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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**

### **RELEVANT INFORMATION REGARDING THE PUBLIC ISSUANCE OF 2016 RENEWABLE CORPORATE BONDS (FIRST TRANCHE) IN THE PRC**

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The public issuance of renewable corporate bonds by China Railway Construction Corporation Limited (the “**Company**”) to qualified investors with the aggregate nominal value up to RMB15 billion has been approved by the China Securities Regulatory Commission, pursuant to which the Company proposed to issue corporate bonds in tranches with the issue size of up to RMB15 billion (RMB15 billion inclusive) in the PRC. Pursuant to the regulatory requirements in the PRC, the Company prepared and published the “Offering Prospectus of Public Issuance of 2016 Renewable Corporate Bonds (First Tranche) of China Railway Construction Corporation Limited” dated 23 June 2016 and other relevant offer documents (the “**Offer Documents**”) on the Shanghai Stock Exchange. Pursuant to the Offer Documents, the initial issue size of the first tranche is RMB4 billion, subject to over-allotment amount of up to RMB4 billion (RMB4 billion inclusive) (the “**Issuance of Current Tranche**”). The initial term of the bonds issued under the Issuance of Current Tranche is three years with a

nominal value of RMB100 and an offer price of RMB100 per bond. The indicative coupon rate range is between 3.00% and 3.80%. Upon the comprehensive assessment by China Chengxin Securities Credit Rating Co., Ltd.\* (中誠信證券評估有限公司), the credit rating of the bonds of the current tranche is AAA. The bonds issued under the Issuance of Current Tranche are proposed to be listed on the Shanghai Stock Exchange. Please refer to the Offer Documents published by the Company on the website of the Shanghai Stock Exchange for details of the Issuance of Current Tranche.

The Company hereby announces certain information in relation to the Company and the Issuance of Current Tranche as set forth in the Offer Documents as follows:

## I. KEY FINANCIAL INDICATORS OF THE COMPANY

The key financial indicators of the Company for the last three years and the first quarter of 2016 are set out in the table below:

**Table of Key Financial Indicators of the Company**

*Currency: RMB*

Item	31 March 2016	31 December 2015	31 December 2014	31 December 2013
Total assets (RMB0'000)	<b>69,604,350</b>	69,609,633	62,356,600	55,301,860
Total liabilities (RMB0'000)	<b>56,394,749</b>	56,727,717	51,838,265	46,919,388
Total indebtedness (RMB0'000)	<b>19,734,795</b>	18,054,156	17,676,802	15,419,476
Equity of owners (RMB0'000)	<b>13,209,601</b>	12,881,917	10,518,335	8,382,472
Current ratio	<b>1.23</b>	1.19	1.21	1.21
Quick ratio	<b>0.68</b>	0.68	0.68	0.69
Gearing ratio (consolidated statement)	<b>81.02%</b>	81.49%	83.13%	84.84%
Gearing ratio (statement of parent)	<b>45.12%</b>	46.52%	51.71%	48.17%
Debt to capital ratio	<b>59.90%</b>	58.36%	62.69%	64.78%

<b>Item</b>	<b>January to March 2016</b>	Year 2015	Year 2014	Year 2013
Revenue (RMB0'000)	<b>11,867,800</b>	60,053,873	59,330,268	58,678,959
Operating profit (RMB0'000)	<b>340,182</b>	1,660,904	1,495,883	1,228,341
Total profit (RMB0'000)	<b>343,204</b>	1,711,304	1,553,243	1,303,974
Net profit (RMB0'000)	<b>268,680</b>	1,337,443	1,206,001	1,043,938
Net profit attributable to owners of the parent (RMB0'000)	<b>257,179</b>	1,264,548	1,173,466	1,034,466
Net cash flow from operating activities (RMB0'000)	<b>-1,086,019</b>	5,037,511	674,200	-931,398
Net cash flow from investment activities (RMB0'000)	<b>-724,030</b>	-2,433,630	-1,714,899	-1,999,650
Net cash flow from financing activities (RMB0'000)	<b>1,294,247</b>	-244,668	1,506,497	2,960,018
Operating margin	<b>10.58%</b>	11.45%	10.94%	10.15%

<b>Item</b>	<b>January to March 2016</b>	Year 2015	Year 2014	Year 2013
Total return on assets	<b>0.39%</b>	2.03%	2.05%	2.02%
Weighted average return on net asset	<b>2.28%</b>	12.41%	13.40%	13.80%
Weighted average return on net asset after deduction of non-recurring profit or loss	<b>2.21%</b>	11.37%	12.14%	12.32%
EBITDA (RMB0'000)	<b>733,167</b>	3,423,708	3,318,869	2,900,732
EBITDA total indebtedness ratio	<b>3.72%</b>	18.96%	18.78%	18.81%
EBITDA interest coverage multiple	<b>3.34</b>	3.25	3.20	3.91
Accounts receivables turnover rate (time/year)	<b>3.78</b>	4.93	5.84	7.36
Inventory turnover rate (time/year)	<b>1.70</b>	2.25	2.46	2.83
Total asset turnover rate (time/year)	<b>0.68</b>	0.91	1.01	1.14

*Note:* The accounts receivables turnover rate, inventory turnover rate and total asset turnover rate during January to March 2016 have been annualized. As influenced by the settlement cycles of operating revenue and operating costs of the Company, relevant indicators are not comparable.

The foregoing indicators are calculated based on comparative consolidated statements. Details of formulas for respective indicators are as follows:

- (a) Total indebtedness = Long-term indebtedness + Short-term indebtedness; of which the Long-term indebtedness = Long-term borrowings + Bonds payable; Short-term indebtedness = Short-term borrowings + Trading financial liabilities + Notes payable + Non-current liabilities due within one year;

- (b) Current ratio = Current assets/Current liabilities;
- (c) Quick ratio = (Current assets - Inventories)/Current liabilities;
- (d) Gearing ratio = Total Liabilities/Total assets;
- (e) Debt to capital ratio = Total indebtedness/(Total indebtedness + Equity of owners);
- (f) Operating margin = (Operating revenue - Operating costs)/Operating revenue;
- (g) Total return on assets = (Total profit + Interest expenses included in finance cost)/Average balances of total assets;
- (h) Weighted average return on net asset =  $P/(E_0 + NP \div 2 + E_i \times M_i \div M_0 - E_j \times M_j \div M_0 \pm E_k \times M_k \div M_0)$ ,

of which: P refers to the net profit attributable to the ordinary shareholders of the Company or the net profit after deduction of non-recurring profit or loss attributable to the ordinary shareholders of the Company; NP refers to the net profit attributable to the ordinary shareholders of the Company;  $E_0$  refers to the net assets attributable to the ordinary shareholders of the Company at the beginning of a period;  $E_i$  refers to the additional of net assets attributable to the ordinary shareholders of the Company resulting from, among other things, the issue of new shares or the conversion of bonds into shares during the reporting period;  $E_j$  refers to the decrease of net assets attributable to the ordinary shareholders of the Company resulting from share repurchase or cash dividend distribution during the reporting period;  $M_0$  refers to the number of months of the reporting period;  $M_i$  refers to the number of months for the period between the second month since the net assets increase occurred and the end of the reporting period;  $M_j$  refers to the number of months for the period between the second month since the net assets decrease occurred and the end of the reporting period;  $E_k$  refers to the change of increase or decrease in net assets resulting from other transactions or matters;  $M_k$  refers to the number of months for the period between the second month since the other changes, namely increase or decrease, in net assets occurred and the end of the reporting period;

- (i) EBITDA = Total profit + Interest expenses included in finance cost + Depreciation + Amortization;
- (j) EBITDA total indebtedness ratio = EBITDA/Total indebtedness;
- (k) EBITDA interest coverage multiple = EBITDA/(Interest expenses included in finance cost + Interest expenses capitalized during the period);

- (l) Accounts receivables turnover rate = Operating revenue/Average balances of accounts receivables;
- (m) Inventory turnover rate = Operating costs/average balances of inventory;
- (n) Total assets turnover rate = Operating revenue/Average balances of total assets.

## II. BONDS PAYABLE BY THE COMPANY

The bonds payable by the Company (including the subsidiaries of the Company) as at 31 March 2016 are set out in the table below:

### Summary of Bonds Payable by the Company

Name of bond	Amount Issued (RMB0'000)	Issuing date	Maturity	Interest rate
China Railway Construction Corporation Limited – First tranche of medium-term notes in 2011	750,000	2011.10.14	7 years	6.28%
China Railway Construction Corporation Limited – First tranche of medium-term notes in 2013	1,000,000	2013.6.20	7 years	5.10%
China Railway 14th Bureau Group Co., Ltd. – 2012 first tranche of private placement note	40,000	2012.8.27	5 years	6.70%
China Railway 15th Bureau Group Co., Ltd. – 2014 first tranche of private placement note	30,000	2014.9.4	3 years	6.80%
China Railway 15th Bureau Group Co., Ltd. – 2016 first tranche of private placement note	40,000	2016.3.4	3 years	–
China Railway 17th Bureau Group Co., Ltd. – 2015 first tranche of private placement note	50,000	2014.6.25	3 years	7.30%
China Railway 20th Bureau Group Co., Ltd. – 2015 first tranche of private placement note	70,000	2015.3.13	3 years	6.50%
China Railway 23rd Bureau Group Co., Ltd. – 2015 first tranche of private placement note	10,000	2015.2.11	3 years	6.30%
China Railway 23rd Bureau Group Co., Ltd. – 2015 second tranche of private placement note	10,000	2015.2.12	3 years	6.30%

<b>Name of bond</b>	<b>Amount Issued</b> <i>(RMB0'000)</i>	<b>Issuing date</b>	<b>Maturity</b>	<b>Interest rate</b>
China Railway 24th Bureau Group Co., Ltd. – 2014 first tranche of private placement note	60,000	2014.4.11	3 years	5.40%
China Railway 25th Bureau Group Co., Ltd. – 2014 first tranche of private placement note	40,000	2014.10.28	3 years	6.50%
China Railway 25th Bureau Group Co., Ltd. – 2015 first tranche of private placement note	40,000	2015.1.30	3 years	6.50%
Chongqing Tiefu Suiyu Highway Co., Ltd. – First tranche of medium-term notes in 2013	30,000	2013.7.17	3 years	5.36%
Chongqing Tiefu Suiyu Highway Co., Ltd. – 2014 first tranche of private placement note	47,000	2014.4.23	3 years	6.38%
Chongqing Tiefu Suiyu Highway Co., Ltd. – 2014 second tranche of private placement note	20,000	2014.7.31	3 years	7.20%
Chongqing Tiefu Suiyu Highway Co., Ltd. – 2014 third tranche of private placement note	30,000	2014.10.31	3 years	6.70%
Chongqing Tiefu Suiyu Highway Co., Ltd. – 2014 fourth tranche of private placement note	5,000	2014.10.1	3 years	7.05%
Chongqing Tiefu Suiyu Highway Co., Ltd. – 2014 fifth tranche of private placement note	20,000	2014.12.18	3 years	6.50%
Chongqing Tiefu Suiyu Highway Co., Ltd. – 2015 first tranche of private placement note	20,000	2015.2.11	3 years	6.00%
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd. – 2014 first tranche of private placement note	20,000	2014.4.30	3 years	7.98%
China Railway Construction Investment Group Co., Ltd. – 2015 first tranche of private placement note	100,000	2015.7.28	3 years	4.85%
China Railway Real Estate Group Co., Ltd. – 2015 first tranche of corporate bond	300,000	2015.9.29	5 years	4.02%

Name of bond	Amount Issued (RMB0'000)	Issuing date	Maturity	Interest rate
China Railway Real Estate Group Co., Ltd. – 2016 first tranche of corporate bond	280,000	2016.1.11	5 years	3.70%
China Railway Real Estate Group Co., Ltd. – non-public issuance of 2016 corporate bonds (first tranche)	300,000	2016.1.21	5 years	4.58%
CRCC Yuxiang Limited USD800m 3.5 PCT guaranteed note due 2023	80,000 (USD)	2013.5.16	10 years	3.50%
China Railway Construction Corporation Limited USD500m zero coupon convertible bonds due 2021	50,000 (USD)	2016.1.29	5 years	–

### III. GUARANTEES PROVIDED BY THE COMPANY

As at 31 March 2016, the details of guarantees provided by the Company for enterprises (other than subsidiaries) are set out in the table below:

#### Guarantees for Enterprises (Other than Subsidiaries) provided by the Company

*Unit: RMB0'000*

Party guaranteed	Guarantee amount	Commencing date of the guarantee	Expiry date of the guarantee	Guarantee type	Counter guaranteed or not	Connected relationship
Sichuan Naxu Railway Co., Ltd.	6,720	28 December 2006	28 December 2026	General guarantee	No	No
Sichuan Naxu Railway Co., Ltd.	5,040	16 April 2008	16 April 2028	General guarantee	No	No
CRCC-Tongguan Investment Co., Ltd.	28,052	20 May 2015	20 November 2023	General guarantee	No	Associated Company
CRCC-Tongguan Investment Co., Ltd.	38,962	17 March 2014	30 December 2023	General guarantee	No	Associated Company
Total	<u>78,774</u>					

In addition, as at 31 March 2016, the Company provided purchasers of commercial real estate properties (other than subsidiaries) with guarantees in respect of their mortgage loans from banks, i.e. guarantees for real estate properties mortgage with an aggregate amount of RMB15,786,200,000. As of now, the foregoing purchasers of commercial real estate properties rarely defaulted in their payments to the banks, and thus the risks related to the guarantees were relatively low.

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

Beijing, the PRC  
24 June 2016

*As at the date of this announcement, the board of directors 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).*