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

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

**ANNOUNCEMENT REGARDING THE PROPOSAL
ON INCREASE IN SHAREHOLDING BY THE CONTROLLING
SHAREHOLDER OF THE COMPANY**

China Railway Engineering Group Company Limited (“CREC”), the controlling shareholder of China Railway Group Limited (the “**Company**”), proposed to increase its shareholding in the A shares of the Company through the centralised price bidding system on the Shanghai Stock Exchange within six months from 31 March 2022 (the “**Shareholding Increase**”). The aggregate consideration in relation to the Shareholding Increase shall not be less than RMB150,000,000 and shall not exceed RMB300,000,000. Details are set out as follows:

I. Information on the Entity of the Shareholding Increase

1. Entity of the Shareholding Increase

China Railway Engineering Group Company Limited

2. Number of shares held and percentage of shareholding

As of 31 March 2022, CREC held 11,574,976,290 shares of the Company (including 11,410,582,290 A shares and 164,394,000 H shares), representing 46.88% of the total shares of the Company.

3. During the 12 months prior to the Shareholding Increase, CREC did not increase or decrease its shareholding in the Company.

II. Principle Terms of the Proposal on the Shareholding Increase

1. Purpose of the Shareholding Increase

Based on the recognition of the Company's value and confidence in the continuous and stable development of the Company in the future and in order to enhance the confidence of investors, support the continuous and healthy development of the Company and maintain the stability of the capital market and the share price of the Company, CREC proposed to increase its shareholding in the A shares of the Company.

2. Class of shares to be acquired under the Shareholding Increase

The class of shares to be acquired under the Shareholding Increase shall be A shares of the Company without selling restrictions.

3. Consideration for the Shareholding Increase

The aggregate consideration in relation to the Shareholding Increase shall not be less than RMB150,000,000 and shall not exceed RMB300,000,000.

4. Price of the shares to be acquired in the Shareholding Increase

There is no price range set for the Shareholding Increase. CREC will gradually implement the proposal on the Shareholding Increase in due course based on its reasonable judgement of the Company's stock value according to the fluctuations of the Company's share price and the overall condition of the capital market.

5. Implementation period of the proposal on Shareholding Increase

It shall be implemented within six months from 31 March 2022.

6. Funding arrangement of the proposal on the Shareholding Increase

The proposed Shareholding Increase shall be funded by internal resources of CREC.

III. Uncertain Risks of the Implementation of the Proposal on the Shareholding Increase

There are certain risks in the implementation of the Shareholding Increase that the proposed Shareholding Increase may not be implemented due to reasons such as changes in the capital market or the lack of availability of required funds for the Shareholding Increase.

IV. Other Information

1. The Shareholding Increase complies with the Securities Law of the People's Republic of China and other laws and regulations, departmental rules, and the relevant rules of the Shanghai Stock Exchange.
2. CREC undertakes not to reduce its shareholding in the Company during the implementation period of the Shareholding Increase and within the statutory period under relevant laws and regulations.
3. The Company will continue to observe relevant matters in respect of the shareholding increase in the Company by CREC and comply with the disclosure obligations in a timely manner in accordance with relevant provisions under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the Administrative Measures for the Takeover of Listed Companies (《上市公司收購管理辦法》) and Shanghai Stock Exchange Self-Regulatory Supervision Guidelines No. 8 for Listed Companies – Share Change Management (《上海證券交易所上市公司自律監管指引第8號—股份變動管理》).

By Order of the Board
China Railway Group Limited
Chen Yun
Chairman

31 March 2022

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Yun (Chairman), Mr. CHEN Wenjian and Mr. WANG Shiqi; the non-executive director of the Company is Mr. WEN Limin; the independent non-executive directors of the Company are Mr. CHUNG Shui Ming Timpson, Mr. ZHANG Cheng and Mr. XIU Long.