same period;
- During the valid period of the Financial Services Agreement, the daily loan balance (including accrued interest thereon) obtained from Finance Company by CRCCG and its subsidiaries shall not exceed RMB3 billion in total;

- If CRCCG and/or its subsidiaries fails to repay the loans in full to Finance Company on schedule, Finance Company shall be entitled to terminate the Financial Services Agreement and offset the loans payable to Finance Company by CRCCG and its relevant subsidiaries with the deposits at Finance Company from CRCCG and such relevant subsidiaries in accordance with the requirements of the PRC's laws.

(3) *Clearing Services*

- Finance Company shall provide CRCCG and its subsidiaries with collection and payment services and other auxiliary services in relation to settlement business as instructed by CRCCG;
- Finance Company shall provide CRCCG and its subsidiaries with the abovementioned clearing services, with the charges not less than the fee scale of normal commercial banks. The limit of the annual service fees shall not exceed RMB100 million;
- Finance Company shall ensure the safety of the funds from CRCCG and its subsidiaries, control its own asset-liability risks, and guarantee the demand of CRCCG and its subsidiaries for their payment of settlement funds.

(4) *Other Financial Services*

- Finance Company shall provide other financial services to CRCCG and its subsidiaries within its scope of operation, according to the demands of CRCCG and its subsidiaries as well as its own conditions and in line with the Financial Services Agreement. Both parties shall separately enter into independent contracts/agreements to stipulate specific terms of the transactions before Finance Company provides CRCCG and its subsidiaries with other financial services. Such specific contracts/agreements shall be in compliance with the principles and terms of the Financial Services Agreement and the requirements of relevant laws;
- The fees charged by Finance Company for the provision of other financial services shall be in compliance with the charging standards for such type of services as stipulated by the People's Bank of China or China Banking Regulatory Commission, and shall not be less than the fee scale for same type of service projects from major financial institutions in the PRC. The limit of the annual service fees shall not exceed RMB100 million.

3. THE HISTORICAL AMOUNTS OF CONTINUING CONNECTED TRANSACTIONS

(1) Loan Services

The Old Financial Services Agreement does not include loan services. According to the information provided by Finance Company, as of the date of this announcement, Finance Company has not provided loan services to CRCCG and its subsidiaries.

(2) Clearing Services

According to the information provided by Finance Company, within the term of the Old Financial Services Agreement and as of the date of this announcement, Finance Company has not provided clearing services to CRCCG and its subsidiaries.

(3) Other Financial Services

According to the information provided by Finance Company, within the term of the Old Financial Services Agreement and as of the date of this announcement, Finance Company has not provided other financial services to CRCCG and its subsidiaries.

4. THE PROPOSED CAPS OF CONTINUING CONNECTED TRANSACTIONS

(1) Loan Services

During the term of the Financial Services Agreement, the daily loan balance (including accrued interest thereon) in respect of the loan services provided by Finance Company to CRCCG and its subsidiaries shall not exceed RMB3 billion. In determination of the cap, the Board has taken into account the capital needs of CRCCG for its business, and that the credit scale of Finance Company is relatively adequate.

(2) Clearing Services

The cap of the annual service fees shall not exceed RMB100 million for the provision of clearing services for CRCCG and its subsidiaries by Finance Company per year. In determination of the cap, the Board has taken into account the amount of clearing services needed by CRCCG, and that Finance Company will be able to satisfy such needs on clearing services.

(3) Other Financial Services

The cap of the annual service fees shall not exceed RMB100 million for the provision of other financial services by Finance Company. In determination of the cap, the Board has taken into account CRCCG's needs for other financial services in the next three years, and that Finance Company has the qualifications and capabilities to provide various financial services.

5. REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCIAL SERVICES AGREEMENT

Finance Company's entering into the Financial Services Agreement CRCCG and providing the financial services thereunder to CRCCG and its subsidiaries will facilitate the Company to utilize part of CRCCG's available funds to enhance its capital utilization efficiency and to achieve economic benefits from the net interests and service fees received through Finance Company, which in line with the needs of operation and development of the Company.

The Directors, including the independent non-executive Directors, are of the view that the aforesaid Financial Services Agreement has been entered into after arm's length negotiation and on normal commercial terms, and the terms of the transactions under such agreement and the relevant caps are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

6. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As CRCCG is the Controlling Shareholder of the Company, holding approximately 55.73% equity interests in the Company, CRCCG is therefore a connected person of the Company pursuant to the Hong Kong Listing Rules. As at the date of this announcement, Finance Company is a subsidiary of the Company. Accordingly, the transactions between Finance Company and CRCCG under the Financial Services Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

Since the provision of deposit services by Finance Company to CRCCG and its subsidiaries is on normal commercial terms or better and is in the interests of the Group, and is not secured by the assets of the Group, the deposit services under the Financial Services Agreement provided by Finance Company to CRCCG and its subsidiaries are exempted from all reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements pursuant to the stipulations under Rule 14A.90 of the Hong Kong Listing Rules.

The Company expects that during the term of the Financial Services Agreement, the daily loan balance (including accrued interest thereon) in respect of the loan services provided by Finance Company to CRCCG and its subsidiaries will not exceed RMB3 billion. As the highest applicable percentage ratio exceeds 0.1% but is less than 5%, the provision of loan services by Finance Company to CRCCG and its subsidiaries shall be subject to the reporting, announcement and annual review requirements but is exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under the Hong Kong Listing Rules.

The Company expects that during the term of the Financial Services Agreement, the annual service fees charged for the provision of clearing services and other financial services by Finance Company to CRCCG and its subsidiaries on an aggregated basis will not exceed RMB200 million. As the highest applicable percentage ratio exceeds 0.1% but is less than 5%, the provision of clearing services and other financial services by Finance Company to CRCCG and its subsidiaries shall be subject to the reporting, announcement and annual review requirements but is exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under the Hong Kong Listing Rules.

As Mr. Meng Fengchao, Mr. Qi Xiaofei and Mr. Zhuang Shangbiao, the Directors of the Company, are holding positions in CRCCG concurrently, they have abstained from voting on the Board resolution approving the Financial Services Agreement and relevant annual caps. Save as the aforementioned, none of the Directors has had material interest in the said continuing connected transactions and therefore none of other Directors has abstained from voting on such Board resolution.

7. INFORMATION ON PARTIES TO THE RELEVANT TRANSACTIONS

CRCCG is the Controlling Shareholder of the Company, holding approximately 55.73% 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 state-owned asset supervision; management, operation and disposal of unlisted assets; construction, operation and management of concession investment projects; publishing and issuance of *China Railway Construction News*.

Finance Company is a non-wholly owned subsidiary of the Company. As at the date of this announcement, the Company holds 94% equity interests in Finance Company. Finance Company is mainly engaged in financial management and financing advisory, credit verification, relevant consulting services and agency businesses for members of the Group; support in the settlement and receipt of transaction payments for members of the Group; authorized insurance agency businesses; provision of guarantees for members of the Group; entrusted loans between members of the Group; bill acceptance and discount for members of the Group; clearing for internal transfers of funds between members of the Group and relevant settlement and clearing services as well as the formulation of settlement and clearing schemes; deposit-taking services for members of the Group; provision of loans and finance lease for members of the Group; interbank lending; investment in marketable securities (excluding investment in shares); entrusted investments; buyer's credits; corporate bonds; investment in the equity interests of financial institutions.

8. DEFINITIONS

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

“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 Corporation (中國鐵道建築總公司), the Controlling Shareholder of the Company as at the date of this announcement
“Directors”	the directors of the Company (including the independent non-executive Directors)
“Finance Company”	CRCC Finance Company Limited, a non-wholly owned subsidiary of the Company as at the date of this announcement
“Financial Services Agreement”	the financial services agreement entered into between Finance Company and CRCCG on 25 January 2016 for a term of three years from 1 January 2016 to 31 December 2018
“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
“Old Financial Services Agreement”	the financial services agreement entered into between Finance Company and CRCCG on 7 August 2012
“PRC”	the People’s Republic of China
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shareholder(s)”	the shareholders of the Company
“%”	per cent.

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

Beijing, the PRC
26 January 2016

As at the date of this announcement, the Board comprises Mr. MENG Fengchao (Chairman and Executive Director), Mr. QI Xiaofei (Vice Chairman and Executive Director), Mr. ZHUANG Shangbiao (President and 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).