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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

**APPROVAL OF QUOTATION OF CHINA RAILWAY HIGH-SPEED
ELECTRIFICATION EQUIPMENT CORPORATION LIMITED ON
NATIONAL EQUITIES EXCHANGE AND QUOTATIONS SYSTEM**

Reference is made to the announcement of China Railway Group Limited (the “**Company**”) dated 19 June 2018 (the “**Announcement**”) in relation to the proposed spin-off of China Railway High-Speed Electrification Equipment Corporation Limited (formerly known as Baoji Line Parts Co., Ltd. of China Railway Electrification Bureau Group, “**CRHEEC**”), an indirect wholly-owned subsidiary of the Company, by way of quotation on the National Equities Exchange and Quotations System (the “**NEEQ**”, i.e. the “**New Third Board**”) (the “**Proposed Spin-off**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

APPROVAL OF QUOTATION OF CRHEEC ON NEEQ

As stated in the Announcement, the Company has submitted an application in relation to the Proposed Spin-off to the Stock Exchange. The Company is pleased to announce that it has received the approval in relation to the Proposed Spin-off from the Stock Exchange pursuant to Practice Note 15 to the Listing Rules. On 17 September 2018, CRHEEC has also obtained the Letter on Approval of Quotation of the Shares of China Railway High-Speed Electrification Equipment Corporation Limited on National Equities Exchange and Quotations System issued by NEEQ Co., Ltd., which gives consent to the quotation of the shares of CRHEEC on the NEEQ.

WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PRACTICE NOTE 15 TO THE LISTING RULES

Under Paragraph 3(f) of Practice Note 15 to the Listing Rules, a listed issuer is required to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to the shares in the entity which is proposed to be spin-off for separate listing.

However, according to the PRC legal adviser of CRHEEC, upon completion of the Proposed Spin-off, foreign institutional investors (including legal persons and partnership enterprises in Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan), who are proposing to acquire the shares of the CRHEEC through public trading or private placement, are required to obtain the related qualifications, permits or approvals in accordance with the Administrative Measures on Investment in Domestic Securities of Qualified Foreign Institutional Investors (《合格境外機構投資者境內證券投資管理辦法》), Pilot Measures on Investment in Domestic Securities of RMB Qualified Foreign Institutional Investors (《人民幣合格境外機構投資者境內證券投資試點辦法》), Administrative Measures on Strategic Investment in Listed Companies by Foreign Investors (《外國投資者對上市公司戰略投資管理辦法》), Rules on Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) and other relevant regulations; foreign natural persons (including residents of Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan), who are proposing to acquire the shares of the CRHEEC through public trading or private placement, are required to satisfy the requirements of qualified investors and the conditions for opening A shares accounts and NEEQ accounts. Save for the circumstances above, upon completion of the Proposed Spin-off, foreign institutional investors and foreign natural persons (including legal persons, partnership enterprises and natural persons in Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan) are not allowed to directly acquire the issued shares of or the shares to be issued by the CRHEEC.

Accordingly, not all, if any, of the existing shareholders of the Company will be entitled to hold shares in the CRHEEC following the Proposed Spin-off, and thus compliance with Paragraph 3(f) of Practice Note 15 to the Listing Rules in relation to the Proposed Spin-off will not be feasible. The Company has therefore applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Paragraph 3(f) of Practice Note 15 to the Listing Rules.

In view of the aforesaid restrictions under PRC laws and regulations, and having considered the reasons for and benefits of the Proposed Spin-off and the fact that CRHEEC will still remain as an indirectly wholly-owned subsidiary of the Company immediately upon the completion of the Proposed Spin-off and the financial results of CRHEEC will continue to be consolidated in the financial statements of the Company, the board of directors of the Company is of the view that the Proposed Spin-off and non-provision of assured entitlements to existing shareholders of the Company are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

By Order of the Board
China Railway Group Limited
LI Changjin
Chairman

17 September 2018

As at the date of this announcement, the executive directors of the Company are LI Changjin (Chairman), ZHANG Zongyan, ZHOU Mengbo and ZHANG Xian; the independent non-executive directors are GUO Peizhang, WEN Baoman, ZHENG Qingzhi and CHUNG Shui Ming Timpson; and the non-executive director is MA Zonglin.