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**中國中鐵股份有限公司**  
**CHINA RAILWAY GROUP LIMITED**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 390)**

**CONNECTED TRANSACTION**  
**RELOCATION AND RECONSTRUCTION OF WUHAN RAILWAY**  
**BRIDGE SCHOOL AND WUHAN RAILWAY**  
**BRIDGE SENIOR TECHNICAL SCHOOL**

**SUMMARY**

On 29 April 2016, CRCGCL, a wholly-owned subsidiary of the Company, entered into the Construction Agreement with WRBS and WRBSTS, pursuant to which CRCGCL was appointed as the contractor of the Wuhan Schools Project by WRBS and WRBSTS. The total contract sum is RMB171,488,785.85.

As each of WRBS and WRBSTS is a public institution owned by Hongda, which is in turn a wholly-owned enterprise of CRECG, the controlling shareholder of the Company, each of WRBS and WRBSTS is therefore a connected person of the Company and the transaction contemplated under the Construction Agreement therefore constitutes a connected transaction of the Company under the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Construction Agreement exceeds 0.1% but is below 5%, the transaction contemplated under the Construction Agreement is subject to the reporting and announcement requirement but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

## **1 CONSTRUCTION AGREEMENT**

The principal terms of the Construction Agreement is summarised as follows:

Date:	29 April 2016
Parties:	(i) WRBS and WRBSTS (ii) CRCGCL
Subject matter:	Relocation and reconstruction (phase 1) of WRBS and WRBSTS, including the construction of a new general office block, training centres, general teaching blocks, practice training blocks, practice training factories, an outdoor sports ground, student dormitories, a canteen, a stove and pump room, a power substation, a doorkeeper room and a bell tower, etc.
Project location:	North side of Mayinghe Road, Dongjing Street, Hannan District, Wuhan
Estimated construction area:	76,471.55 sq.m.
Total contract sum and payment schedule:	RMB171,488,785.85 (20% of which shall be paid upon the signing of the Construction Agreement as advance payment; the subsequent payment shall be made in accordance with project stage: up to 80% of the total contract sum shall be paid upon the completion of the construction, up to 95% of the total contract sum shall be paid upon settlement, the remaining 5% of the total contract sum shall be withheld as retention money and paid upon the expiry of five years' warranty period)
Expected project duration:	245 calendar days

## **2 BASIS OF DETERMINING THE TOTAL CONTRACT SUM**

The price is determined in accordance with the applicable tendering and bidding law and local policies in Wuhan by way of tendering and bidding, which amounts to RMB171,488,785.85.

### **3 REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE CONSTRUCTION AGREEMENT**

CRCGCL has a strong track record and a large number of professionals in the construction business. In particular, CRCGCL has extensive experience in housing construction. The Directors, including the independent non-executive Directors, believe that CRCGCL has the capability to carry out the Wuhan Schools Project in accordance with the terms of the Construction Agreement.

The Directors, including the independent non-executive Directors, believe that the terms of the Construction Agreement and the transaction contemplated thereunder are entered into in the ordinary and usual course of business of the Group, and that the terms of the Construction Agreement have been negotiated on an arm's length basis and are normal commercial terms which are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole. The entering into of the Construction Agreement will benefit the Company and the shareholders of the Company due to the increased revenue for the Company.

The executive Directors, Mr. LI Changjin (the chairman of CRECG), Mr. YAO Guiqing (a director of CRECG) and Mr. ZHANG Zongyan (a director of CRECG), who are interested directors, abstained from voting on the relevant Board resolution.

### **4 INFORMATION ON THE GROUP, WRBS AND WRBSTS**

The Group provides a full range of construction related services, including infrastructure construction, survey, design and consulting services and engineering equipment and component manufacturing, and also expand to other businesses such as property development and mining development.

WRBS and WRBSTS are schools that primarily provide professional education and training.

### **5 IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As each of WRBS and WRBSTS is a public institution owned by Hongda, which is in turn a wholly-owned enterprise of CRECG, the controlling shareholder of the Company, each of WRBS and WRBSTS is therefore a connected person of the Company and the transaction contemplated under the Construction Agreement therefore constitutes a connected transaction of the Company under the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Construction Agreement exceeds 0.1% but is below 5%, the transaction contemplated under the Construction Agreement is subject to the reporting and announcement requirement but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

## 6 DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	China Railway Group Limited (中國中鐵股份有限公司), a joint stock limited company incorporated in the PRC and the H shares and A shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 390) and the Shanghai Stock Exchange (stock code: 601390), respectively
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Construction Agreement”	the construction agreement dated 29 April 2016 entered into between CRCGCL, WRBS and WRBSTS in relation to the construction works to be conducted for the Wuhan Schools Project
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CRCGCL”	China Railway Construction Group Co., Ltd. (中鐵建工集團有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“CRECG”	China Railway Engineering Corporation (中國鐵路工程總公司), a state-owned enterprise incorporated in the PRC and the controlling shareholder of the Company
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hongda”	China Railway Hongda Asset Management Centre (宏達資產管理中心), a state-owned enterprise incorporated in the PRC and wholly-owned by CRECG
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metres
“WRBS”	Wuhan Railway Bridge School (武漢鐵路橋梁學校), a public institution established in the PRC and owned by Hongda
“WRBSTS”	Wuhan Railway Bridge Senior Technical School (武漢鐵路橋梁高級技工學校), a public institution established in the PRC and owned by Hongda
“Wuhan Schools Project”	the relocation and reconstruction project (phase 1) of WRBS and WRBSTS

By order of the Board  
**China Railway Group Limited**  
**LI Changjin**  
*Chairman*

29 April 2016

*As at the date of this announcement, the executive directors of the Company are LI Changjin (Chairman), YAO Guiqing and ZHANG Zongyan; and the independent non-executive directors are GUO Peizhang, WEN Baoman, ZHENG Qingzhi and NGAI Wai Fung.*