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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Railway Construction Corporation Limited** (the “Company”), you should at once hand this circular together with the enclosed proxy form and reply slip to the purchaser or transferee or to the bank, or a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**THE PROPOSED SPIN-OFF AND LISTING OF CRCHI ON
THE SCIENCE AND TECHNOLOGY INNOVATION BOARD
OF SHANGHAI STOCK EXCHANGE;
AND
NOTICE OF EGM**

A notice convening the 2020 second extraordinary general meeting (the “EGM”) to be held at the CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing, the People's Republic of China at 9 a.m. on Tuesday, 28 April 2020 is set out in this circular from page 21 to page 23.

A reply slip and a proxy form to be used at the EGM are enclosed and are also published on the website of the Hong Kong Stock Exchange (www.hkex.com.hk). If you are eligible and intend to attend the EGM, please complete and return the enclosed reply slip in accordance with the instructions printed thereon on or before Thursday, 23 April 2020. Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the EGM or any adjournment thereof and voting in person if you so wish.

8 April 2020

CONTENTS

	<i>Page</i>
Definitions	ii
Letter from the Board	1
1. Proposal in relation to the Initial Public Offering and Listing of China Railway Construction Heavy Industry Corporation Limited* on the Science and Technology Innovation Board of Shanghai Stock Exchange	2
2. Proposal in relation to the Spin-off and Listing of the Subsidiary of the Company Continuously in Compliance with the Relevant Conditions under Certain Provisions on Pilot Domestic Listing of Spin-off Subsidiaries of Listed Companies	5
3. Proposal in relation to the Spin-off of China Railway Construction Heavy Industry Corporation Limited* on the Science and Technology Innovation Board which Benefits the Safeguarding of Legal Rights and Interests of Shareholders and Creditors	12
4. Proposal in relation to the Ability to Maintain Independence and Sustainable Operation Ability of the Company.	13
5. Proposal in relation to the Corresponding Standardized Operation Ability of China Railway Construction Heavy Industry Corporation Limited*	14
6. Proposal in relation to the Spin-off and Listing of Subsidiary on the Science and Technology Innovation Board in Compliance with Relevant Laws and Regulations ..	15
7. Proposal in relation to the Explanation of the Completeness and Compliance of Statutory Procedures and the Validity of the Legal Documents Submitted in the Spin-off	15
8. Proposal in relation to the Objective, Business Reasonableness, Necessity and Feasibility of the Spin-off.	16
9. Proposal in relation to the Consideration and Approval of the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited* (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised).	17
10. Proposal in relation to the Authorisation to the Board and Its Authorised Persons to Deal with Matters relating to the Listing of CRCHI on the Science and Technology Innovation Board at Their Full Discretion	18
11. EGM.	19
12. Recommendation	20
Notice of EGM	21

DEFINITIONS

In this circular, unless the context requires otherwise, the following terms have the following meanings:

“Articles of Association”	means the Articles of Association of China Railway Construction Corporation Limited
“A Share(s)”	means the domestically-listed 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 Shareholder(s)”	means holder(s) of A Share(s)
“Board”	means the board of directors of the Company
“CRCHI”	means China Railway Construction Heavy Industry Corporation Limited* (中國鐵建重工集團股份有限公司)
“Company” or “CRCC”	means China Railway Construction Corporation Limited, a joint stock 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”	means China Securities Regulatory Commission
“Director(s)”	means the director(s) of the Company
“EGM”	means the 2020 second extraordinary general meeting of the Company to be held at the CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing, the PRC at 9 a.m. on Tuesday, 28 April 2020
“H Share(s)”	means the overseas-listed foreign invested 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 are traded in Hong Kong dollars
“H Shareholder(s)”	means holder(s) of H Share(s)
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“PRC”	means the People’s Republic of China which, for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
“RMB”	means Renminbi, the lawful currency of the PRC
“SASAC”	means State-owned Assets Supervision and Administration Commission of the State Council
“SSE”	means the Shanghai Stock Exchange
“Share(s)”	means the share(s) of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	means the registered holder(s) of the shares of the company
“%”	means percentage



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)

Directors :

Mr. CHEN Fenjian (*Chairman and Executive Director*)
Mr. ZHUANG Shangbiao (*President and Executive Director*)
Mr. CHEN Dayang (*Executive Director*)
Mr. LIU Ruchen (*Executive Director*)
Mr. WANG Huacheng (*Independent Non-executive Director*)
Mr. Patrick SUN (*Independent Non-executive Director*)
Mr. CHENG Wen (*Independent Non-executive Director*)
Ms. Amanda Xiao Qiang LU (*Independent Non-executive Director*)

Registered office:

East, No. 40 Fuxing Road
Haidian District, Beijing,
the PRC

Principal place of business in Hong Kong:

23/F, Railway Plaza
39 Chatham Road South
Tsim Sha Tsui, Kowloon
Hong Kong

8 April 2020

To H Shareholders

Dear Sir or Madam,

**THE PROPOSED SPIN-OFF AND LISTING OF CRCHI
ON THE SCIENCE AND TECHNOLOGY INNOVATION BOARD
OF SHANGHAI STOCK EXCHANGE;
AND
NOTICE OF EGM**

INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM and certain information regarding the resolutions to be proposed at the EGM so that you may make informed voting decisions of such resolutions.

LETTER FROM THE BOARD

I. Proposal in relation to the Initial Public Offering and Listing of China Railway Construction Heavy Industry Corporation Limited* on the Science and Technology Innovation Board of Shanghai Stock Exchange

In order to thoroughly implement the spirit of the 19th National Congress of the Communist Party of China, and in accordance with the requirements of the SASAC of the State Council on reform and development of state-owned enterprises, implementing strategic deployment of the Company, promoting the leap-forward development of CRCHI, making the equipment manufacturing segment of the Company bigger and stronger, achieving the business concentration, the improvement of science and technology innovation ability and specialized operating level of the Company, CRCHI (a subsidiary of the Company) proposed a public offering of RMB ordinary share (A share) (the “**Issuance**”) and listing on the Science and Technology Innovation Board of SSE.

1. Objective, business reasonableness and necessity of the spin-off and listing

The spin-off and listing of CRCHI by the Company contributes to promoting its leap-forward development, making the equipment manufacturing segment of the Company bigger and stronger and further achieving the business concentration, the improvement of science and technology innovation ability and specialized operating level of the Company.

CRCHI is a subsidiary of the Company and mainly engaged in the design, research and development, manufacturing and sale of tunneling machine equipment, rail transit equipment and special professional equipment and has achieved highly market-oriented and professional operating by focusing on product research and development and leveraging on automatic and intelligent technology to constantly enrich its product category, optimize and upgrade its product capability and enhance its research and development ability and market competitiveness. As a result, the spin-off and listing of CRCHI provides a relatively strong business reasonableness.

As a subsidiary of the Company engaging specially in high-end equipment manufacturing, CRCHI keeps high business independency from other business sectors of the Company. As a leading enterprise in domestic high-end equipment manufacturing, the listing of CRCHI contributes to its continuous enhancement of production and R&D ability, the improvement of technology and innovation ability, the retention and attraction of excellent talents to satisfy the future strategic layout and development. As a result, it is necessary for the Company to spin off CRCHI to the Science and Technology Innovation Board of SSE to further consolidate the core competitiveness of CRCHI in high-end equipment manufacturing area and promote the sustainable development of the Company.

LETTER FROM THE BOARD

2. *The proposal of issuance*

The proposal of issuance is preliminarily determined as:

- (1) Place of listing: The Science and Technology Innovation Board of SSE
- (2) Type of shares to be issued: The domestic listed RMB ordinary share (A share).
- (3) Par value of shares: RMB1.00.
- (4) Target subscribers: Price inquiry parties pursuant to the related qualification requirements of the regulatory authorities such as CSRC, natural persons, legal persons and other institutional investors who have opened securities account for A shares on the SSE (except for persons prohibited by laws, rules, regulations and regulatory documents of the PRC).
- (5) Time of issuance and listing: CRCHI will choose an appropriate time for issuance after the approval of SSE and the registration at CSRC and the specific time of issuance will be determined by the board of directors of CRCHI authorized by the general meeting of CRCHI after the approval of SSE and the registration at CSRC.
- (6) Method of issuance: By a combination of offline placing and online capital subscription or other issuance methods as recognized by CSRC and SSE.
- (7) Size of issuance: The percentage of the number of shares to be issued will not exceed 25% (before exercising the over-allotment option and the number after registration approval by related securities regulatory authorities prevails) of the total share capital after issuance of CRCHI. The shareholders of CRCHI have no acts of public offering in the Issuance. CRCHI can negotiate with the main underwriter(s) to adopt the over-allotment option, while the number of shares to be issued on adoption of the over-allotment option shall not exceed 15% of the number of shares of the public offering. The final number of the issuance will be negotiated and determined together by the board of CRCHI authorised by the general meeting of CRCHI and the main underwriter(s) in accordance with the requirements of regulatory authorities, specific conditions of securities market and the capital demand of the fund raising project.

LETTER FROM THE BOARD

- (8) Method of pricing: The issuance price of shares will be determined by inquiring price from professional institutional investors such as securities company, fund management company, trust fund company, finance company, insurance company, qualified overseas investors and manager of privately raised fund, who have registered through China Securities Association. The issuer and the main underwriter(s) can determine the issuance price through preliminary price inquiry or the accumulated tender price inquiry after determining the range of issuance price through preliminary price inquiry.
- (9) Implementation of strategic allotment when issuance takes place: The Issuance and listing adopt strategic allotment, and the total of shares obtained by the strategic investors does not exceed 30% of the shares of the Issuance and listing (excluding the shares issued by exercising the over-allotment option), the object of strategic allotment including, but not limited to, securities investment funds which is established in accordance with the law and subject to the specific investment purpose, the subsidiaries of the sponsor of the issuer, which are established in accordance with the law, or other related subsidiaries lawfully established by the securities company which actually control the sponsor, the special asset management plan which is set up by the senior management personnel and the core employees of the issuer in accordance with the law.
- (10) The use of proceeds of the Issuance: according to the actual situation of CRCHI, the proceeds from the Issuance, after deducting the expenses of issuance, will be used for investment in research and development and application projects, production base construction projects and replenishment of working capital (the “**Proceeds Investment Projects**”). Based on the implementation of the listing plan, market conditions, policy adjustment and regulatory authorities’ opinions, CRCHI may make specific adjustments to the Proceeds Investment Projects.
- (11) Method of underwriting: standby commitment.

As the abovementioned issuance plan is a preliminary plan, which is subject to the issuance review of SSE and submission to CSRC to implement issuance registration procedures. In order to ensure smooth progress of the related listing work of CRCHI, the general meeting of the Company is proposed to authorise the Board and its authorised persons to determine or adjust the issuance plan of listing of CRCHI.

LETTER FROM THE BOARD

II. Proposal in relation to the Spin-off and Listing of the Subsidiary of the Company Continuously in Compliance with the Relevant Conditions under Certain Provisions on Pilot Domestic Listing of Spin-off Subsidiaries of Listed Companies

Pursuant to the Certain Provisions on Pilot Domestic Listing of Spin-off Subsidiaries of Listed Companies (the “**Provisions on Spin-off and Listing**”), the spin-off of CRCHI, the subsidiary of the Company, on the Science and Technology Innovation Board of SSE continues to comply with the relevant requirements of domestic listing of spin-off subsidiaries of the listed companies in relation to Provisions on Spin-off and Listing and has the feasibility of the domestic spin-off listing, the details are as follows:

1. The listed company has been listed for 3 years in Mainland China.

The Company’s shares were listed on the Main Board of the SSE in 2008, which complies with the provision of “having been listed in Mainland China for 3 years”.

- 2.** The listed company has been profitable within the latest three fiscal years consecutively, and the net profit attributable to the shareholders of the listed company shall not be less than RMB600 million (net profit shall be calculated at the lower value before and after deducting the non-recurring profit and loss) after deducting the net profit of the subsidiaries that is to be deducted according to its equity within the latest three fiscal years.

Pursuant to the the audit reports (De Shi Bao (Shen) Zi (18) No. P01866), (De Shi Bao (Shen) Zi (19) No. P01768) and (De Shi Bao (Shen) Zi (20) No. P00841) issued by Deloitte Touche Tohmatsu CPA LLP (“**Deloitte**”) for the Company, the net profit (net profit shall be calculated at the lower value before and after deducting the non-recurring profit and loss) attributable to shareholders of the listed company as realized by the Company for 2017, 2018 and 2019 amounted to approximately RMB14.771 billion, RMB16.695 billion and RMB18.315 billion, respectively, which complies with the provision of “profitable in the latest three fiscal years consecutively”.

The net profit of CRCC attributable to the shareholders of the listed company was not less than RMB600 million (net profit shall be calculated at the lower value before and after deducting the non-recurring profit and loss) after deducting the net profit of CRCHI according to its equity within the latest three fiscal years.

- 3.** The net profit of the spun-off 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 spun-off 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 asset in the consolidated statements of the listed company.

LETTER FROM THE BOARD

The net profit of CRCHI that the Company is entitled to according to the owner's equity in the consolidated statements for the latest fiscal year did not exceed 50% of the net profit attributable to the shareholders of the Company in the consolidated statements.

The net asset of CRCHI that the Company is entitled to according to the owner's equity in the consolidated statements for the latest fiscal year did not exceed 30% of the net asset attributable to the shareholders of the Company in the consolidated statements.

4. The funds or assets of the listed company are not in the possession of the controlling shareholders, actual controllers and their related parties over the listed company, and there are no major related-party transactions that would prejudice the interests of the listed company. The listed company and its controlling shareholders, actual controllers have not received any administrative penalty from the CSRC in the past 36 months. The listed company and its controlling shareholders and actual controllers have not been publicly reprimanded by the stock exchanges in the last 12 months. The latest financial and accounting reports of the listed company for the past one year and one period were issued by certified public accountants without reservation.

The funds or assets of the Company are not in the possession of the controlling shareholders, actual controllers and their related parties over the Company, and there are no major related party transactions that would prejudice the interests of the Company.

The Company and its controlling shareholders, actual controllers have not received any administrative penalty from the CSRC in the past 36 months. The Company and its controlling shareholders, actual controllers have not been publicly reprimanded by the stock exchange in the last 12 months.

The audit reports (De Shi Bao (Shen) Zi (20) No. P00841) issued by Deloitte for the Company are standard unqualified audit reports.

5. The businesses and assets in which the listed company has invested with the proceeds from its issuance of shares and fund raisings within the latest three fiscal years shall not be used as principal business and assets of the proposed spin-off subsidiaries, excluding where the total amount of the proceeds utilized by the proposed spin-off subsidiaries does not exceed 10% of its net assets within the latest three fiscal years. The businesses and assets which were purchased through material asset re-organization within the latest three fiscal years shall not be used as principal business and assets of the proposed spun-off subsidiaries. Subsidiaries which are primarily engaged in financial business shall not be spun off by the listed company.

LETTER FROM THE BOARD

The Company did not use businesses and assets which were invested with the proceeds from issuance of shares and fund raisings within the latest three fiscal years and businesses and assets which were purchased through material asset re-organization within the latest three fiscal years as principal business and assets of CRCHI.

CRCHI is primarily engaged in design, research and development, manufacture and sale of tunneling machine equipment, rail transit equipment and special professional equipment and is not a company which primarily engaged in financial business.

6. The shares of the proposed spun-off subsidiary held by directors, senior management personnel and related parties of the listed company shall not exceed 10% of the total share capital of the subsidiary before listing. The shares of the proposed spun-off subsidiary held by directors, senior management personnel and related parties of the proposed spin-off subsidiary shall not exceed 30% of the total share capital of the subsidiary before listing.

The shareholders of CRCHI are CRCC and China Civil Engineering Construction Corporation* (中國土木工程集團有限公司), and there are no instances where the directors, senior management personnel and their related parties of the Company or CRCHI held shares in CRCHI.

7. Listed company shall fully disclose and explain: The spin-off will help the listed company to highlight its principal businesses and enhance its independence. After the spin-off, both the listed company and the proposed spin-off subsidiary are in compliance with the regulatory requirements for horizontal competition and related party transactions of the CSRC and the stock exchange, and are independent from each other in terms of assets, financial affairs and institutions. There is no cross appointment among senior management and financial personnel. There are no other serious deficiencies in terms of independence.
 - (1) The spin-off will help the listed company to highlight its principal businesses and enhance its independence.

The principal businesses of the Company are construction, survey, design and consultancy, manufacturing, logistics and material trade. The principal businesses of CRCHI are the design, research and development, manufacturing and sale of tunneling machine equipment, rail transit equipment and special professional equipment. After the spin-off, the Company and its other subsidiaries (except CRCHI) will continue to focus on the development of businesses other than the design, research and development, manufacturing and sale of tunneling machine equipment, rail transit equipment and special professional equipment, highlighting the principal business advantages of the Company in construction, survey, design and consultancy and other aspects, and further enhance independence of the Company.

LETTER FROM THE BOARD

(2) After the spin-off, both the listed company and the proposed spun-off subsidiary are in compliance with the regulatory requirements for horizontal competition and related-party transactions of the CSRC and the stock exchange.

(i) Horizontal competition

The principal businesses of CRCHI are the design, research and development, manufacturing and sale of tunneling machine equipment, rail transit equipment and special professional equipment. The principal businesses of the Company are construction, survey, design and consultancy, manufacturing, logistics and material trading, among which, the main entities engaged in manufacturing are CRCHI and CRCC High-Tech Equipment Corporation Limited (“**CRCCE**”), CRCCE is principally engaged in the business of large track maintenance machinery. Therefore, the principal businesses of the Company (except CRCHI) is different from that of CRCHI.

Currently, Zhuzhou China Railway Electric Materials Co., Ltd.* (株洲中鐵電氣物資有限公司) (“**Electric Materials Company**”), a wholly-owned subsidiary of CRCHI, produces a small number of catenary wire posts, which accounted for a relatively low proportion of the revenue of CRCHI at less than 2%. CRCC Electrification Bureau Group Rail Transit Equipment Co., Ltd.* (中鐵建電氣化局集團軌道交通器材有限公司) (a subsidiary consolidated into the Company’s financial statements) also produces catenary wire posts. Relevant business contracts that the Electric Materials Company is still performing are signed through the bidding process. If Electric Materials Company immediately ceases to manufacture the catenary wire posts, it will cause default and bear the liability for breach of contract, resulting in the losses suffered by Electric Materials Company, which is not conducive to the maintenance of the market reputation of the Company and the interests of minority shareholders of the Company.

In view of the above-mentioned, CRCHI has given its written undertaking as follows: “the company will exercise from the date of this undertaking, the relevant rights as the shareholder of Zhuzhou China Railway Electric Materials Co., Ltd.* (株洲中鐵電氣物資有限公司) (“**Electric Materials Company**”), to procure and ensure that Electric Materials Company performs its obligations as follows: 1) Electric Materials Company will not enter into any new sales contract and will not approach new business opportunities with regard to catenary wire posts; 2) Electric Materials Company will only engage in businesses in relation to catenary wire posts for the purposes of fulfilling relevant existing valid contracts, and will not engage in any manufacturing activities in that regard; 3) Electric Materials Company will cease all manufacturing projects of catenary wire posts and will no longer engage in

LETTER FROM THE BOARD

businesses in competition with China Railway Construction Corporation Limited and its controlled enterprises (save for China Railway Construction Heavy Industry Corporation Limited and its subsidiaries) such as catenary wire posts, upon the completion of all existing valid contracts in relation to catenary wire posts.”

In respect of the Issuance by CRCHI, the Company has given its undertaking as follows:

The Company undertakes to deploy China Railway Construction Heavy Industry Corporation Limited* (hereinafter referred to as “**CRCHI**”, including its branches and controlling subsidiaries) as the sole platform of the Company and the enterprises controlled by the Company, which engages in the design, research and development, manufacturing, sales as well as maintenance and repair of tunneling machine equipment, rail transit equipment and special professional equipment.

Both China Railway Construction Electrification Bureau Group Rail Transportation Equipment Co., Ltd.* (中鐵建電氣化局集團軌道交通器材有限公司) (a subsidiary consolidated into the Company’s financial statements) and Zhuzhou China Railway Electric Materials Co., Ltd.* (株洲中鐵電氣物資有限公司) (“**Electric Materials Company**”), a wholly-owned subsidiary of CRCHI, engage in the manufacturing of catenary wire posts. CRCHI has undertaken to exercise the relevant rights as a shareholder of Electric Materials Company, which include procuring and ensuring that Electric Materials Company will not enter into any new sales contracts and will not open up new business opportunities both with regard to catenary wire posts. Save as the above-mentioned, as of the date of this letter of undertaking, there are no businesses of the Company and the enterprises controlled by the Company (excluding CRCHI) that competes with those of CRCHI.

Save for the above-mentioned, the Company undertakes to make every reasonable effort to ensure the enterprises controlled by the Company (excluding CRCHI) are not engaged in businesses that competes with those of CRCHI. The Company will supervise and restrict the operating activities of the controlled enterprises. If, upon the listing, the businesses of the enterprises controlled by the Company (excluding CRCHI) appear to be in competition (apart from current businesses already in competition) with those of CRCHI, the Company undertakes to notify CRCHI immediately upon being informed of the relevant circumstances, and subject to the compliance with relevant laws and regulations, listing rules of the relevant stock exchange where the Company’s shares are listed, other requirements of competent regulatory authorities, the non-competition undertakings and the legal interests of the interested parties that have been made by the Company to CRCC High-tech Equipment

LETTER FROM THE BOARD

Corporation Limited, the Company also undertakes to make every reasonable effort to implement the following measures to address the competition referred to in this section: ① the Company will place down the equity interests it holds in its controlled enterprises until it ceases to control any, or the Company will transfer all of the relevant assets and businesses of its controlled enterprises when necessary; ② CRCHI may acquire the equity interests of the enterprises controlled by the Company or the relevant assets and businesses held by its controlled enterprises on such terms and conditions as are reasonable and fair when necessary; ③ the interests of CRCHI shall be given priority when there is conflict of interest arising from competition between the enterprises controlled by the Company and CRCHI; and/or ④ other measures conducive to avoiding and resolving horizontal competition amongst peers.

The Company undertakes not to take advantage of its position as the controlling shareholder of CRCHI and undermine the lawful interests of CRCHI and other shareholders, in particular, the minority shareholders.

In conclusion, in view of: 1) the principal businesses of the Company (except CRCHI) differ from those of CRCHI; 2) the catenary wire posts business accounts for a relatively small of the revenue of CRCHI, CRCHI has undertaken to procure and ensure that Electric Materials Company will not enter into any new sales contracts of catenary wire posts and will not open up new business opportunities in the same regard; 3) the Company, with respect to the spin-off, has made the relevant undertaking to avoid horizontal competition with CRCHI. Therefore, there is no material horizontal competition between the Company and CRCHI after the spin-off, and both the Company and CRCHI are in compliance with the regulatory requirements of the CSRC and the stock exchange on horizontal competition.

(ii) Related-Party Transaction

There is no obviously unfair related-party transaction between the Company and CRCHI. Upon completion of the spin-off, the Company will guarantee the compliance, reasonableness and fairness of the related party transaction taken place and will ensure the Company's independence, and also refrain from taking advantage of the related party transaction to adjust financial indicators and undermine the interests of the Company.

Subsequent to the spin-off, CRCHI will guarantee the compliance, reasonableness and fairness of the related party transaction taken place and will ensure the independence of CRCHI, and also refrain from taking advantage of the related party transaction to adjust financial indicators and undermine the interests of CRCHI.

LETTER FROM THE BOARD

Therefore, both the Company and CRCHI have complied with the regulatory requirements of the CSRC and the stock exchange in relation to the related party transaction after the spin-off.

- (3) The listed company is independent of the proposed spun-off subsidiary with regard to the assets, financial and institutional aspects.

The Company and CRCHI have their own independent and complete operational assets with clear ownership; an independent finance department and a system of financial management have been established and independent registration, accounts preparation, auditing and management have been conducted on all of their assets, and the structural organizations of CRCHI are independent of its controlling shareholders and other related parties; both the Company and CRCHI have their respective comprehensive utility departments and internal operation and management organizations, such organizations exercise their functions and rights independently, and there is no convolution between CRCHI and the Company or other enterprises controlled by the Company. There is neither circumstances in which the Company occupies or controls the assets of CRCHI nor the Company intervenes CRCHI's operation and management of its assets. There is also no convolution between the organizations. The Company and CRCHI will maintain asset, financial and institutional independence.

- (4) There is no cross appointment among senior management and financial personnel.

CRCHI employs its own independent senior management and financial personnel, they do not hold overlapping positions with the senior management and financial personnel of the Company.

- (5) There are no other serious deficiencies in terms of independence.

The assets of the Company and CRCHI are mutually independent and complete and remain independent in terms of financial, institutional, personnel and business aspects. Each of them has its own comprehensive market-oriented business structure and capability to operate independently, and there are no other serious deficiencies in terms of independence.

In conclusion, the listing of CRCHI, a subsidiary of the Company, on the Science and Technology Innovation Board continuously complies with the relevant requirements of the Provisions on Spin-off and Listing, the spin-off is henceforth feasible.

LETTER FROM THE BOARD

III. Proposal in relation to the Spin-off of China Railway Construction Heavy Industry Corporation Limited* on the Science and Technology Innovation Board which Benefits the Safeguarding of Legal Rights and Interests of Shareholders and Creditors

Given that the Company intended to spin off CRCHI on the Science and Technology Innovation Board, CRCHI is expected to further accelerate its development and innovation after the completion of the spin-off and, from the perspective of performance growth, its growth will be reflected in the overall performance of the Company to further improve the profitability and stability of the Company. From the perspective of value realization, the spin-off of CRCHI will make full use of its intrinsic value. The value of the equity interest in CRCHI held by the Company will be further enhanced and the liquidity will be improved significantly. From the perspective of structural optimization, the spin-off of CRCHI will result in further expansion of financing channels, improve the overall financing efficiency of the Company, lower the overall asset-liability ratio and enhance the comprehensive strength of listed companies. In view of this, the Company's proposed spin-off of CRCHI on the Science and Technology Innovation Board will have a positive impact on the interests of the Company's shareholders, in particular the minority shareholders, creditors and other stakeholders.

In conclusion, the spin-off and listing of CRCHI benefits the safeguarding of legal rights and interests of shareholders and creditors of the Company.

LETTER FROM THE BOARD

IV. Proposal in relation to the Ability to Maintain Independence and Sustainable Operation Ability of the Company

As the Company and CRCHI will continue to be independent of each other in the aspects of staff, asset, finance, institution, business and others, and they are able to audit and undertake liabilities and risks independently, the listing of CRCHI will have no adverse impact on the independent operation of other business sectors of the Company, neither will it affect the Company in maintaining its independence, which is in compliance with applicable laws, regulations, rules, regulatory documents as well as the requirements prescribed in the Provisions on Spin-off and Listing. The Company will, according to the requirements prescribed in the Provisions on Spin-off and Listing, engage independent financial advisors, law firms with sponsoring institution qualification and accountants with securities business qualification and other securities service institutions to provide advice in relation to this spin-off. Meanwhile, independent financial advisors will also undertake the followings, including but not limited to: conduct due diligence, prudent review, issue inspection opinions and make an announcement on matters such as the compliance of the Company's spin-off with the Provisions on Spin-off and Listing; during the remaining time of the year in which CRCHI is listed on the Science and Technology Innovation Board and the following complete fiscal year, continue to supervise the listed companies to maintain the independent listing status, continue to pay attention to the independent operation, sustainable operation ability of the core assets and business of the listed companies and so on.

As each business of the Company is keeping strong momentum at present, and CRCHI keeps high business independency from the other business sectors of the Company, the listing of CRCHI will not have any substantial impact on the sustainable operation of the other business sectors of the Company. In addition, CRCHI is expected to further accelerate its development and innovation after the completion of the spin-off and its growth will be reflected in the overall performance of the Company to further improve the profitability and stability of the Company. Meanwhile, the spin-off of CRCHI will result in further expansion of financing channels, improve the overall financing efficiency of the Company, lower the overall asset-liability ratio and enhance the comprehensive strength of listed companies.

In conclusion, after the listing of CRCHI, the Company is able to maintain its independence and sustainable operation ability.

LETTER FROM THE BOARD

V. Proposal in relation to the Corresponding Standardized Operation Ability of China Railway Construction Heavy Industry Corporation Limited*

Given that:

1. CRCHI has established the general meeting, the board, the supervisory committee, and four special committees of the board, including the Audit Committee, Nomination Committee, Remuneration and Evaluation Committee and Strategy Committee, and engaged general manager, deputy general manager, secretary to the board and other senior management in accordance with the Company Law and the requirement of the current Articles of Association. It has sound organization structure. Each department and staff have clear assignment of responsibility with standardized operation system;
2. The Rules of Procedures for General Meetings of China Railway Construction Heavy Industry Corporation Limited*, the Rules of Procedures for Meetings of the Board of Directors of China Railway Construction Heavy Industry Corporation Limited* and the Rules of Procedures for Meetings of the Supervisory Committee of China Railway Construction Heavy Industry Corporation Limited* have been considered and approved by CRCHI at the establishment ceremony as well as the first general meeting, such rules of procedure comply with the requirements of the relevant laws and regulations on standardized operation of CRCHI;
3. Pursuant to such provisions of the relevant laws, regulations and regulatory documents such as the Rules of Procedure for General Meetings of Listed Companies, the Guidelines for Corporate Governance of Listed Companies and the Listing Rules of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange, CRCHI has formulated the Articles of Association of China Railway Construction Heavy Industry Corporation Limited* (draft), the Rules of Procedures for General Meetings of China Railway Construction Heavy Industry Corporation Limited* (draft), the Rules of Procedures for Meetings of the Board of Directors of China Railway Construction Heavy Industry Corporation Limited* (draft), the Rules of Procedures for Meetings of the Board of Supervisors of China Railway Construction Heavy Industry Corporation Limited* (draft) and other relevant systems to be considered and approved at the general meeting of CRCHI and to be implemented upon its listing;
4. The convening, voting procedures and resolutions of the general meetings, meetings of the board of directors and meetings of the supervisory committee of CRCHI since the date of conversion into a joint stock company with limited liability were in compliance with the then applicable laws, regulations and the Articles of Association of CRCHI, and were legal, in compliance, true and effective.

LETTER FROM THE BOARD

In conclusion, CRCHI has the corresponding standardized operation ability.

VI. Proposal in relation to the Spin-off and Listing of Subsidiary on the Science and Technology Innovation Board in Compliance with Relevant Laws and Regulations

The Company proposed the spin off and listing of CRCHI, a subsidiary of the Company, on the Science and Technology Innovation Board of the Shanghai Stock Exchange. According to the laws and regulations such as the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China (the “**Securities Law**”), the Provisions on Spin-off and Listing, and regulatory documents and upon careful self-examination and demonstration to the actual situation of the Company and related matters conducted by the Board, it is believed that the spin-off and listing was in compliance with relevant laws and regulations.

VII. Proposal in relation to the Explanation of the Completeness and Compliance of Statutory Procedures and the Validity of the Legal Documents Submitted in the Spin-off

In accordance with the provisions of laws and regulations such as the Company Law, the Securities Law and the Provisions on Spin-off and Listing, as well as regulatory documents, and the Articles of Association, the Board has carefully reviewed the completeness and compliance of the statutory procedures and the validity of the legal documents submitted by the Company. Explanations are as follow:

The Company has fulfilled the necessary statutory procedures at this stage on matters related to the spin-off in accordance with the provisions of laws and regulations such as the Company Law, the Securities Law and the Provisions on Spin-off and Listing, as well as regulatory documents, and the Articles of Association. The statutory procedures performed in the spin-off were complete and in compliance with the provisions of relevant laws, regulations and regulatory documents and the Articles of Association. The legal documents submitted to the Shanghai Stock Exchange were legal and valid.

LETTER FROM THE BOARD

According to the relevant laws, regulations and regulatory documents, the Board and all directors made the following statements and guarantees regarding the relevant legal documents to be submitted for the spin-off: there are no false representations or misleading statements contained in, or material omissions from the legal documents submitted by the Company for the spin-off, and the Board of the Company and all directors severally and jointly accept responsibilities for the truthfulness, accuracy and completeness of the aforementioned documents.

VIII. Proposal in relation to the Objective, Business Reasonableness, Necessity and Feasibility of the Spin-off

According to the requirements of laws and regulations such as the Provisions on Spin-off and Listing, the analysis to the objective, business reasonableness, necessity and feasibility of the spin-off is as follows:

1. Background, objective, business reasonableness and necessity of the spin-off and listing

In order to thoroughly implement the spirit of the 19th National Congress of the Communist Party of China, and in accordance with the requirements of the SASAC of the State Council on reform and development of state-owned enterprises, the Company proposed the spin-off and listing of CRCHI on the Science and Technology Innovation Board, promoting its leap-forward development, making the equipment manufacturing segment of the Company bigger and stronger and further achieving the business concentration, the improvement of science and technology innovation ability and specialized operating level of the Company.

CRCHI is a subsidiary of the Company and mainly engaged in the design, research and development, manufacturing and sale of tunneling machine equipment, rail transit equipment and special professional equipment and has achieved highly market-oriented and professional operating by focusing on product research and development and leveraging on automatic and intelligent technology to constantly enrich its product category, optimize and upgrade its product capability and enhance its research and development ability and market competitiveness. As a leading enterprise in domestic high-end equipment manufacturing, the listing of CRCHI contributes to its continuous enhancement of production and R&D ability, the improvement of technology and innovation ability, the retention and attraction of excellent talents to satisfy the future strategic layout and development. As a result, it is necessary for the Company to spin off CRCHI to the Science and Technology Innovation Board of SSE to further consolidate the core competitiveness of CRCHI in high-end equipment manufacturing area and promote the sustainable development of the Company.

LETTER FROM THE BOARD

2. Feasibility of the spin-off

The spin-off complies with the relevant requirements of domestic listing of spin-off subsidiaries of the listed companies under the Provisions on Spin-off and Listing and has the feasibility of the domestic spin-off listing.

IX. Proposal in relation to the Consideration and Approval of the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited* (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised)

The Company formulated the “Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited* (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised)” for the spin-off and listing of CRCHI, a subsidiary of the Company, on the Science and Technology Innovation Board (for details, please refer to the “Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited* (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised)” disclosed by the Company on the website of Shanghai Stock Exchange on 3 April 2020).

In order to ensure the smooth progress of relevant work, it is proposed to the general meeting of the Company to authorize the Board and direct delegation by the Board to the chairman and his authorized persons to deal with, at their full discretion, relevant content in the “Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited* (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised)” and the subsequent adjustments and modifications.

LETTER FROM THE BOARD

X. Proposal in relation to the Authorisation to the Board and Its Authorised Persons to Deal with Matters relating to the Listing of CRCHI on the Science and Technology Innovation Board at Their Full Discretion

In order to ensure the smooth progress of the spin-off and listing of CRCHI, a subsidiary of the Company, on the Science and Technology Innovation Board, it is proposed to the general meeting:

1. The Board and its authorised persons are authorised to exercise, at their full discretion, shareholders' rights in CRCHI on behalf of the Company to make the proposals in relation to the matters concerning the listing of CRCHI (including matters in relation to possible divestitures of controlled enterprises for the purpose of listing), 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 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 listing and submission of relevant applications to relevant authorities including The Stock Exchange of Hong Kong Limited, the State-owned Assets Supervision and Administration Commission of the State Council, the CSRC and the SSE for the purpose of the listing, including but not limited to the submission of spin-off and listing application to The Stock Exchange of Hong Kong Limited, communication with domestic and overseas securities regulatory authorities 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 in accordance with the requirements of domestic and overseas securities regulatory authorities, etc.
4. The Board and its authorised persons are authorised to decide on other specific matters in connection with the listing, 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 proposal being considered and approved at the general meeting of the Company.

LETTER FROM THE BOARD

XI. EGM

The Company will hold the EGM to consider and seek approval from Shareholders of (i) proposal in relation to the initial public offering and listing of China Railway Construction Heavy Industry Corporation Limited* on the Science and Technology Innovation Board of Shanghai Stock Exchange; (ii) proposal in relation to the spin-off and listing of the subsidiary of the Company continuously in compliance with the relevant conditions under Certain Provisions on Pilot Domestic Listing of Spin-off Subsidiaries of Listed Companies; (iii) proposal in relation to the spin-off of China Railway Construction Heavy Industry Corporation Limited* on the Science and Technology Innovation Board which benefits the safeguarding of legal rights and interests of shareholders and creditors; (iv) proposal in relation to the ability to maintain independence and sustainable operation ability of the Company; (v) proposal in relation to the corresponding standardized operation ability of China Railway Construction Heavy Industry Corporation Limited*; (vi) proposal in relation to the spin-off and listing of subsidiary on the Science and Technology Innovation Board in compliance with relevant laws and regulation; (vii) proposal in relation to the explanation of the completeness and compliance of statutory procedures and the validity of the legal documents submitted in the spin-off; (viii) proposal in relation to the objective, business reasonableness, necessity and feasibility of the spin-off; (ix) proposal in relation to the consideration and approval of the plan for the spin-off and listing of China Railway Construction Heavy Industry Corporation Limited* (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised); and (x) proposal in relation to the authorisation to the board and its authorised persons to deal with matters relating to the listing of CRCHI on the Science and Technology Innovation Board at their full discretion.

A notice convening the EGM to be held at the CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing, the PRC at 9 a.m. on Tuesday, 28 April 2020 is set out in this circular from page 21 to page 23.

A reply slip and a proxy form to be used at the EGM are enclosed and are also published on the website of the Hong Kong Stock Exchange (www.hkex.com.hk). If you are eligible and intend to attend the EGM, please complete and return the enclosed reply slip in accordance with the instructions printed thereon on or before Thursday, 23 April 2020.

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the EGM or any adjournment thereof and voting in person if you so wish.

LETTER FROM THE BOARD

The H Share register of members of the Company will be temporarily closed from Thursday, 23 April 2020 to Tuesday, 28 April 2020 (both days inclusive), during which period no transfer of H Shares will be registered. Any H Shareholders, whose names appear on the Company's register of members at the close of business on Wednesday, 22 April 2020, are entitled to attend and vote at such meeting after completing the registration procedures for attending and voting at the EGM.

XII. RECOMMENDATION

The Directors consider that the all aforesaid resolutions are in the interests of the Company and the Shareholders as a whole and accordingly recommend you to vote in favor of the all aforesaid resolutions to be proposed at the EGM.

Yours faithfully,

By order of the Board

China Railway Construction Corporation Limited

CHEN Fenjian

Chairman



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)

NOTICE OF 2020 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2020 second extraordinary general meeting (the “EGM”) of China Railway Construction Corporation Limited (the “Company”) will be held at the CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing, the People’s Republic of China (the “PRC”) at 9 a.m. on Tuesday, 28 April 2020 for the purposes of considering, and if thought fit, passing the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve the proposal in relation to the initial public offering and listing of China Railway Construction Heavy Industry Corporation Limited* on the Science and Technology Innovation Board of Shanghai Stock Exchange.
2. To consider and approve the proposal in relation to the spin-off and listing of the subsidiary of the Company continuously in compliance with the relevant conditions under Certain Provisions on Pilot Domestic Listing of Spin-off Subsidiaries of Listed Companies.
3. To consider and approve the proposal in relation to the spin-off of China Railway Construction Heavy Industry Corporation Limited* on the Science and Technology Innovation Board which benefits the safeguarding of legal rights and interests of shareholders and creditors.
4. To consider and approve the proposal in relation to the ability to maintain independence and sustainable operation ability of the Company.
5. To consider and approve the proposal in relation to the corresponding standardized operation ability of China Railway Construction Heavy Industry Corporation Limited*.
6. To consider and approve the proposal in relation to the spin-off and listing of subsidiary on the Science and Technology Innovation Board in compliance with relevant laws and regulations.

NOTICE OF EGM

7. To consider and approve the proposal in relation to the explanation of the completeness and compliance of statutory procedures and the validity of the legal documents submitted in the spin-off.
8. To consider and approve the proposal in relation to the objective, business reasonableness, necessity and feasibility of the spin-off.
9. To consider and approve the proposal in relation to the consideration and approval of the plan for the spin-off and listing of China Railway Construction Heavy Industry Corporation Limited* (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised).
10. To consider and approve the proposal in relation to the authorisation to the board and its authorised persons to deal with matters relating to the listing of CRCHI on the Science and Technology Innovation Board at their full discretion.

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

Beijing, the PRC
8 April 2020

Note:

- (a) Unless specifically indicated, details of the resolutions are set out in the circular of the Company dated 8 April 2020 (the “**Circular**”). Terms defined therein shall have the same meanings when used in this notice unless the context otherwise requires.
- (b) The H Share register of members of the Company will be temporarily closed from Thursday, 23 April 2020 to Tuesday, 28 April 2020 (both days inclusive), during which period no transfer of H Shares will be registered. Any H Shareholders, whose names appear on the Company’s register of members at the close of business on Wednesday, 22 April 2020, are entitled to attend and vote at the EGM after completing the registration procedures for attending and voting at the EGM. For unregistered H Shareholders of the Company who intend to attend the EGM, all share certificates and the relevant transfer documents must be lodged with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited not later than 4:30 p.m. on Wednesday, 22 April 2020.

The address of Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company, is as follow:

Shops 1712–1716
17/F, Hopewell Centre
183 Queen’s Road East
Wanchai, Hong Kong

NOTICE OF EGM

- (c) A Shareholders or H Shareholders of the Company, who intend to attend the EGM, must complete the reply slips for attending the EGM and return the same to the office of the Board of the Company not later than three business days before the date of the EGM, i.e. on or before Thursday, 23 April 2020.

Details of the office of the Board of the Company are as follows:

East, No. 40 Fuxing Road
Haidian District, Beijing
The People's Republic of China
Postal code: 100855
Fax: (8610) 5268 8302

- (d) Each H Shareholder who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the EGM. A proxy of a Shareholder who has appointed more than one proxy shall only vote on a poll.
- (e) The instrument appointing a proxy by the Shareholders must be signed by the person appointing the proxy or an attorney duly authorised by such person in writing. If the instrument is signed by an attorney of the person appointing the proxy, the power of attorney authorizing to sign, or other documents of authorization, shall be notarially certified.
- (f) To be valid, for H Shareholders, the proxy form, and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, the address of which is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof.
- (g) Each A Shareholder is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the EGM. Notes (d) and (e) also apply to A Shareholders, only that the proxy form or other documents of authorization must be delivered to the office of the Board of the Company, the address of which is set out in Note (c) above, not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof in order for such documents to be valid.
- (h) If a proxy is authorised to attend the EGM on behalf of a Shareholder, such authorised proxy shall produce his identification document and the instrument or document signed by the appointer or his legal representative, and specifying the date of its issuance. If a legal person Shareholder appoints a corporate representative to attend the EGM, such representative shall produce his identification document and the notarized copy of the resolution passed by the board of directors or other authority or other notarized copy of the license issued by such legal person Shareholder.
- (i) Shareholders attending the EGM are responsible for their own transportation and accommodation expenses.