
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 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 2022
(2) BUDGET PLAN FOR THE YEAR 2023
**(3) THE SALARY (REMUNERATION, WORK SUBSIDY) OF
DIRECTORS AND SUPERVISORS FOR THE YEAR 2022**
**(4) PROPOSED PURCHASE OF LIABILITIES INSURANCE FOR
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**
(5) PROPOSED PROVISION OF GUARANTEE
(6) PROPOSED PROVISION OF ENTRUSTED LOAN
AND
NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2022

A notice convening the AGM to be held at 9:30 a.m. on Wednesday, 28 June 2023 at the Conference Room, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing, the PRC, is set out on pages N-1 to N-3 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 proxy form 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 Tuesday, 27 June 2023.

25 May 2023

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DEFINITIONS

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 2022 of the Company to be held on Wednesday, 28 June 2023
“Articles of Association”	The “Articles of Association of China Railway Group Limited” and its amendments from time to time
“Board”	the board of directors of the Company
“CMCR”	China Merchants China Railway Holding Co., Ltd. (招商中鐵控股有限公司), formerly known as Guangxi China Railway Communications Expressway Management Co., Ltd. (廣西中鐵交通高速公路管理有限公司), a limited liability company established under the laws of the PRC; 49% of its equity interest is held by CRCI as at the date of this circular
“CM Expressway”	China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網路科技控股股份有限公司), a joint stock company incorporated under the laws of the PRC; CM Expressway holds 49% equity interest in CMCR as at the date of this circular
“Company”	China Railway Group Limited (中國中鐵股份有限公司), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 390) and the Shanghai Stock Exchange (stock code: 601390), respectively
“CRCI”	China Railway Communications Investment Group Co., Ltd. (中鐵交通投資集團有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company as at the date of this circular
“Director(s)”	the director(s) of the Company

DEFINITIONS

“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
“ICBC Investment”	ICBC Financial Asset Investment Co., Ltd. (工銀金融資產投資有限公司), a limited liability company established under the laws of the PRC; ICBC Investment holds 2% equity interest in CMCR as at the date of this circular
“Latest Practicable Date”	22 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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
“Supervisor(s)”	the supervisor(s) of the Company
“USD”	United States dollars, the lawful currency of the United States

LETTER FROM THE BOARD



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. CHEN Yun (*Chairman*)
Mr. CHEN Wenjian
Mr. WANG Shiqi

Non-executive Director:

Mr. WEN Limin

Independent Non-executive Directors:

Mr. CHUNG Shui Ming Timpson
Mr. ZHANG Cheng
Mr. XIU Long

Registered Office:

918, Block 1
No. 128 South 4th Ring Road West
Fengtai District
Beijing 100070
the PRC

Principal Place of Business

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

25 May 2023

To the Shareholders

Dear Sir or Madam,

(1) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2022
(2) BUDGET PLAN FOR THE YEAR 2023
(3) THE SALARY (REMUNERATION, WORK SUBSIDY) OF
DIRECTORS AND SUPERVISORS FOR THE YEAR 2022
(4) PROPOSED PURCHASE OF LIABILITIES INSURANCE FOR
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT
(5) PROPOSED PROVISION OF GUARANTEE
(6) PROPOSED PROVISION OF ENTRUSTED LOAN
AND
NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2022

1 INTRODUCTION

At the AGM, among other things, ordinary resolutions will be proposed to approve (1) the profit distribution plan for the year 2022; (2) the budget plan for the year 2023; (3) the salary (remuneration, work subsidy) of Directors and Supervisors for the year 2022; (4) proposed purchase of liabilities insurance for Directors, Supervisors and senior management; (5) proposed provision of guarantee; and (6) proposed provision of entrusted loan. The notice of the AGM is set out on pages N-1 to N-3 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 2022

The retained profits of the Company at the beginning of 2022 were RMB78,408,144,168.91 based on the audited financial report of the Company prepared in accordance with Chinese Accounting Standards for 2022. After taking into account the added net profit realised by the Company of RMB24,393,480,424.54 during the year and deducting the cash dividends and interest payments on perpetual notes paid in 2022 amounting to RMB6,648,407,436.94, and with 10% of the net profit of the Company, i.e., RMB2,439,348,042.45, being appropriated to its surplus reserve, the distributable profit of the Company to shareholders amounted to RMB93,713,869,114.06 for the year. A cash dividend of RMB2.00 per 10 Shares (tax inclusive) is proposed to be distributed. Based on the Company's total share capital of 24,752,195,983 Shares as at 30 March 2023, the total amount of such dividend is RMB4,950,439,196.60 (tax inclusive), representing 15.82% of net profit attributable to the Company's Shareholders under the consolidated financial statements for the current year of the Company. Upon the distribution, the remaining retained profit of the Company amounting to RMB88,763,429,917.46 will be carried forward to the next year.

In the event of change in total share capital of the Company before the record date for payment of the cash dividend, the total distribution amount will be kept unchanged and the distribution amount per share will be adjusted accordingly. The Company will make a further announcement on the details of the adjustment.

The proposal has been considered and approved at the twenty-sixth meeting of the fifth session of the Board held on 29 March 2023 and 30 March 2023 and will be proposed at the AGM for the Shareholders to approve by way of 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.

3 BUDGET PLAN FOR THE YEAR 2023

Based on the analysis of the operation of the Company in 2022, and in consideration of the Company's future development plan and the overall macroeconomic and the stability of industry development situation, the Company has prepared a budget plan for 2023 and will submit an ordinary resolution at the AGM to approve the Company's budget plan for 2023. In 2023, the Company plans to achieve total revenue of approximately RMB1.2 trillion, costs of operation (including interest expense) of approximately RMB1,078.5 billion, four expenses of approximately RMB66.5 billion. It is estimated that the new contracts to be entered into will amount to approximately RMB3.2 trillion. The Company will promptly adjust its operation plan to suit market conditions and to reflect the actual implementation of the plan.

The proposal has been considered and approved at the twenty-fifth meeting of the fifth session of the Board held on 27 February 2023 and will be proposed at the AGM for the Shareholders to approve by way of ordinary resolution.

LETTER FROM THE BOARD

Special Note: This budget is an estimate of the Company's business plan for 2023 and does not represent the Company's annual profit forecast. Whether it can be realized depends on multiple internal and external factors such as operating revenues, actual expenses and market changes, and is subject to uncertainty, so investors are hereby reminded of that.

4 THE SALARY (REMUNERATION, WORK SUBSIDY) OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2022

The salary (remuneration, work subsidy) of Directors and Supervisors for the year 2022 is contained in Note 17 to the Consolidated Financial Statements in the 2022 Annual Report of the Company. The salary (remuneration, work subsidy) of Directors and Supervisors for the year 2022 has been considered and approved at the twenty-sixth meeting of the fifth session of the Board held on 29 March 2023 and 30 March 2023. The independent Directors of the Company have issued their independent opinions of consent and it will be proposed at the AGM for the Shareholders to approve by way of ordinary resolution.

5 PROPOSED PURCHASE OF LIABILITIES INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Pursuant to C.1.8 of the Code on Corporate Governance Practices as set out in Part 2 of Appendix 14 to the Hong Kong Listing Rules and to protect the rights and interests of Directors, Supervisors and senior management and satisfy the regulatory requirements for listed companies, the Board proposed to purchase the liabilities insurance for Directors, Supervisors and senior management for the year 2023 with a coverage of USD14 million and the insurance premium of RMB240,000 with an aggregate insurance period of 12 months from Huatai Property and Casualty Insurance Company Limited.

The proposal has been considered and approved at the twenty-sixth meeting of the fifth session of the Board held on 29 March 2023 and 30 March 2023 and will be proposed at the AGM for the Shareholders to approve by way of ordinary resolution. Meanwhile, the Board will further propose at the AGM to authorise the Board to renew and update the insurance contract with Huatai Property and Casualty Insurance Company Limited on or prior to the expiry of the insurance contract.

6 PROPOSED PROVISION OF GUARANTEE

Pursuant to the relevant provisions of the Articles of Association, any external guarantee proposed to be provided by the Company and its controlled subsidiaries after the total amount of guarantee reaching or exceeding 50% of the latest audited net assets value, or proposed to be provided to any secured party with liabilities-to-assets ratio exceeding 70% shall be put forward to the Shareholders' general meeting for consideration and approval.

LETTER FROM THE BOARD

The proposal on the total amount of the provision of external guarantee by the Company for the second half of 2023 to the first half of 2024 has been considered and approved at the twenty-eighth meeting of the fifth session of the Board held on 8 May 2023, according to which, the Company and some of its subsidiaries intend to provide guarantee for a total amount of RMB225.168 billion, among which, the estimated guarantee provided for wholly-owned subsidiaries amounts to RMB64.983 billion, the estimated guarantee provided for non-wholly owned controlling subsidiaries amounts to RMB19.606 billion, and the estimated guarantee provided for investment companies and external entities amounts to RMB10.579 billion, the reserved guarantee amounts to RMB20 billion; and the provision of makeup for shortfall to wholly-owned subsidiaries and controlling subsidiaries amounts to RMB110 billion (including the reserved guarantee amount of RMB6.314 billion). For reasons that the total amount of such guarantee to be provided exceeds 50% of the audited net assets value of the Company for the year 2022, and certain guarantee are provided to entities with liabilities-to-assets ratio exceeding 70%, it is proposed by the Company at the AGM to consider and approve the proposal by way of ordinary resolution. To the best knowledge and belief of the Company, none of such guarantee is provided to a connected person of the Company.

7 PROPOSED PROVISION OF ENTRUSTED LOAN

Reference is made to the announcement dated 16 December 2019 issued by the Company that CM Expressway and ICBC Investment have agreed to purchase, and CRCI, a wholly-owned subsidiary of the Company, has agreed to sell, 51% of the equity interests it held in CMCR and the relevant claims of RMB3,315 million. After completion of the transaction, CRCI holds 49% equity interests in CMCR, CM Expressway holds 49% equity interests in CMCR, and ICBC Investment holds 2% equity interests in CMCR. In accordance with the provisions of the transaction agreement then in effect as well as the principle that all shares shall bear equal liabilities, each of the three shareholders provided a shareholder loan to CMCR and its subsidiaries in proportion to its shareholding percentage; of which CRCI provided a shareholder loan of RMB3.185 billion to CMCR and its subsidiaries. As of March 2023, the loan of RMB2.913 billion became due and has been repaid successively.

Due to the shortage of funds of CMCR and its subsidiaries, upon negotiations among the shareholders of CMCR, the shareholders of CMCR unanimously agreed to provide financial assistance to CMCR in proportion to their respective shareholding percentage and under the same conditions to support the business development of CMCR and its subsidiaries. It is proposed that, in proportion to its shareholding in CMCR, CRCI will provide CMCR and its subsidiaries with an entrusted loan of RMB2.838 billion, with a term of three years and an interest rate in the range of 4.75% to 5.225%, which is a rate not lower than the bank lending rate for the same period, and without the provisions of any guarantee or counter-guarantee. CMCR and its subsidiaries have good operating and credit status in general, are solvent and the risk of financial assistance is controllable. The provision of the entrusted loan will have no significant impact on the financial condition, business and operation of the Company, and will not harm the interests of the Company and its shareholders.

LETTER FROM THE BOARD

The proposal has been considered and approved at the twenty-eighth meeting of the fifth session of the Board held on 8 May 2023 and will be submitted to the Shareholders for approval as an ordinary solution at the AGM. To the best knowledge and belief of the Company, CMCR is not a connected person of the Company.

8 THE AGM

A notice convening the AGM to be held at 9:30 a.m. on Wednesday, 28 June 2023 at the Conference Room, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing, the PRC, is set out on pages N-1 to N-3 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 holders of H Shares, the completed 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 proxy form 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 Tuesday, 27 June 2023.

Yours faithfully,
By Order of the Board of
China Railway Group Limited
CHEN Yun
Chairman

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2022

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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)

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2022

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting (“AGM”) of China Railway Group Limited (the “**Company**”) will be held at Conference Room, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing, the PRC on Wednesday, 28 June 2023 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 2022.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2022.
3. To consider and approve the work report of independent directors of the Company for the year ended 31 December 2022.
4. To consider and approve the 2022 A share annual report and the abstract, H share annual report and results announcement for the year of 2022 of the Company.
5. To consider and approve the audited consolidated financial statements of the Company for the year ended 31 December 2022.
6. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2022.
7. To consider and approve the proposal regarding the budget plan of the Company for the year of 2023.

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2022

8. To consider and approve the proposal in relation to the engagement of the auditors for 2023, re-appointment of PricewaterhouseCoopers as the Company's international auditor and PricewaterhouseCoopers Zhong Tian LLP as the Company's domestic auditor for 2023 for a term ending at the next annual general meeting of the Company and to authorise the board of directors of the Company to agree the remuneration with PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP with reference to the work scope and audit requirements for 2023.
9. To consider and approve the proposal in relation to the appointment of internal control auditors for 2023, re-appointment of PricewaterhouseCoopers Zhong Tian LLP as the internal control auditors of the Company for 2023 for a term ending at the next annual general meeting of the Company, the remuneration shall not exceed RMB1.80 million.
10. To consider and approve the proposal on the salary (remuneration, work subsidy) of directors and supervisors of the Company for the year of 2022.
11. To consider and approve the proposal on the purchase of liabilities insurance for directors, supervisors and senior management of the Company for the year of 2023.
12. To consider and approve the proposal in relation to the total amount of the provision of external guarantee by the Company for the second half of 2023 to the first half of 2024.
13. To consider and approve the proposal in relation to the provision of an entrusted loan by China Railway Communications Investment Group Co., Ltd. to China Merchants China Railway Holding Co., Ltd. and its subsidiaries.

By Order of the Board of
China Railway Group Limited
HE Wen TAM Chun Chung
Joint Company Secretaries

Beijing, the PRC
25 May 2023

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2022

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 Wednesday, 21 June 2023 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 Thursday, 22 June 2023 to Wednesday, 28 June 2023 (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 Wednesday, 21 June 2023 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., Wednesday, 21 June 2023.

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 Tuesday, 27 June 2023.

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, the PRC (Contact person: Mr. LI, Tel: (8610) 5187 8061, 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).

Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM if they so wish. In such event, the form of proxy shall be deemed to be revoked.

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 authorisation documents must be notarised.

To be valid, the proxy form (and if such proxy form is executed by a person under a power of attorney or other authorisation documents, then together with such power of attorney or authorisation documents, or a copy thereof certified by a notary) 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 proxy form 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.

6. As at the date of this notice, 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.