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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 form of proxy 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)

**PROPOSED DISTRIBUTION OF THE FINAL DIVIDEND FOR 2016;
PROPOSED DETERMINATION OF THE CAPS FOR GUARANTEES FOR
WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY FOR 2017;
PROPOSED TRANSFER OF PART OF EQUITY INTEREST IN A PROJECT COMPANY
FUNDED BY THE PROCEEDS RAISED FROM THE NON-PUBLIC ISSUANCE OF A SHARES
IN 2015 AND PERMANENT REPLENISHMENT OF WORKING CAPITAL BY
THE PROCEEDS FROM THE TRANSFER AND
REMAINING UNINVESTED PROCEEDS RAISED FROM THE ISSUANCE;
PROPOSED RENEWAL OF THE MUTUAL SUPPLY OF SERVICES FRAMEWORK AGREEMENT
BETWEEN THE COMPANY AND CRCC FINANCIAL LEASING CO., LTD.;
PROPOSED PAYMENT OF FEES FOR 2016 ANNUAL REPORT AUDIT AND
RELEVANT SERVICES;
PROPOSED PAYMENT OF 2016 INTERNAL CONTROL AUDIT FEES;
PROPOSED CHANGE OF EXTERNAL AUDITORS FOR 2017;
PROPOSED APPROVAL OF REMUNERATION OF DIRECTORS AND
SUPERVISORS FOR 2016;
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF
DIRECTORS OF CHINA RAILWAY CONSTRUCTION CORPORATION LIMITED;
PROPOSED REGISTRATION AND ISSUANCE OF DEBT FINANCING INSTRUMENTS OF THE
COMPANY IN THE NATIONAL ASSOCIATION OF
FINANCIAL MARKET INSTITUTIONAL INVESTORS;
PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES; AND
NOTICE OF AGM**

A notice convening the AGM to be held at the CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing, the People's Republic of China at 9:00 a.m. on Thursday, 15 June 2017 is set out at the end of this circular.

A reply slip and a proxy form to be used at the AGM 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 AGM, please complete and return the enclosed reply slip in accordance with the instructions printed thereon on or before Thursday, 25 May 2017. Shareholders who intend to appoint a proxy to attend the AGM 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 AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the AGM or any adjournment thereof and voting in person if you so wish.

28 April 2017

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DEFINITIONS

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

“AGM”	means the 2016 annual general meeting of the Company to be held at the CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing, the PRC at 9:00 a.m. on Thursday, 15 June 2017
“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
“Company”	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
“Company Law”	means the Company Law of the People’s Republic of China
“CSRC”	means China Securities Regulatory Commission
“Director(s)”	means the director(s) of the Company
“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

DEFINITIONS

“H Shareholder(s)”	means holder(s) of H Share(s)
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“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, excludes Hong Kong, the Macau Special Administrative Region and Taiwan region
“RMB”	means Renminbi, the lawful currency of the PRC
“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 shareholder(s) of the Company, including A Shareholder(s) and H Shareholder(s)
“SSE Listing Rules”	means the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
“Supervisor(s)”	means the supervisor(s) of the Company
“Supervisory Committee”	means the supervisory committee of the Company
“%”	means percentage

Unless otherwise stated, all amounts are denominated in Renminbi.

LETTER FROM THE BOARD



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. MENG Fengchao (*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*)
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

28 April 2017

To H Shareholders

Dear Sir or Madam,

**PROPOSED DISTRIBUTION OF THE FINAL DIVIDEND FOR 2016;
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WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY FOR 2017;
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FINANCIAL MARKET INSTITUTIONAL INVESTORS;
PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES; AND
NOTICE OF AGM**

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM and the information regarding, among others, the following resolutions to be proposed at the AGM so that you may make informed decisions on whether to vote in favour of or against such resolutions at the AGM:

- (1) Proposed distribution of the final dividend for 2016;
- (2) Proposed determination of the caps for guarantees for wholly-owned subsidiaries of the Company for 2017;
- (3) Proposed transfer of part of equity interest in a project company funded by the proceeds raised from the non-public issuance of A Shares in 2015 and permanent replenishment of working capital by the proceeds from the transfer and remaining uninvested proceeds raised from the issuance;
- (4) Proposed renewal of the Mutual Supply of Services Framework Agreement between the Company and CRCC Financial Leasing Co., Ltd.;
- (5) Proposed payment of fees for 2016 annual report audit and relevant services;
- (6) Proposed payment of 2016 internal control audit fees;
- (7) Proposed change of external auditors for 2017;
- (8) Proposed approval of remuneration of Directors and Supervisors for 2016;
- (9) Proposed amendments to the Rules of Procedure for the Board of Directors of China Railway Construction Corporation Limited;
- (10) Proposed registration and issuance of debt financing instruments of the Company in the National Association of Financial Market Institutional Investors; and
- (11) Proposal for general mandate to issue Shares;

The above resolutions (10) and (11) will be resolved by way of special resolutions and the remaining resolutions will be resolved by way of ordinary resolutions.

In accordance with relevant regulatory requirements and the provisions of the Articles of Association, the Supervisory Committee of the Company prepared the work report of the Supervisory Committee for 2016, details of which are set out in Appendix I to this circular.

Furthermore, Shareholders will listen to the 2016 work report of the independent non-executive Directors at the AGM, which will not require Shareholders' resolution.

LETTER FROM THE BOARD

1. PROPOSED DISTRIBUTION OF THE FINAL DIVIDEND FOR 2016

Pursuant to the audited financial report of the Company for 2016, the undistributed profit of the parent company was RMB8,461,070,731.41 as at the beginning of 2016, plus a net profit of RMB2,738,962,914.38 realised by the parent company in the year, less the cash dividend of RMB2,036,931,225.00 for 2015, the distributable profit of the parent company by the end of year amounted to RMB9,163,102,420.79.

As recommended by the Board, the profit available for distribution by the parent company for 2016 shall be appropriated in the order set out below according to the Company Law and the Articles of Association:

- (1) The distributable profit of the parent company for the year was RMB8,889,206,129.35, after the statutory surplus reserve fund of RMB273,896,291.44 withdrawn based on a 10% of net profit of the parent company realised for year 2016;
- (2) A cash dividend of RMB0.16 (tax inclusive) per Share will be distributed, based on the total issued share capital of 13,579,541,500 Shares as at 31 December 2016, totaling RMB2,172,726,640.00. Upon such distribution, the remaining undistributed profit of the parent company will amount to RMB6,716,479,489.35, which will be carried forward to the next year.

The aforementioned distribution plan was considered and approved at the thirty-ninth meeting of the third session of the Board of the Company, to which the independent Directors of the Company have given their independent consent, and will be put forward for Shareholders' approval at the AGM as an ordinary resolution. If approved, the Company will further announce the arrangement for the distribution of the final dividend, including the record date for distribution of the dividend, the closure of the register of members and other relevant matters.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China and the relevant implementation rules, the Company has the obligation to withhold and pay the enterprise income tax at a rate of 10% before the distribution of the final dividend for 2016 to the non-resident enterprise Shareholders. Any H Shares registered under the names of non-individual Shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organisations and groups are deemed to be held by non-resident enterprise Shareholders. The Company will distribute the final dividend to such non-individual Shareholders after withholding the enterprise income tax at a rate of 10%.

LETTER FROM THE BOARD

According to Guo Shui Han [2011] No. 348 issued by the State Administration of Taxation, the Company shall withhold and pay the individual income tax for dividend payable to the individual H Shareholders. The individual H Shareholders are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties between the countries where they are residents and China or the tax arrangements between mainland China and Hong Kong (Macau). If the individual H Shareholders are Hong Kong or Macau residents or residents of the countries having an agreed dividend tax rate of 10% with China, the Company shall withhold and pay the individual income tax at a rate of 10%. Should the individual H Shareholders be residents of the countries having an agreed dividend tax rate of less than 10% with China, the Company would apply for entitlement of the relevant agreed preferential tax treatment on their behalf in accordance with the Notice of the State Administration of Taxation in Relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》(國稅發[2009] 124號)). Should the individual H Shareholders be residents of the countries having an agreed dividend tax rate exceeding 10% but lower than 20% with China, the Company shall withhold and pay the individual income tax at the actual agreed rate. In case the individual H Shareholders are residents of the countries having not entered into any tax treaty with China, or having an agreed dividend tax rate with China of 20% or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

LETTER FROM THE BOARD

The Company assumes no liability in respect of any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders, or any disputes over the mechanism of withholding and payment.

2. PROPOSED DETERMINATION OF THE CAPS FOR GUARANTEES FOR WHOLLY-OWNED SUBSIDIARIES OF THE COMPANY FOR 2017

The total amount of guarantees provided by the Company to its wholly-owned subsidiaries for 2017 is set to be RMB80 billion, of which, the specific subsidiaries and relevant caps of guarantees for various business segments are as follows:

Business segments	Wholly-owned subsidiaries	The amount of guarantees for companies of the same segment <i>(unit: RMB billion)</i>
Construction operations, logistics and materials trading	China Civil Engineering Construction Corporation, China Railway 11th Bureau Group Co., Ltd., China Railway 12th Bureau Group Co., Ltd., China Railway Construction Bridge Engineering Group Co., Ltd., China Railway 14th Bureau Group Co., Ltd., China Railway 15th Bureau Group Co., Ltd., China Railway 16th Bureau Group Co., Ltd., China Railway 17th Bureau Group Co., Ltd., China Railway 18th Bureau Group Co., Ltd., China Railway 19th Bureau Group Co., Ltd., China Railway 20th Bureau Group Co., Ltd., China Railway 21st Bureau Group Co., Ltd., China Railway 22nd Bureau Group Co., Ltd., China Railway 23rd Bureau Group Co., Ltd., China Railway 24th Bureau Group Co., Ltd., China Railway 25th Bureau Group Co., Ltd., China Railway Construction Group Ltd., China Railway Electrification Bureau Group Co., Ltd., China Railway Construction and Waterway Bureau Co., Ltd., CRCC Urban Engineering Co., Ltd., China Railway Goods and Materials Co., Ltd., and China Railway Construction International Group Co., Ltd.	40

LETTER FROM THE BOARD

Business segments	Wholly-owned subsidiaries	The amount of guarantees for companies of the same segment <i>(unit: RMB billion)</i>
Survey, design and consultancy, manufacturing	China Railway First Survey and Design Institute Group Co., Ltd., China Railway Fourth Survey and Design Institute Group Co., Ltd., China Railway Fifth Survey and Design Institute Group Co., Ltd., China Railway Shanghai Design Institute Group Co., Ltd., and China Railway Construction Heavy Industry Co., Ltd.	1
Real estate and capital operation	China Railway Real Estate Group Co., Ltd., China Railway Construction Investment Group Co., Ltd., China Railway Construction Kunlun Investment Group Co., Ltd., China Railway Construction North China Investment Co., Ltd., China Railway Construction South Construction Investment Co., Ltd., China Railway Construction Chongqing Investment Group Co., Ltd. and China Railway Maglev Transportation Investment and Construction Co., Ltd.	24
Others	China Railway Construction Business Management Co., Ltd., Chenghe Insurance Brokers Co., Ltd., CRCC Asset Management Co., Ltd., and CRCC Yuxiang Limited and CRCC Yupeng Limited	15
–	Total	<hr style="border: 0.5px solid black;"/> 80 <hr style="border: 1.5px solid black;"/>

- (1) Within the total amount of guarantees, the Company could adjust the caps for guarantees among different segments, according to the actual business needs of the Company.
- (2) The Board proposes to be authorized to consider and approve matters relating to guarantees to the wholly-owned subsidiaries (including newly established wholly-owned subsidiaries) within the approved total amount of guarantees.
- (3) The validity period of the caps for guarantees shall commence on the date of the resolution of AGM of the year being publicized and shall end on the date of the resolution of annual general meeting of next year being publicized.

This proposal has been considered and approved at the thirty-ninth meeting of the third session of the Board of the Company, for which the independent Directors of the Company have given their independent consent. Pursuant to the relevant requirements of regulatory authorities and relevant stipulations of the Company, this proposal will be put forward at the AGM as an ordinary resolution for Shareholders' approval.

LETTER FROM THE BOARD

3. PROPOSED TRANSFER OF PART OF EQUITY INTEREST IN A PROJECT COMPANY FUNDED BY THE PROCEEDS RAISED FROM THE NON-PUBLIC ISSUANCE OF A SHARES IN 2015 AND PERMANENT REPLENISHMENT OF WORKING CAPITAL BY THE PROCEEDS FROM THE TRANSFER AND REMAINING UNINVESTED PROCEEDS RAISED FROM THE ISSUANCE

Xiajin-Liaocheng section of BOT project of Dezhou-Shangqiu Expressway (德州至商丘高速公路夏津至聊城段BOT項目) is one of the projects funded by the proceeds raised from the non-public issuance of A Shares of the Company in 2015. The project was invested, constructed, operated and managed by CRCC (Shandong) Dezhou-Shangqiu Expressway Co., Ltd. (中鐵建(山東)德商高速公路有限公司) (the “**Project Company**”), a wholly-owned project company established by China Railway Construction Investment Group Co., Ltd. (“**Investment Group**”), which is, in turn, a wholly-owned subsidiary of the Company. In order to liquidize remnant assets, recover funds as well as enhance the capability of sustainable development, Investment Group proposes to transfer the 85% equity interest held by it in the Project Company, details of which are as follows:

(1) Introduction of the Use of Proceeds

In July 2015, upon approval of the CSRC, the Company issued 1.242 billion A Shares through the non-public issuance of A Shares, and the total amount of the proceeds was RMB9.936 billion. After deducting issuance fees, the net amount of the proceeds was RMB9.823 billion. Details of the projects funded by the raised proceeds and the use of proceeds as of 31 December 2016 are specified in the table below (amount unit: RMB’00 million):

No.	Project Name	Proposed Investment Amount from the Proceeds	Accumulated Investment Amount as of 31 December 2016	Balance to be Invested
1	Chongqing Rail Transit Construction BT Project (Phase II) (重慶市軌道交通環線二期工程BT項目)	25.00	25.00	0
2	Xiaohuilou to Shijiazhuang section of Phase I BT project of the Rail Transit Line 3 in Shijiazhuang (石家莊市城市軌道交通3號線一期小灰樓站至石家莊站工程BT項目)	18.00	9.34	8.66
3	Chengdu Subway Line 10 Construction BT Project (Phase I) (成都市地鐵10號線一期工程BT項目)	16.00	10.81	5.19
4	Xiajin-Liaocheng section of BOT project of Dezhou-Shangqiu Expressway (德州至商丘高速公路夏津至聊城段BOT項目)	12.00	10.94	1.06
5	Repayment of bank loans and replenishment of working capital	Not more than 28.36	27.30 ^{Note}	0
Total	–	<u>98.23</u>	<u>83.39</u>	<u>14.91</u>

Note: The actual accumulated investment amount for repayment of bank loans and replenishment of working capital includes part of the net amount of proceeds of RMB2,723 million and the interest incurred under the designated account for the proceeds of RMB7 million.

LETTER FROM THE BOARD

(2) *Information on the Project Funded by the Raised Proceeds under the Proposed Transfer*

Xiajin-Liaocheng section of BOT project of Dezhou-Shangqiu Expressway (德州至商丘高速公路夏津至聊城段BOT项目) which is proposed to be transferred was invested, constructed, operated and managed by the Project Company, a wholly-owned company established by Investment Group. The Project Company was established on 7 June 2013 with a registered capital of RMB100 million. The project commenced official construction on 15 November 2013 and was completed and put into operation on 28 July 2016, with an operating period of 24 years and 10 months. The proposed investment amount from the proceeds for this project was RMB1,200 million. As of 31 December 2016, the accumulated investment for this project from the proceeds amounted to RMB1,094 million, and the remaining uninvested proceeds amounted to RMB106 million. Ernst & Young Hua Ming LLP issued an assurance report on the use of proceeds. As of 31 December 2016, the total assets of the Project Company was RMB3,440 million, with total liabilities amounting to RMB2,640 million and net assets amounting to RMB800 million. The project is currently under trial operation and has no direct contribution to profit yet.

The proposed transfer of part of the equity interest in the Project Company was not involved in any significant disputes, litigations or arbitrations and judicial measures such as seizure or freezing relating to the assets.

(3) *Basis for Pricing of the Target Equity Interest*

Pursuant to the Asset Appraisal Report (Zhong Tong Ping Bao Zi [2017] No. 90) issued by China Tong Cheng Assets Appraisal Co., Ltd., by setting 31 December 2016 as the benchmark date, the appraised value of the net assets of the Project Company was RMB802.5455 million, of which the corresponding appraised value of net assets in relation to the 85% of equity interest was RMB682.1637 million. The appraisal result has been filed at the regulatory authorities of state-owned assets.

The transaction will be carried out through public solicitation of transferee in relevant assets and equity exchange (related parties of the Company are not allowed to be the transferee). The transfer price will be determined in accordance with the public solicitation results from the assets and equity exchange on the basis that the price shall not be lower than the appraisal result.

(4) *Matters in Relation to Permanent Replenishment of Working Capital*

All funds from the transfer and the remaining uninvested proceeds of the amount of RMB106 million for the abovementioned project will be used to permanently replenish the working capital of the Company.

LETTER FROM THE BOARD

(5) *Purpose of Disposal of Equity Interest in the Project Company*

In order to liquidize remnant assets in the enterprise and optimize investment and financing structure, the 85% equity interest in the Project Company is proposed to be transferred to recover funds and achieve the target of sustainable development of Investment Group in the future.

(6) *Dealing with Matters in Relation to the Public Listing and the Transfer*

Pursuant to relevant provisions of the Company Law and the Articles and Association, the Company will entrust relevant assets and equity exchange to implement the aforementioned listing and transfer of the equity interest in the Project Company upon approval of the matters regarding transfer of equity interest of the Project Company at the general meeting.

This proposal has been considered and approved at the twenty-fifth meeting of the Strategy and Investment Committee of the third session of the Board and the thirty-ninth meeting of the third session of the Board of the Company, for which the independent Directors of the Company have given their independent consent. This proposal will be put forward at the AGM as an ordinary resolution for Shareholders' approval and it is proposed that the Board be authorized to deal with relevant matters in relation to this transfer, including but not limited to determining the transfer price according to the appraisal and the results of listing on the assets and equity exchange, executing the equity transfer agreement and other agreements, documents and reports in relation to this transaction, and making appropriate amendments to the relevant agreements, documents and reports without prejudice to the interests of the Company.

4. PROPOSED RENEWAL OF THE MUTUAL SUPPLY OF SERVICES FRAMEWORK AGREEMENT BETWEEN THE COMPANY AND CRCC FINANCIAL LEASING CO., LTD.

CRCC Financial Leasing Co., Ltd. ("**CRCC Financial Leasing**") is a national non-bank financial institution established pursuant to relevant law and as approved by the China Banking Regulatory Commissions, and is principally engaged in finance leasing. The Company holds an aggregate of 50% of equity interest in CRCC Financial Leasing through China Railway Construction Heavy Industry Co., Ltd. ("**China Railway Heavy Industry**") and Beijing CRCC Tianrui Machinery Equipment Co., Ltd. ("**CRCC Tianrui**"), both being subsidiaries of the Company. Mr. WANG Xiuming, a senior management member of the Company, is the legal representative and chairman of the board of directors of CRCC Financial Leasing. Therefore, transactions between the Company and CRCC Financial Leasing constitute related party transactions under the SSE Listing Rules.

LETTER FROM THE BOARD

In light of the characteristics of business of CRCC Financial Leasing, CRCC Financial Leasing carries out financial assistance, equipment procurement, leasing services and other businesses with the Company and its subsidiaries. With the Company's supporting efforts on the integration of industry and financing gradually enhanced, the scale of the equipment procurement and leasing business between the Company and CRCC Financial Leasing will be further expanded. The Company estimates that the original caps for 2017 and 2018 under the Mutual Supply of Services Framework Agreement entered into in 2016 could not satisfy the needs of its business development. Therefore, on 30 March 2017, the Company entered into the new Mutual Supply of Services Framework Agreement with CRCC Financial Leasing with a validity period from 1 January 2017 to 31 December 2019.

(1) Main Content of the Agreement

(a) Mutual Supply of Services between the Company and CRCC Financial Leasing

- (i) Financial assistance: CRCC Financial Leasing may, based on its business scope, receive deposits from China Railway Heavy Industry and CRCC Tianrui, both being subsidiaries of the Company;
- (ii) Equipment procurement: CRCC Financial Leasing shall purchase shield machine and other machineries and equipment from the Company or its relevant subsidiaries;
- (iii) Leasing services: CRCC Financial Leasing shall provide leasing services and other services to the Company or its relevant subsidiaries. The form of leasing business includes finance leasing business and operating leasing business, etc. Finance leasing business is classified based on the form of lease, which mainly includes direct leasing and finance sale and leaseback, etc. Based on the different subject matters under the lease, the services include provision of leasing services for engineering equipment and infrastructure, etc. The service scope also includes other lease-related services.

(b) Pricing Principles

- (i) The prices in respect of various services mutually provided between the parties under the agreement shall be determined according to comparable market prices. (The comparable market prices refer to the reference made to the prices charged or quoted by at least two independent third parties providing the same or similar services with comparable scale in areas where such services were provided under normal trading conditions around that time.)

LETTER FROM THE BOARD

- (ii) Financial assistance: CRCC Financial Leasing shall, based on its business scope, receive time deposits for a term of three months or more from China Railway Heavy Industry and CRCC Tianrui, both being subsidiaries of the Company and pay interest at the agreed interest rate. The interest rate of time deposits payable by CRCC Financial Leasing shall not be lower than the applicable rate offered by major domestic commercial banks for the deposit services of the same kind for the same period.
- (iii) Equipment procurement: CRCC Financial Leasing shall purchase shield machine and other machineries and equipment from the Company or its relevant subsidiaries at a price not less than the comparable market prices charged by third parties.
- (iv) Leasing services: CRCC Financial Leasing shall provide leasing services and other services to the Company or its relevant subsidiaries. The fees charged by CRCC Financial Leasing for provision of leasing services to the Company shall not be higher than the fee charged by domestic financial institutions of the same type for services of the same kind.

(c) *Term*

The Mutual Supply of Services Framework Agreement is effective for a term from 1 January 2017 to 31 December 2019. The agreement can be extended or renewed as agreed by both parties under the premise of its compliance with relevant laws and regulations and other regulatory documents as well as the listing rules of the places where the Company is listed.

(d) *Others*

The agreement and its annex thereof shall constitute an entire agreement and understanding of both parties in respect of all matters mentioned since the commencement date set out in the agreement, and shall supersede all previous agreements, contracts, understandings and correspondences entered into or made by both parties, either in oral or writing, in relation to all matters mentioned in the agreement.

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(2) *Estimated Amount, and Categories of the Daily Related Party Transactions*

The caps for various related party transactions from 2017 to 2019 under the Mutual Supply of Services Framework Agreement executed by the Company are set out as follows:

Estimated amounts of related party transactions from 2017 to 2019

Amount unit: RMB'00 million

No.	Details of related party transactions	Estimated amount of related party transactions
1	Financial assistance	5
2	Equipment procurement	90
3	Leasing services	315
		<hr/>
Total		410

The related party transactions in respect of the financial assistance, equipment procurement and leasing services conducted between the Company and CRCC Financial Leasing shall adopt the marketized pricing principle.

(3) *Reasons for the Adjustment and Purposes of the Daily Related Party Transactions*

With gradual increase in the room for support to supply-side structural reforms from financial leasing as well as gradual enhancement on the support to the integration of industry and financing, the scale of the equipment procurement and leasing business between the Company and CRCC Financial Leasing will be further expanded. According to the business development plan of the Company, it is estimated that the proposed related party transactions will be different from the contents and transaction amounts in the Mutual Supply of Services Framework Agreement entered into by the Company in 2016. In order to standardize the administration of the related party transactions, the Company needs to adjust the contents of transactions with CRCC Financial Leasing and re-determine the annual caps.

As an important link between capitals and industries, financial leasing plays an important role in facilitating the optimization of assets structure of the Company and the integration of industry and financing. Being a non-bank financial institution, CRCC Financial Leasing is able to respond to the capital demand of the Company in a short period with its relatively strong financing capability. CRCC Financial Leasing, with extensive experience in leasing of engineering equipment, construction equipment and other fields of leasing closely related to the construction enterprise, is able to tailor services to better serve the lessees that are construction enterprises.

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In accordance with the provisions prescribed in the Mutual Supply of Services Framework Agreement entered into between the Company and CRCC Financial Leasing, the related party transactions are entered into on normal or better commercial terms, adopting the marketized pricing principle, and are in the interests of the Company and its Shareholders as a whole without prejudice to the interests of the Company and other Shareholders, especially for minority Shareholders.

(4) *Implications under the Hong Kong Listing Rules*

As CRCC Financial Leasing is not a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules, the transactions contemplated under this proposal do not constitute connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. In respect of specific transactions under the Mutual Supply of Services Framework Agreement, such transactions, if materialized, may constitute transactions of the Company under Chapter 14 of the Hong Kong Listing Rules, and the Company will then fulfil the compliance procedures in due course in accordance with relevant requirements of Chapter 14 of the Hong Kong Listing Rules (if applicable).

This proposal has been considered and approved at the thirty-ninth meeting of the third session of the Board of the Company, for which the independent Directors of the Company have given their advice of prior approval and independent consent, and this proposal will be put forward at the AGM as an ordinary resolution for Shareholders' approval.

5. PROPOSED PAYMENT OF FEES FOR 2016 ANNUAL REPORT AUDIT AND RELEVANT SERVICES

As approved by the 2015 annual general meeting, the Company appointed Ernst & Young Hua Ming LLP (“**Ernst & Young Hua Ming**”) as its external auditor for 2016. After the negotiations between the Company and Ernst & Young Hua Ming, fees for 2016 financial statements audit and relevant services amounted to RMB30.20 million.

The proposal has been considered and approved at the twenty-first meeting of the Audit and Risk Management Committee of the third session of the Board, and the thirty-ninth meeting of the third session of the Board of the Company, to which the independent Directors of the Company have given their independent consent, and will be put forward at the AGM as an ordinary resolution for Shareholders' approval.

LETTER FROM THE BOARD

6. PROPOSED PAYMENT OF 2016 INTERNAL CONTROL AUDIT FEES

As approved by the 2015 annual general meeting, the Company appointed Ernst & Young Hua Ming to provide internal control audit services to the Company for 2016. After the negotiations between the Company and Ernst & Young Hua Ming, fees for internal control audit and relevant services for 2016 amounted to RMB2.60 million.

This proposal has been considered and approved at the twenty-first meeting of the Audit and Risk Management Committee of the third session of the Board and the thirty-ninth meeting of the third session of the Board of the Company, to which the independent Directors of the Company have given their independent consent, and will be put forward at the AGM as an ordinary resolution for Shareholders' approval.

7. PROPOSED CHANGE OF EXTERNAL AUDITORS FOR 2017

Reference is made to the announcement of the Company dated 18 January 2017 in relation to the proposed change of external auditors of the Company. Ernst & Young Hua Ming has been undertaking the audit work in relation to the final financial accounts of the Company for 10 years since 2007. In order to ensure the objectivity and independence of the external auditors, the Company proposed the change of auditors for 2017.

The Company proposes to engage Deloitte Touche Tohmatsu CPA LLP (“**Deloitte CPA**”) as the external auditor of the Company for 2017 to carry out the audit work for the financial statements of the Company for 2017 and the reviewing for its 2017 interim financial statements. Deloitte CPA will, at the same time, be engaged as the internal control auditor of the Company for 2017. The fees for 2017 annual report audit and relevant services amount to RMB25.38 million while fees for the internal control audit and relevant services for 2017 amount to RMB2.16 million.

This proposal has been considered and approved at the nineteenth meeting of the Audit and Risk Management Committee of the third session of the Board and the thirty-eighth meeting of the third session of the Board of the Company, to which the independent Directors of the Company have given their independent consent, and will be put forward at the AGM as an ordinary resolution for Shareholders' approval.

8. PROPOSED APPROVAL OF REMUNERATION OF DIRECTORS AND SUPERVISORS FOR 2016

Details of the remuneration of the Directors and Supervisors of the Company for 2016 were set out in the Section IX “Directors, Supervisors, Senior Management and Staff” in the 2016 annual report of the Company. Relevant remuneration has been considered and approved at the eleventh meeting of the Remuneration and Evaluation Committee of the third session of the Board and the thirty-ninth meeting of the third session of the Board of the Company, to which the independent Directors of the Company have given their independent consent, and will be put forward at the AGM as an ordinary resolution for Shareholders' approval.

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9. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS OF CHINA RAILWAY CONSTRUCTION CORPORATION LIMITED

According to the actual needs in respect of corporate governance, the Company proposes to make amendments to the relevant contents and certain wordings of the Rules of Procedure for the Board of Directors of China Railway Construction Corporation Limited (the “**Rules of Procedure for The Board of Directors**”). The amendments to the Rules of Procedure for the Board of Directors are set out in Appendix II to this circular.

This proposal has been considered and approved at the thirty-first meeting of the third session of the Board of the Company, and will be put forward at the AGM as an ordinary resolution for Shareholders’ approval.

10. PROPOSED REGISTRATION AND ISSUANCE OF DEBT FINANCING INSTRUMENTS OF THE COMPANY IN THE NATIONAL ASSOCIATION OF FINANCIAL MARKET INSTITUTIONAL INVESTORS

In order to further improve the efficiency of registration and issuance of interbank market bonds and respond to the changes in policies, the Company proposes to make an application for registration and issuance of debt financing instruments in the National Association of Financial Market Institutional Investors.

On 19 February 2016, the National Association of Financial Market Institutional Investors (the “**FMII**”) published the Rules for the Registration and Issuance of Debt Financing Instruments of Non-Financial Enterprises (2016 version). To simplify and speed up the filing process, the FMII implemented hierarchical management on debt issuers as non-financial enterprises, under which, issuers are classified into the Class I enterprises and Class II enterprises. Enterprises that meet the standard of Class I may apply the shelf method to register debt financing instruments (equivalent to the registration of the eligibility for debt issuance), such enterprises do not need to clarify the registration size at the registration stage and may, at their own discretion, select the type (including short-term financing bonds, ultra short-term financing bonds, medium-term notes and perpetual notes), size, term and other relevant matters under the issuance within two years upon the effective date of registration. Except for perpetual notes, the offering of other instruments are not required to be filed with the FMII.

The Company meets the standard of Class I enterprises, and is eligible to register and issue bonds in the above-mentioned manner.

The Company hereby puts forward the following matters for Shareholders’ consideration and approval:

- (1) the Company making unified registration for its debt financing instruments with the FMII.

LETTER FROM THE BOARD

- (2) the general meeting authorizing the Board, in accordance with the relevant laws and regulations and the opinions and suggestions of the regulatory authorities as well as in the best interest of the Company, at their sole discretion, to determine and deal with all matters in respect of the above-mentioned registration and issuance, including but not limited to, making specific determination in respect of the type of the bonds to be issued, the timing of the issuance, the size of the issuance, the number of tranches and the interest rate of the issuance; executing necessary documents, including but not limited to, requests, prospectuses, underwriting agreements and announcements in relation to the issuance of bonds by the Company; engaging the relevant intermediaries; completing all necessary procedures, including but not limited to, completing the relevant registrations in the national inter-bank market in the PRC and taking all other necessary actions.

This proposal has been considered and approved at the thirty-ninth meeting of the third session of the Board of the Company to which the independent Directors of the Company have given their independent consent, and will be put forward at the AGM as a special resolution for Shareholders' approval.

11. PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES

To maintain the flexibility and discretion of the Board to issue new Shares, a special resolution (details are set out in the notice of the AGM) will be proposed by the Company at the AGM to grant a general mandate to the Board to issue, allot and/or deal with new Shares not exceeding 20% of the respective number of the issued A Shares and/or H Shares as at the date of passing the relevant special resolution.

This proposal has been considered and approved at the thirty-ninth meeting of the third session of the Board of the Company, and will be put forward at the AGM as a special resolution for Shareholders' approval.

12. AGM

The notice convening the AGM to be held at the CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing, the PRC at 9:00 a.m. on Thursday, 15 June 2017 is set out at the end of this circular.

A reply slip and a proxy form to be used at the AGM are enclosed herein 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 AGM, please complete and return the enclosed reply slip in accordance with the instructions printed thereon on or before Thursday, 25 May 2017.

LETTER FROM THE BOARD

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

The H Share register of members of the Company will be temporarily closed from Tuesday, 16 May 2017 to Thursday, 15 June 2017 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. Any holders of H Shares, whose names appear on the Company's register of members at the close of business on Monday, 15 May 2017, are entitled to attend and vote at the AGM after completing the registration procedures for attending the AGM. For unregistered holders of H Shares of the Company who intend to attend the AGM, all share certificates and the relevant transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 15 May 2017.

13. RECOMMENDATIONS

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

Yours faithfully,
By order of the Board
China Railway Construction Corporation Limited
MENG Fengchao
Chairman

WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2016

Dear Shareholders and representatives of Shareholders,

During the reporting period, the Supervisory Committee adhered to the principles of integrity and carefully performed supervisory duties in accordance with relevant requirements of the Company Law and the Articles of Association as well as the Rules of Procedures for the Supervisory Committee, so as to effectively protect the interests of the Shareholders, the Company and its employees. In December 2016, the Supervisory Committee of CRCC was awarded “Top 50 Proactive Supervisory Committees of Listed Companies”. The work report of the Supervisory Committee for 2016 is as follows:

I. OPERATION AND MANAGEMENT AND PERFORMANCE EVALUATION

The Supervisory Committee was of the view that during the reporting period, the Company actively dealt with the new normal of economic development with continuous breakthroughs in development, thorough promotion of transformation and upgrade and stable and orderly management and control on production to hit a new high for operating indicators. As the Directors and senior management conscientiously performed their duties and were diligent and responsible, no misconduct with prejudice to the interests of the Shareholders and the Company was identified.

Meanwhile, the Supervisory Committee was of the view that the management of the Company shall continue putting effort on risk management and control of overseas business and investment business, paying attention to the improvement on quality of asset, and the prevention and control over debt risks.

II. WORK OF THE SUPERVISORY COMMITTEE

During the reporting period, the Supervisory Committee was committed to performing their supervision duties and actively conducted supervision and inspection.

1. Actively attended or sat in as observers in various important meetings including general meetings, Board meetings, president’s office meetings, and conscientiously performed supervisory duties

During the reporting period, three Supervisors of the Company attended the general meetings, sat in the Board meetings, president’s office meetings and important meetings of the Company as observers in compliance with requirements to understand condition of operation and management, participated in consideration and discussion of relevant resolutions, responsibly provided advices and suggestions. Through attending various important meetings, effective supervisory work was carried out for the decision and execution procedures of the Board and senior management as well as the performance and behavior of Directors and senior management, leveraging an active effect in the aspects of enhancing enterprise management and control, improving scientific and effective decisions, and promoting lawful and compliant operation.

2. Continuously developed on-spot examination and survey in important overseas projects, material investment projects, refinancing projects and important backbone subsidiaries to strengthen the efficiency of supervision

During the reporting period, three Supervisors took advantages of participating in various activities such as economic responsibility audit and overseas projects' audit, enterprise refinancing, inspection and supervision of the studies on the theoretical and practical issues of party building learning education and Democratic Life Meeting to integrate missions and duties of the Supervisory Committee, and carry out integrated investigation and examination of the Company's important overseas projects, material investment projects, refinancing projects and important backbone subsidiaries as well as matters involving benefits of the Shareholders and staff. Through a series of on-spot examination and survey, the Supervisors obtained comprehensive and deepened understanding and recognition of the production, operation and asset management of the Company and its units, control and management of costs incurred from overseas projects, development of financial norms as well as material production and operating decisions and risk management on material investment and financing projects of the Company to provide information assurance for better performance of supervisory work. In September 2016, HUANG Shaojun, the chairman of the Supervisory Committee, led the members from the audit supervisory bureau and the office of Supervisory Committee to commence a special research and study on and the audit on the income and expenditure of part of the overseas projects of the Company.

3. Highly raised the awareness of the establishment of the internal control system of the Company and supervised rectification of problems

During the reporting period, in order to implement compliant operation, standardized management, quality and efficiency enhancement as well as other work requirements, further strengthen the establishment of the internal control and implementation of rectification, comprehensively prepare for audit and checking, the Supervisory Committee of the Company instructed the audit supervisory bureau to organize and carry out self-inspection for rectification under the "looking back" work once again, requiring each level and unit to, in addition to the two comprehensive self-auditing and self-checking works conducted in 2014 and the first half of 2016, integrate the problems discovered in the audit on economic responsibility and the internal auditing of the Company by the SASAC in 2015 in order to conduct re-review and re-organisation for preliminary rectification and further clarify the origin of problems, draw inferences about other cases, seek for both temporary and permanent solutions, seriously examine the outcome of rectification and execute strict accountability. By systematic and comprehensive supervision over rectification, the Supervisory Committee greatly facilitated the optimization of the internal control system of the Company, strengthened the accountability mechanism on relevant units and individuals, standardized the behaviors of corporate operation and management.

4. Reinforced the integrated synergy and the collaborative supervision of the Supervisory Committee

During the reporting period, in order to strengthen work connection resources sharing between the Supervisory Committee of the Company and the appointed supervisory committee from the State Council of the PRC, the Company rearranged the leading units that provide support to the works of the Supervisory Committee. Since then, the duties of supporting the external supervisory committee and the preparation and submission of the Corporate Annual Work Report had been transferred from the finance department to the audit supervisory bureau (the office of Supervisory Committee). Meanwhile, as required by the SASAC and the appointed supervisory committee, in accordance with the principle of “cross appointment”, the same supervisor taking both the role of a supervisor of the Company and the part-time supervisor of the appointed supervisory committee is recommended to the greatest extent practicable during the election of part-time supervisors of the appointed supervisory committee, i.e. having the same members of the Supervisory Committee of the Company to be the employee representative supervisors of the appointed supervisory committee so as to reinforce the collaborative supervision of the internal and external supervisory committees. Secondly, the Company paid more efforts in the supervision and guidance over the works of the supervisory committee of groups of the second-level subsidiaries, which included procuring second-level subsidiaries in the establishment of their own supervisory committee and continuously extending the scope of the supervising system of the Supervisory Committee. By the end of 2016, 39 groups of the second-level subsidiaries of the Company had established their own supervisory system with 101 supervisors (including part-time supervisors).

5. Focused on interaction in learning and improved supervision ability

During the reporting period, as required by relevant regulations, members of the Supervisory Committee of the Company and the members of the office of Supervisory Committee participated in the special training events held by the SASAC, the CSRC, Beijing Securities Regulatory Bureau and the stock exchange of the place where the Company is listed. In August 2016, the chairman of the Supervisory Committee of the Company and members of the office of Supervisory Committee participated in the Advanced Program of National Board of Supervisors in Supervision and Inspection Work Practice and Professional Training and conducted thorough discussion and communication with other major enterprises in relation to, among others, the establishment of the system of supervisory committee, how to review the financial affairs of the company, how to supervise the due performance of directors, supervisors and senior management and utilization of the results in supervision and inspection of the supervisory committee. Secondly, the Company proactively participated in the Poll on Best Supervision Committee Practice of Listed Companies (上市公司監事會最佳實踐評選) jointly organized by China Association for Public Companies, The Shanghai Stock Exchange and The Shenzhen Stock Exchange. The Supervisory Committee of CRCC was awarded “Top 50 Proactive Supervisory Committees of the Listed Companies” through recommendation from local associations, self-nomination by the listed company, screening, selection by experts to public voting, and relevant materials were selected to be included in the “Best Practice of Supervisory Committee of Listed Companies”.

III. PARTICULARS OF MEETINGS OF THE SUPERVISORY COMMITTEE

During the reporting period, the Supervisory Committee of the Company held six meetings, namely the ninth to fourteenth meetings of the third session of the Supervisory Committee and considered and approved 13 resolutions in total. Details of the meetings are as follows:

No.	Means of convening	Time	Venue	Resolutions
Ninth meeting of third session of the Supervisory Committee	On-site vote	25 January 2016	No. 2 Conference Room, 14/F, CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing	Considered and approved the Resolution on Changes in the Accounting Estimation of the Company
Tenth meeting of third session of the Supervisory Committee	On-site vote	30 March 2016	No. 2 Conference Room, 14/F, CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing	<ol style="list-style-type: none">1. Considered and approved the 2015 Final Financial Report of the Company2. Considered and approved the Resolution on the Profit Distribution Plan of the Company for 20153. Considered and approved the Resolution on the Special Report of the Deposit and the Use of Proceeds of the Company4. Considered and approved the Resolution on the 2015 Annual Report of the Company and its Summary5. Considered and approved the Resolution on the 2015 Evaluation Report on Internal Control of the Company6. Considered and approved the Report of the Supervisory Committee of China Railway Construction Corporation Limited for 20157. Considered and approved the Resolution on the Working Focus of the Supervisory Committee of China Railway Construction Corporation Limited for 2016

APPENDIX I WORK REPORT OF THE SUPERVISORY COMMITTEE FOR 2016

No.	Means of convening	Time	Venue	Resolutions
Eleventh meeting of third session of the Supervisory Committee	On-site vote	29 April 2016	No. 2 Conference Room, 14/F, CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing	Considered and approved the Resolution regarding the First Quarterly Report of China Railway Construction Corporation Limited for 2016
Twelfth meeting of third session of the Supervisory Committee	On-site vote	27 July 2016	No. 2 Conference Room, 14/F, CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing	Considered and approved the Resolution regarding Using Part of Idle Proceeds to Temporarily Replenish Working Capital
Thirteenth meeting of third session of the Supervisory Committee	On-site vote	30 August 2016	No. 2 Conference Room, 14/F, CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing	<ol style="list-style-type: none">1. Considered and approved the Resolution on the 2016 Interim Report of the Company and its Summary2. Considered and approved the Resolution on the Special Report of the Deposit and the Use of Proceeds of the Company
Fourteenth meeting of third session of the Supervisory Committee	On-site vote	27 October 2016	No. 2 Conference Room, 14/F, CRCC Bureau Building, No. 40 Fuxing Road, Haidian District, Beijing	Considered and approved the Resolution regarding the Third Quarterly Report of the Company for 2016

IV. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE UPON RELEVANT MATTERS OF THE COMPANY**1. Legal compliance of the Company's operations**

During the reporting period, the Company operated in accordance with the Company Law, the Articles of Association and the relevant laws and regulations and decision-making procedures were lawful and valid. No violation of laws, regulations and Articles of Association nor any action with prejudice to the interests of the Company and the Shareholders was found in discharging the duties of Directors and senior management.

2. Financial status of the Company

During the reporting period, the preparation of the Company's financial statements complied with the relevant requirements of the Accounting Systems for Business Enterprises and Accounting Standards for Business Enterprises, and the Company's 2016 financial report truthfully reflected the financial position and operating results of the Company. The opinion given in the auditor's standard unqualified audit report issued by Ernst & Young Hua Ming LLP was fair and objective.

3. Actual application of the proceeds raised by the Company

During the reporting period, the Supervisory Committee carried out supervision over the use of proceeds of the Company, and was of the view that the Company was able to be in compliance with the requirements of the Administrative Measures for Raising Proceeds by Companies Listed on the Shanghai Stock Exchange (Amended in 2013) and the Measures of the Management of Raised Funds of the Company for management and use of proceeds, and that the projects funded by the raised proceeds were in line with the projects committed to be funded. The relevant decision-making procedures were in compliance with the requirements of relevant laws, regulations and the Articles of Association, and no material condition in relation to unlawful use of proceeds was found. The Supervisory Committee will pay continuous attention to the implementation of the rules in relation to the administration in raised proceeds.

4. Acquisition and disposal of assets by the Company

During the reporting period, no material acquisition or disposal of assets was conducted by the Company. The Supervisory Committee was of the view that, the acquisition or disposal of assets by the Company during the reporting period were conducted at fair price and in compliance with relevant procedures and no violation of the interests of the Shareholders or the Company was found.

5. Related party transactions of the Company

The related parties involved in related party transactions of the Company mainly include China Railway Construction Corporation (CRCCG), the controlling Shareholder, and subsidiaries controlled by it and CRCC Financial Leasing Co., Ltd. According to the verification of the related party transactions of the Company and the inspection of the actual occurrence of the related party transactions of the Company during the reporting period, the related party transactions including the property rental and deposit etc. had not exceeded the levels stipulated in the relevant proposal. The Supervisory Committee was of the view that during the reporting period, the pricing of the related party transactions of the Company was fair, and no violation of the interests of the Shareholders or the Company was found.

6. Non-standard opinion from the accountants

N/A.

7. Opinion of relatively large difference between the actual and predicted profits of the Company

N/A.

8. Special explanation of 2016 Evaluation Report on Internal Control of the Company

During the reporting period, the Supervisory Committee carried out supervision and paid attention to the establishment of internal control system and renovation of internal control tests, and cautiously reviewed the 2016 Evaluation Report on Internal Control of China Railway Construction Corporation Limited, the Supervisory Committee was of the view that the Company further refined its internal control mechanism and improved its risk control and management capabilities according to its development strategy and regulatory requirements. The 2016 Evaluation Report on Internal Control of China Railway Construction Corporation Limited had reflected an objective and actual internal control of the Company.

9. Changes in the accounting policies and estimation of the Company

Not applicable for this year.

10. Supervision over the management system for insiders

During the reporting period, the Supervisory Committee supervised over implementation of the insider registration and management system. There were no situations of insiders using inside information to trade the Company's shares before the publication of material sensitive information that would affect the share price, nor were there any matters that were subject to any regulatory measures or administrative punishments by the regulatory authorities.

In 2017, the Supervisory Committee of the Company will further expand its working directions and introduce new working modes. As before, it will strictly perform its duty and follow the principle of integrity while enhancing effort in supervision based on the Company Law, the Articles of Association and the listing rules, with an aim to maintain and protect the legal interest of the Company and its Shareholders and aspire to complete all tasks.

The above report has been considered and approved at the sixteenth meeting of the third session of the Supervisory Committee, and is now proposed for Shareholders' consideration.

**The Supervisory Committee of
China Railway Construction Corporation Limited**

Details of the proposed amendments to the Rules of Procedure for the Board of Directors are as follows:*

The original Article 9 is as follows:

“The Chairman of the Board of Directors shall exercise the following functions and powers:

- (1) to preside over the Shareholders’ general meeting;
- (2) to convene and preside over meetings of the Board of Directors;
- (3) to supervise and inspect the execution of the resolutions of the Board of Directors;
- (4) to organize the formulation of various rules and regulations for the operation of the Board of Directors and coordinate the Board of Directors’ work;
- (5) to sign important documents of the Board of Directors, and to sign important documents that are legally binding with third parties on behalf of the Company;
- (6) to listen to the regular or non-regular reports of the senior management of the Company, and provide guidance on the execution of the resolutions of the Board of Directors;
- (7) to decide on the production and operation investments with the amount between RMB300 million and RMB500 million of the Company and its subsidiaries, including real estate investments;
- (8) to decide on long-term equity investment and purchase of large equipment between RMB100 million and RMB200 million of the Company and its subsidiaries;
- (9) to review and approve the plan for using the working expenditure of the Board of Directors;
- (10) when the Chairman of the Board of Directors is unable to convene a Board meeting in time in case of force majeure or emergency, he/she shall exercise special power in respect of the Company’s affairs that conform to laws and regulations as well as the Company’s interests and report to the Board of Directors and the Shareholders’ general meeting afterwards;
- (11) other powers granted by the Board of Directors;
- (12) other relevant requirements on the Chairman’s powers in the listing rules of the stock exchange at the place of which the shares of the Company are listed as amended from time to time.”

is to be amended as:

“The Chairman of the Board of Directors shall exercise the following functions and powers:

- (1) to preside over the Shareholders’ general meeting;
- (2) to convene and preside over meetings of the Board of Directors;
- (3) to supervise and inspect the execution of the resolutions of the Board of Directors;
- (4) to organize the formulation of various rules and regulations for the operation of the Board of Directors and coordinate the Board of Directors’ work;
- (5) to sign important documents of the Board of Directors, and to sign important documents that are legally binding with third parties on behalf of the Company;
- (6) to listen to the regular or non-regular reports of the senior management of the Company, and provide guidance on the execution of the resolutions of the Board of Directors;
- (7) to review and approve the plan for using the working expenditure of the Board of Directors;
- (8) when the Chairman of the Board of Directors is unable to convene a Board meeting in time in case of force majeure or emergency, he/she shall exercise special power in respect of the Company’s affairs that conform to laws and regulations as well as the Company’s interests and report to the Board of Directors and the Shareholders’ general meeting afterwards;
- (9) other powers granted by the Board of Directors;
- (10) other relevant requirements on the Chairman’s powers in the listing rules of the stock exchange at the place of which the shares of the Company are listed as amended from time to time.”

The original Article 45 is as follows:

“The following matters shall be considered and approved by the Shareholders’ general meeting for implementation with the consent of a meeting of the Board of Directors:

- (1) to formulate the annual financial budgets and final accounts of the Company;
- (2) to formulate the profit distribution plans and loss recovery plans of the Company;
- (3) to formulate plans for the increase or reduction of registered capital, and issuance of bonds or other securities as well as the listing plans of the Company;
- (4) to formulate plans for major acquisitions of the Company, buyback of the Company’s own shares or merger, division, dissolution and changes in corporate forms of the Company;
- (5) to formulate amendments to the Articles of Association;
- (6) to propose to the Shareholders’ general meeting the engagement or replacement of accounting firm(s) as the Company’s auditor(s).”

is to be amended as:

“The following matters shall be considered and approved by the Shareholders’ general meeting for implementation with the consent of a meeting of the Board of Directors:

- (1) to formulate the annual financial budgets and final accounts of the Company;
- (2) to formulate the profit distribution plans and loss recovery plans of the Company;
- (3) to formulate plans for the increase or reduction of registered capital, and issuance of bonds or other securities as well as the listing plans of the Company;
- (4) to formulate plans for major acquisitions of the Company, buyback of the Company’s own shares or merger, division, dissolution and changes in corporate forms of the Company;
- (5) to formulate amendments to the Articles of Association;
- (6) to propose to the Shareholders’ general meeting the engagement or replacement of accounting firm(s) as the Company’s auditor(s);
- (7) to comply with other requirements as stipulated in laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association.”

The original Article 49 is as follows:

“The “laws” mentioned in these Rules refer to laws, administrative regulations, department rules and regulations, local regulations, local government rules and regulations and legally binding government standard documents that are currently in force and applicable or are issued from time to time and applicable in the People of Republic of China (exclusive of Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region in these Rules), but when using together with “administrative regulations”, they particularly refer to the laws and regulations adopted at the National People’s Congress and its Standing Committee.”

is to be amended as:

“The “laws” mentioned in these Rules refer to laws, administrative regulations, department rules and regulations, local regulations, local government rules and regulations and legally binding government standard documents that are currently in force and applicable or are issued from time to time and applicable in the People of Republic of China (exclusive of Taiwan region, Hong Kong Special Administrative Region and Macau Special Administrative Region in these Rules), but when using together with “administrative regulations”, they particularly refer to the laws and regulations adopted at the National People’s Congress and its Standing Committee.”

* *The Rules of Procedure for the Board of Directors and its amendments were originally drafted in Chinese and there was no official English version. Therefore, any English translation is for reference only. In case of any discrepancies, the Chinese version shall prevail.*

NOTICE OF AGM



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 2016 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 annual general meeting (the “AGM”) 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 9:00 a.m. on Thursday, 15 June 2017 for the purposes of considering, and if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company for the year ended 31 December 2016. (Please refer to the “Discussion and Analysis on Business Operations (Report of Directors)” in the 2016 annual report of the Company.)
2. To consider and approve the work report of the supervisory committee of the Company for the year ended 31 December 2016. (Please refer to the circular of the Company dated 28 April 2017 for details.)
3. To consider and approve the audited financial statements of the Company for the year ended 31 December 2016. (Please refer to the audited financial statements in the 2016 annual report of the Company.)
4. To consider and approve the profits distribution plan of the Company for the year ended 31 December 2016. (Please refer to the circular of the Company dated 28 April 2017 for details.)

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5. To consider and approve the annual report of the Company for the year ended 31 December 2016 and its summary.
6. To consider and approve the determination of the caps for guarantees for wholly-owned subsidiaries of the Company for 2017. (Please refer to the circular of the Company dated 28 April 2017 for details.)
7. To consider and approve the transfer of part of equity interest in a project company funded by the proceeds raised from the non-public issuance of A Shares in 2015 and permanent replenishment of working capital by the proceeds from the transfer and remaining uninvested proceeds raised from the issuance (Please refer to the circular of the Company dated 28 April 2017 for details.)
8. To consider and approve the renewal of the Mutual Supply of Services Framework Agreement between the Company and CRCC Financial Leasing Co., Ltd. (Please refer to the circular of the Company dated 28 April 2017 for details.)
9. To consider and approve the payment of fees for 2016 annual report audit and relevant services. (Please refer to the circular of the Company dated 28 April 2017 for details.)
10. To consider and approve the payment of 2016 internal control audit fees. (Please refer to the circular of the Company dated 28 April 2017 for details.)
11. To consider and approve the change of external auditors for 2017. (Please refer to the circular of the Company dated 28 April 2017 for details.)
12. To consider and approve the remuneration of Directors and Supervisors for 2016. (Please refer to Section IX “Directors, Supervisors, Senior Management and Staff” in the 2016 annual report of the Company for details.)
13. To consider and approve the amendments to the Rules of Procedure for the Board of Directors of China Railway Construction Corporation Limited. (Please refer to the circular of the Company dated 28 April 2017 for details.)

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SPECIAL RESOLUTIONS

14. To consider and approve the registration and issuance of debt financing instruments of the Company in the National Association of Financial Market Institutional Investors (Please refer to the circular of the Company dated 28 April 2017 for details.)
15. To consider and approve the grant of general mandate to the board of directors to issue Shares:

“THAT:

- (1) Subject to conditions below, to propose at the general meeting of the Company to grant the board of directors during the Relevant Period (as hereafter defined), an unconditional general mandate to issue, allot and/or deal with additional A Shares and/or H Shares, and to make or grant offers, agreements or options in respect thereof:
 - (i) such mandate shall not extend beyond the Relevant Period save that the board of directors may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers at or after the end of the Relevant Period;
 - (ii) the number of the A Shares and/or H Shares to be issued, allotted and/or dealt with or agreed conditionally or unconditionally to be issued, allotted and/or dealt with by the board of directors shall not exceed 20% of the respective number of its issued A Shares and/or H Shares as at the date of the passing of this resolution at the general meeting;
 - (iii) the board of directors will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) or applicable laws, rules and regulations of any other government or regulatory bodies and only if all necessary approvals from CSRC and/or other relevant PRC government authorities are obtained.

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- (2) For the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution at the general meeting until the earliest of the following three items:
- (i) the conclusion of the next annual general meeting of the Company following the passing date of this resolution at the general meeting; or
 - (ii) the expiration of the 12-month period following the passing date of this resolution at the general meeting; or
 - (iii) the date on which the authority granted to the board of directors of the Company set out in this resolution is revoked or varied by a special resolution of the Shareholders of the Company in any general meeting.
- (3) Contingent on the board of directors resolving to issue A Shares and/or H Shares pursuant to paragraph (1) of this resolution, to propose at the general meeting of the Company to grant the board of directors to increase the registered capital of the Company to reflect the number of A Shares and/or H Shares to be issued by the Company pursuant to paragraph (1) of this resolution and to make such appropriate and necessary amendments to the Articles of Association as they think fit to reflect such increase in the registered capital of the Company and to take other action and complete any formality required to effect the issuance of A Shares and/or H Shares pursuant to paragraph (1) of this resolution and the increase in the registered capital of the Company.”

Shareholders will listen to the 2016 work report of the independent non-executive Directors of the Company at the AGM (such report is not subject to voting and resolution).

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

Beijing, the PRC
28 April 2017

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Notes:

- (a) Unless otherwise specified, details of the resolutions are set out in the circular of the Company dated 28 April 2017 (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 Tuesday, 16 May 2017 to Thursday, 15 June 2017 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. Any holders of H Shares, whose names appear on the Company’s register of members at the close of business on Monday, 15 May 2017, are entitled to attend and vote at the AGM after completing the registration procedures for attending the AGM. For unregistered holders of H Shares of the Company who intend to attend the AGM, 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 Monday, 15 May 2017.

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

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

- (c) A Shareholder(s) and H Shareholder(s) of the Company, who intend to attend the AGM, must complete the reply slips for attending the AGM and return the same to the Secretariat of the Board of Directors of the Company not later than 20 days before the date of the AGM, i.e. on or prior to Thursday, 25 May 2017.

Details of the Secretariat of the Board of Directors 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 holder of H Shares who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the AGM. A proxy of a Shareholder who has appointed more than one proxy shall only vote on a poll. Shareholders who wish to appoint one or more proxies shall refer to the Circular and the 2016 annual report of the Company first.
- (e) The instrument appointing a proxy by the Shareholders must be signed by the person appointing the proxy or an attorney duly authorized by such person in writing. If the instrument is signed by an attorney of the person appointing the proxy, the power of attorney authorising the attorney to sign, or other documents of authorization, shall be notarially certified.
- (f) To be valid, for H Shareholder(s), the form of proxy, and if the form of proxy 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 authorization documents, must be delivered to the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited at the 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof.

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- (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 AGM. Notes (d) and (e) also apply to A Shareholder(s), only that the form of proxy or other documents of authorization must be delivered to the Secretariat of the Board, the address of which is set out in Note (c) above, not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof in order for such documents to be valid.
- (h) If a proxy attends the AGM on behalf of a Shareholder, he shall produce his identification document and the instrument or document signed by the appointer or his legal representative specifying the date of its issuance. If a legal person Shareholder appoints a corporate representative to attend the AGM, such representative shall produce his identification document and the notarised copy of the resolution passed by the board of directors or other authority or other notarised copy of the license issued by such legal person Shareholder.
- (i) Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.