

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

If you have sold or transferred all your shares in China Railway Group Limited, you should at once hand this circular and the accompanying form of proxy and the reply slip to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

(1) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2012
(2) PROPOSED PROVISION OF GUARANTEE
(3) PROPOSED ISSUE OF CORPORATE BONDS
(4) PROPOSED LAUNCH OF ASSET-BACKED SECURITISATION
AND
NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2012

A notice convening the AGM to be held at 9:30 a.m. on Wednesday, 26 June 2013 at the Conference Room, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing, PRC, is set out on pages 8 to 11 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holder of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited in person, by post or by facsimile not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited or to the Company's Board of Directors' Office on or before 6 June 2013.

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DEFINITION

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

“A Shares”	ordinary shares of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in RMB
“AGM”	the annual general meeting for the year 2012 of the Company to be held on 26 June 2013
“Articles”	the articles of association of the Company from time to time
“Board”	the board of directors of the Company
“the Company”	中國中鐵股份有限公司 (China Railway Group Limited), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 390) and the Shanghai Stock Exchange (stock code: 601390), respectively
“Directors”	the directors of the Company
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of A Shares and/or H shares
“Shares”	A Shares and/or H Shares



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)

Executive Directors:

Mr. LI Changjin (*Chairman*)
Mr. BAI Zhongren
Mr. Yao Guiqing

Registered Office:

1 Xing Huo Road, Fengtai District
Beijing 100070
PRC

Non-executive Director:

Mr. Han Xiuguo

Principal Place of Business in Hong Kong:

Unit 1201-1203
12th Floor, APEC Plaza
49 Hoi Yuen Road, Kwun Tong
Kowloon
Hong Kong

Independent non-executive Directors:

Mr. HE Gong
Mr. GONG Huazhang
Mr. WANG Taiwen
Mr. SUN Patrick

10 May 2013

To the Shareholders

Dear Sir or Madam,

(1) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2012
(2) PROPOSED PROVISION OF GUARANTEE
(3) PROPOSED ISSUE OF CORPORATE BONDS
(4) PROPOSED LAUNCH OF ASSET-BACKED SECURITISATION
AND
NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2012

1 INTRODUCTION

At the AGM, among other things, ordinary resolutions will be proposed to approve (i) the profit distribution plan for the year 2012, and (ii) provision of guarantee, and special resolutions will be proposed to approve (i) the proposed issue of corporate bonds, and (ii) the proposed launch of asset-backed securitisation. The notice of AGM is set out on pages 8 to 11 of this circular. The purpose of this circular is to provide you with information regarding certain proposals to be considered at the AGM and to set out the notice of the AGM.

LETTER FROM THE BOARD

2 PROFIT DISTRIBUTION PLAN FOR THE YEAR 2012

In 2012, the consolidated net profit of the Company and its subsidiaries in accordance with International Financial Reporting Standards was RMB7.354 billion. The Board recommend the payment of a final dividend in the amount of RMB0.052 per Share (including tax), totalling approximately RMB1.108 billion for the year ended 31 December 2012.

3 PROPOSED PROVISION OF GUARANTEE

Pursuant to the relevant provisions of the Articles, proposed guarantee provided to enterprises with assets-to-liabilities ratio exceeding 70% shall be put forward to the Shareholders' general meeting for consideration and approval. The proposal on the amount of external guarantee by the Company for 2013 has been approved at the Nineteenth Meeting of the Second Session of the Board held on 28 March 2013, according to which, various subsidiaries of the Company intend to provide guarantee for certain of their respective non-wholly owned subsidiaries with assets-to-liabilities ratio exceeding 70%. The total amount of such guarantees amounted to RMB1.172 billion. To the best knowledge and belief of the Company, none of such guarantee is a connected person of the Company.

4 PROPOSED ISSUE OF CORPORATE BONDS

It was resolved at the Twentieth Meeting of the Second Session of the Board held on 26 April 2013 that corporate bonds be issued by the Company (the “**Corporate Bonds**”), within 36 months upon approval of the Shareholders by passing a special resolution at the AGM. Particulars of the issue of the Corporate Bonds are as follows:

Corporate Bonds

(a) Types of Bonds

Medium and long-term bonds, including medium-term notes, corporate bonds, and all other types of bonds permitted by applicable laws and regulations.

(b) Issue entity

The Company will be the issue entity.

(c) Size of the Issue

Amount not exceeding RMB10 billion or its equivalent in single or multiple tranches.

LETTER FROM THE BOARD

(d) *Maturity*

The Corporate Bonds will have no limitations on maturity. They can be of one single type or a combination of different types.

(e) *Use of Proceeds*

The proceeds raised from the Corporate Bonds will be used to supplement the working capital, repay debt, improve its debt structure and to construct projects that are in line with the State's industrial policies.

(f) *Arrangement as to Whether or Not to Place Bonds to Shareholders*

There will not be any preferential placement to Shareholders.

(g) *Guarantee for the Repayment of the Corporate Bonds*

It is agreed that the Company undertakes that in circumstances where any failure to pay any amounts of principal or interest of the Corporate Bonds as scheduled or when any of such amounts fall due is expected to take place, it will take measures accordingly to guarantee the repayment as required by relevant laws and regulations, including but not limited to:

- (i) not to declare any profit distribution to Shareholders;
- (ii) postpone the implementation of capital expenditure projects such as material investment, merger or acquisition;
- (iii) reduce or discontinue the payment of salaries and bonuses of Directors and members of senior management;
- (iv) not to approve any transfer or secondment of the staff primarily responsible for the issue.

(h) *Term of Validity of the Shareholders' General Meeting Resolution*

36 months after the date of passing of Shareholders' general meeting resolution.

LETTER FROM THE BOARD

In addition, it is also proposed by the Board that the Shareholders' general meeting will, subject to the approval of the issue of the Corporate Bonds at the Shareholders' general meeting of the Company, authorise the Chairman and the President of the Company to jointly exercise all powers to handle all matters relating to the issue and listing of the Corporate Bonds, including but not limited to:

- (a) to decide on details relating to the issue and listing of the Corporate Bonds, including but not limited to types and currencies of the bonds, the arrangements as to whether or not to issue in tranches and whether or not to issue multiple types of bonds and their terms, the arrangements in relation to the issue size and maturity of each tranche and each type, the duration and method of repayment of the principal and the interests, underwriting, the matters as to whether any terms for repurchase and redemption will be in place, the pricing approach, the coupon interest rate, the details of use of proceeds, the measures for guaranteeing the repayment, the guarantee, the listing of bonds, the stock exchanges on which the bonds will be listed and the selection of qualified professional advisers for the issue of the Corporate Bonds;
- (b) to negotiate on behalf of the Company in relation to all matters regarding the issue and listing of the Corporate Bonds, to execute all relevant agreements and other necessary documents, and to make proper information disclosure;
- (c) to carry out all necessary procedures with respect to the approval of the issue and listing of the Corporate Bonds by the relevant regulatory authorities, and to make suitable adjustments to the detailed plan of the Corporate Bonds in accordance with the opinions of the regulatory authorities (if any); and
- (d) to take all necessary actions and deal with or make decisions on other matters relating to the issue and listing of the Corporate Bonds.

After comparing various means of financing and taking into account the current interest rate environment, the Board considers the issue of the Corporate Bonds to be the most suitable means to effectively lower the overall capital costs and raise the repayment capability of the Company.

5 PROPOSED LAUNCH OF ASSET-BACKED SECURITISATION

It was resolved at the at the Twentieth Meeting of the Second Session of the Board held on 26 April 2013 that asset-backed securitisation business up to RMB10 billion be launched by the Company (the “**Asset-backed Securitisation**”), subject to approval of the Shareholders by passing a special resolution at the AGM and approval of relevant regulatory authorities. Particulars of the launch of the Asset-backed Securitisation are as follows:

Plan

The Asset-backed Securitisation will be launched by the Company in tranches in light of the actual underlying assets of the Company, and appropriate credit enhancement measures will be taken based on the structures, including but not limited to guaranteeing measures such as holding of certain subordinated products and liquidity support.

In addition, it is also proposed by the Board that the Shareholders’ general meeting will, subject to approval of the launch of the Asset-backed Securitisation at the Shareholders’ general meeting of the Company, authorise the Chairman and the President of the Company to jointly exercise all powers to handle all matters relating to the launch of the Asset Securitisation, including but not limited to:

- (a) to decide on details relating to the launch of the Asset-backed Securitisation, including but not limited to detailed plan of the Asset-backed Securitisation, such as selection of the manager, determination of the underlying assets, amount of the proceeds raised, maturity, pricing, detailed credit enhancement measures, and selection of qualified professional agencies;
- (b) to negotiate on behalf of the Company in relation to all matters regarding the launch of the Asset-backed Securitisation , to execute all relevant agreements and other necessary documents, and to make proper information disclosure;
- (c) to carry out or assist the manager to carry out all necessary procedures with respect to the approval of the launch of the Asset-backed Securitisation by the relevant regulatory authorities, and to make suitable amendments to the detailed plan in accordance with the opinions of the regulatory authorities (if any); and
- (d) to take all necessary actions and deal with or make decisions on other matters relating to the launch of the Asset-backed Securitisation.

The proposed issue of Corporate Bonds and the proposed launch of Asset-backed Securitisation may or may not occur and will not be placed to the Shareholders. The Shareholders and investors should therefore exercise caution in dealing in the Company’s Shares.

LETTER FROM THE BOARD

6 THE AGM

The 2012 AGM will be held at 9:30 a.m. on Wednesday, 26 June 2013 at the Conference Room, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing, PRC.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holder of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited in person, by post or by facsimile not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited or to the Company's Board of Directors' Office on or before 6 June 2013.

Yours faithfully,
By Order of the Board of
China Railway Group Limited
Li Changjin
Chairman



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)

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2012

NOTICE IS HEREBY GIVEN that the 2012 Annual General Meeting ("AGM") of China Railway Group Limited (the "**Company**") will be held at the Conference Room, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing, PRC on 26 June 2013 at 9:30 a.m. to consider and approve the following as appropriate:

By way of ordinary resolutions:

1. To consider and approve the report of the Board of Directors of the Company for the year ended 31 December 2012.
2. To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2012.
3. To consider and approve the audited consolidated financial statements of the Company for the year ended 31 December 2012.
4. To consider and approve the work report of independent directors of the Company for the year ended 31 December 2012.
5. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2012.
6. To consider and approve the resolution in relation to the appointment of the auditors for 2013, re-appointment of Deloitte Touche Tohmatsu as the Company's international auditors and Deloitte Touche Tohmatsu CPA LLP as the Company's domestic auditors for a term ending at the next annual general meeting of the Company, the aggregate remuneration shall be RMB43 million.
7. To consider and approve the resolution in relation to the appointment of internal control auditors for 2013, re-appointment of Deloitte Touche Tohmatsu CPA LLP as the internal control auditors of the Company for 2013, the remuneration shall be RMB2.6 million.
8. To consider and approve the provision of guarantee by various subsidiaries of the Company.

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2012

By way of special resolutions:

9. To consider and approve the following as a special resolution:

“THAT:

- (a) the Company be and is hereby authorised, within 36 months from the date of passing of this resolution, to issue and offer corporate bonds (the **“Corporate Bonds”**) of principal amount not exceeding RMB10 billion without a limit to the term of maturity, in single tranche or multiple tranches;
- (b) the Chairman and the President of the Company are hereby authorised to jointly exercise all powers to handle all matters relating to the issue of the Corporate Bonds, including but not limited to:
 - (i) to decide on details relating to the issue and listing of the Corporate Bonds, including but not limited to types and currencies of the bonds, the arrangements as to whether or not to issue in tranches and whether or not to issue multiple types of bonds and their terms, the arrangements in relation to the issue size and maturity of each tranche and each type, the duration and method of repayment of the principal and the interests, underwriting, the matters as to whether any terms for repurchase and redemption will be in place, the pricing approach, the coupon interest rate, the details of use of proceeds, the measures for guaranteeing the repayment, the guarantee, the listing of bonds, the stock exchanges on which the bonds will be listed and the selection of qualified professional advisers for the issue of the Corporate Bonds;
 - (ii) to negotiate on behalf of the Company in relation to all matters regarding the issue and listing of the Corporate Bonds, to execute all relevant agreements and other necessary documents, and to make proper information disclosure;
 - (iii) to carry out all necessary procedures with respect to the approval of the issue and listing of the Corporate Bonds by the relevant regulatory authorities, and to make suitable adjustments to the detailed plan of the Corporate Bonds in accordance with the opinions of the regulatory authorities (if any); and
 - (iv) to take all necessary actions and deal with or make decisions on other matters relating to the issue and listing of the Corporate Bonds.”

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2012

10. To consider and approve the following as a special resolution:

“THAT:

- (a) the Company be and is hereby authorised, to launch asset-backed securitisation up to RMB10 billion in tranches in light of the actual underlying assets of the Company, and appropriate credit enhancement measures will be taken based on the structures, including but not limited to guaranteeing measures such as holding of certain subordinated products and liquidity support (“**Asset-backed Securitisation**”).
- (b) the Chairman and the President of the Company are hereby authorised to jointly exercise all powers to handle all matters relating to the launch of the Asset-backed Securitisation, including but not limited to:
 - (i) to decide on details relating to the launch of the Asset-backed Securitisation, including but not limited to detailed plan of the Asset-backed Securitisation, such as selection of the manager, determination of the underlying assets, amount of the proceeds raised, maturity, pricing, detailed credit enhancement measures, and selection of qualified professional agencies;
 - (ii) to negotiate on behalf of the Company in relation to all matters regarding the launch of the Asset-backed Securitisation, to execute all relevant agreements and other necessary documents, and to make proper information disclosure;
 - (iii) to carry out or assist the manager to carry out all necessary procedures with respect to the approval of the launch of the Asset-backed Securitisation by the relevant regulatory authorities, and to make suitable amendments to the detailed plan in accordance with the opinions of the regulatory authorities (if any); and
 - (iv) to take all necessary actions and deal with or make decisions on other matters relating to the launch of the Asset-backed Securitisation.”

By Order of the Board
China Railway Group Limited
Yu Tengqun Tam Chun Chung
Joint Company Secretaries

Beijing, the PRC

10 May 2013

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2012

Notes:

1. Closure of register of members and eligibility for attending the AGM

Shareholders who submit their share transfer application forms to the Company's share registrar before close of business on Thursday, 6 June 2013 and become registered as shareholders on the register of members of the Company are entitled to attend the AGM.

Holders of the Company's H shares are advised that the register of members will be closed from Friday, 7 June 2013 to Wednesday, 26 June 2013 (both days inclusive). Holders of H shares whose names appear on the register of members of the Company maintained in Hong Kong at the close of business on Thursday, 6 June 2013 are entitled to attend the AGM.

Holders of H shares who wish to attend the AGM but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong at or before 4:30 p.m., Thursday, 6 June 2013.

2. Registration procedures for attending the AGM

Shareholders attending the AGM in person or by proxy shall present their identity certification. If the attending shareholder is the authorised legal representative of the Company's shareholder, the Board or other decision making authority, then such attending shareholder shall present a copy of the relevant resolution of the Board or other decision making authority appointing it as its authorised legal or official representative in order to attend the AGM on behalf of such company.

3. Notice of attendance

Shareholders who intend to attend the AGM in person or by proxy should return the reply slip in person, by post or by facsimile to the Company's Board of Directors' Office or Computershare Hong Kong Investor Services Limited on or before Thursday, 6 June, 2013.

The Company's Board of Directors' Office is located at Room 511, Block A, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing 100039, PRC (Contact Persons: Mr. Wan Ming / Ms. Duan Yinhu, Tel: (8610) 5187 8197 / 5187 8069, Fax: (8610) 5187 8417).

The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555, Fax: (852) 2865 0990).

4. Proxy

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in their stead. A proxy need not be a shareholder of the Company.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorised attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorising that attorney to sign or other authorisations document must be notarised.

To be valid, the form of proxy together with the power of attorney or other authorisation document (if any) signed by the authorised person or notarially certified power of attorney must be delivered to Computershare Hong Kong Investor Services Limited for holders of H shares not less than 24 hours before the designated time for the holding of the AGM.

Completion and return of a form of proxy will not preclude a shareholder from attending in person and voting at the AGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

5. Other business

Shareholders and their proxies attending the AGM shall be responsible for their own travelling and accommodation expenses.