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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 COMPLETION OF THE PLAN  
ON INCREASE IN SHAREHOLDING BY THE CONTROLLING  
SHAREHOLDER OF THE COMPANY**

Reference is made to the announcement of China Railway Group Limited (the “**Company**”) dated 19 November 2018 regarding the plan of China Railway Engineering Group Company Limited (“**CREC**”), the controlling shareholder of the Company, to increase its shareholding in the Company through, including but not limited to, centralised price bidding, block trade and transfer by agreement in the Shanghai Stock Exchange within six months from 20 November 2018 (the “**Shareholding Increase**”). The shareholding percentage to be increased in aggregate shall not be less than 0.1% of the total issued A shares of the Company and shall not exceed 1% of the total issued A shares of the Company.

On 20 May 2019, the Company received a notice from CREC that CREC acquired 23,788,100 A shares of the Company through centralised price bidding in the Shanghai Stock Exchange during the six months from 20 November 2018 to 20 May 2019 at an average price of approximately RMB6.915 per share, representing 0.1276% of the total issued A shares of the Company. Details are set out as follows:

**I. Basic Information of the Entity of the Shareholding Increase**

1. Entity of the Shareholding Increase: CREC
2. Before the implementation of the plan on the Shareholding Increase, CREC held 11,574,976,290 shares of the Company (including 11,410,582,290 A shares and 164,394,000 H shares), representing 50.67% of the total shares of the Company, among which, A shares representing approximately 49.95% of the total share capital and H shares representing approximately 0.72% of the total share capital.
3. Implementation of the plan on the Shareholding Increase of the Entity

As at the date of the announcement, the implementation period has expired and the plan on the Shareholding Increase of CREC has been completed.

## **II. Main Contents of the Plan on the Shareholding Increase**

The Company published the Announcement Regarding the Plan on Increase in Shareholding by the Controlling Shareholder of the Company on 19 November 2018, details of which are set out below:

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 listed company and maintain the stability of the capital market and the stock price of the Company, CREC proposed to increase its shareholding in the Company.
2. Type of shares to be acquired in the shareholding increase: The type of shares to be acquired in the shareholding increase shall be A shares of the Company without selling restrictions.
3. Number or amount of the shares to be acquired in the shareholding increase: The shareholding percentage to be increased in aggregate shall not be less than 0.1% of the total issued A shares of the Company and shall not exceed 1% of the total issued A shares of the Company.
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 plan 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 stock price and the overall trend of the capital market.
5. Implementation period of the plan on the Shareholding Increase: It shall be implemented within six months from 20 November 2018.
6. Funding arrangement of the plan on the Shareholding Increase: The funds to be contributed in the proposed shareholding increase shall be self-owned funding of CREC.

## **III. Implementation Results of the Plan on the Shareholding Increase**

CREC cumulatively acquired a total of 23,788,100 A shares through centralised price bidding in the Shanghai Stock Exchange during the six months from 20 November 2018 to 19 May 2019 at an average price of approximately RMB6.915 per share, representing 0.1276% of the total issued A shares of the Company. The plan on the Shareholding Increase has been completed within the committed implementation period.

Upon completion of the implementation of the plan on the Shareholding Increase, CREC holds 11,598,764,390 shares of the Company (including 11,434,370,390 A shares and 164,394,000 H shares), representing 50.77% of the total shares of the Company, among which, A shares representing approximately 50.05% of the total share capital and H shares representing approximately 0.72% of the total share capital.

#### **IV. Lawyer's Examination Opinion**

Jia Yuan Law Offices issued a specific examination opinion on the Shareholding Increase and was of the opinion that:

1. CREC is a lawfully existing company with limited liability. There are no circumstances where the acquisition of shares of a listed company by CREC is not allowed as stipulated in the Article 6 of the Administrative Measures on Takeover of Listed Companies. CREC is qualified as the subject of the Shareholding Increase.
2. The implementation period has expired and the plan on the Shareholding Increase of CREC has been completed. The Shareholding Increase complies with the requirements of laws, regulations, departmental rules and normative documents including the Securities Law, the Administrative Measures on Takeover of Listed Companies, the Guidelines on Increase of Shareholding by Shareholders of Listed Companies and Persons Acting in Concert and the Notice of the Shanghai Stock Exchange on Issues of Shareholding Increase by SSE Listed Companies' Shareholders and Their Concerted Actors, Directors, Supervisors and Senior Managers.
3. The Shareholding Increase by CREC complies with the second paragraph of Article 63 of the Administrative Measures on Takeover of Listed Companies and is exempted from applying to China Securities Regulatory Commission for a waiver from making an offer.
4. As at the date of issue of the specific examination opinion, the Company and CREC have duly performed the information disclosure obligations at this stage in relation to the Shareholding Increase.

#### **V. Others**

1. The Shareholding Increase complies with the requirements of the Company Law, the Securities Law, the Administrative Measures on Takeover of Listed Companies and other relevant laws, regulations and policies.
2. CREC undertakes not to reduce its shareholding in the Company within six months upon completion of the Shareholding Increase and the statutory period, and to strictly comply with the requirements of the Company Law, the Securities Law and other laws and regulations, and the rules of the Shanghai Stock Exchange.
3. The Shareholding Increase will not render the shareholding distribution of the Company ineligible for listing, has no impact on the listing status of the Company, and will not result in any change in the controlling shareholder or actual controller of the Company.

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

20 May 2019

*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.*