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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)**

This overseas regulatory announcement is made pursuant to Rule 13.10B and 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Please refer to the attached “Announcement of China Railway Group Limited on Progress of Material Asset Restructuring and Further Suspension of Trading of Shares” published by China Railway Group Limited (the “**Company**”) on the Shanghai Stock Exchange website on 6 July 2018 for your information. The trading in the A shares of the Company has been suspended with effect from 7 May 2018 and will be further suspended with effect from 7 July 2018, while the trading in the H shares of the Company will not be suspended and remain as usual.

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

6 July 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.*

A Shares Stock Code: 601390    A Shares Stock Name: China Railway    Announcement No.:  
H Shares Stock Code: 00390    H Shares Stock Name: China Railway    Lin 2018-051

## **Announcement of China Railway Group Limited on Progress of Material Asset Restructuring and Further Suspension of Trading of Shares**

**The board of directors of China Railway Group Limited and all the directors hereby undertake that this announcement does not have any false or misleading statements or any material omissions, and assume the joint and several liabilities for the truthfulness, accuracy and completeness of the contents.**

As China Railway Group Limited (the “Company”) is planning a market-driven debt-to-equity swap, upon application to the Shanghai Stock Exchange, the trading of A shares of the Company (the “Shares of the Company”) has been suspended with effect from 7 May 2018 in accordance with relevant provisions under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange. In addition, on 21 May 2018, the Company has entered into the suspension of trading procedures in relation to material asset restructuring due to the acquisition of assets by issuance of shares (the “Acquisition of Assets by Issuance of Shares” or “Transaction”). For details, please refer to the Announcement of China Railway Group Limited on Suspension of Trading of Shares in relation to Material Event (Announcement No.: Lin 2018-025), Announcement of China Railway Group Limited on Further Suspension of Trading of Shares in relation to Material Event (Announcement No.: Lin 2018-027) and Announcement of China Railway Group Limited on Suspension of Trading in relation to Material Asset Restructuring (Announcement No.: Lin 2018-032) dated 7 May 2018, 12 May 2018 and 19 May 2018, respectively, disclosed by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)). Upon the expiry of one month of the suspension, the Company published the Announcement of China Railway Group Limited on Further Suspension of Trading of Shares in Relation to Material Asset Restructuring (Announcement No.: Lin 2018-035) on 7 June 2018, pursuant to which the Company proposed further suspension of trading of the Shares of the Company for a period of not more than one month from 7 June 2018.

The thirteenth meeting of the fourth session of the board of director of the Company was held on 6 July 2018, at which the Proposal in relation to Further Suspension of Trading of Shares of the Company was considered and approved, and resolved to apply to the Shanghai Stock

Exchange for further suspension of trading of the Shares of the Company for a period of not more than one month from 7 July 2018.

Details of the Acquisition of Assets by Issuance of Shares are as follows:

## **I. THE RESTRUCTURING FRAMEWORK**

### **1. Major counterparties**

Upon the communication with relevant parties, the potential counterparties in respect of the Acquisition of Assets by Issuance of Shares are nine entities, including China Reform Holdings Corporation Ltd. and China Great Wall Asset Management Co., Ltd. etc., which specialise in market-driven debt-to-equity swap business and have obtained the equity interest of certain subsidiaries of the Company through market-driven debt-to-equity swap. As of the date of this announcement, the Company has not entered into relevant framework agreement or agreement of intention with the potential counterparties. The final counterparties are yet to be determined.

### **2. Modes of transaction**

The modes of the Transaction include but not limit to acquisition of assets by issuance of shares, and the specific transaction mode may be adjusted according to the progress of the transaction, which is yet to be determined. The Transaction will not result in a change of control of the Company, nor will it constitute a back-door listing.

### **3. Information on the subject assets**

The subject assets of the Acquisition of Assets by Issuance of Shares are certain equity interest in China Railway Erju Engineering Co., Ltd (the “Erju Engineering”), China Railway No.3 Engineering Group Co., Ltd. (the “China Railway No. 3 Engineering”), China Railway No.5 Engineering Group Co., Ltd. (the “China Railway No. 5 Engineering”) and China Railway No.8 Engineering Group Co., Ltd. (the “China Railway No. 8 Engineering”) affiliated to the Company, acquired by the potential counterparties during the market-driven debt-to-equity swap. Erju Engineering, China Railway No. 3 Engineering, China Railway No. 5 Engineering and China Railway No. 8 Engineering are all subsidiaries of the Company ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council of China.

The main businesses of Erju Engineering include railway construction, highway construction, municipal construction, building construction, property development and others. With respect to the railway construction, Erju Engineering involved in the construction of 25 high-speed railways, including the Chengdu-Chongqing, Lanzhou-Chongqing, Guiyang-Guangzhou, Harbin-Dalian, Lanzhou-Xinjiang, Baoji-Lanzhou, Chengdu-Lanzhou and Beijing-Fuzhou ones, which are in a total mileage of more than 1,100 kilometres throughout the country. With respect to the highway construction, it primarily covers the markets in Sichuan, Yunnan, Guizhou, Shaanxi, Chongqing, Tibet, Qinghai, Gansu, Xinjiang, Shanxi, Hunan, Fujian, Zhejiang, Liaoning and other provinces. With respect to the municipal construction, it primarily covers the markets in Sichuan, Guizhou, Xinjiang, Guangdong, Guangxi, Fujian, Anhui, Zhejiang, Hubei, Jiangsu, Hainan and other provinces.

The main businesses of China Railway No. 3 Engineering include railway construction, highway construction, municipal construction, building construction, property development and others. With respect to the railway construction, it involved in the construction of many key passenger railway lines and high-speed railway works, including the Shijiazhuang-Taiyuan, Hefei-Nanjing, Zhengzhou-Xi'an, Wuhan-Guangzhou, Beijing-Shanghai, Shijiazhuang-Wuhan, Hangzhou-Ningbo, Hangzhou-Changsha, Shanghai-Kunming, Datong-Xi'an, Baoji-Lanzhou, Lanzhou-Xinjiang, Dunhuang-Golmud, Zhengzhou-Xuzhou, Xi'an-Chengdu, Chongqing-Guiyang, Chongqing-Wanzhou, Hangzhou-Huangshan, Huaihua-Shaoyang-Hengyang, Liaoyuan-Changchun, Shanghai-Nantong, Qingdao-Lianyungang, Beijing-Zhangjiakou and Beijing-Shenyang ones. With respect to the urban rail transportation construction, it constructed the subway of major cities including Beijing, Shanghai, Guangzhou, Tianjin, Chongqing, Chengdu, Xi'an, Nanjing, Fuzhou, Qingdao, Shenzhen, Shijiazhuang, Hangzhou, Urumqi and Taiyuan. With respect to the expressway and municipal work construction, it involved in the construction of tens of expressways including the Beijing-Zhuhai, Beijing-Shanghai and Shijiazhuang-Taiyuan ones, and the municipal works including the Shanghai Nanpu and Yangpu Bridge.

The main businesses of China Railway No. 5 Engineering include construction of railway, highway, municipal work, urban rail transportation, housing, hydropower project etc. With respect to the railway construction, China Railway No.5 Engineering successively took part in the construction of railway lines

including the Chengdu-Chongqing, Chengdu-Kunming, Hengyang-Guangdong, Beijing-Kowloon and Nanning-Kunming ones and construction of the tunnel of Kunlun Mountain of Qinghai-Tibet Railway Line, Beijing-Shanghai High-speed Railway, Shanghai-Kunming High-speed Railway, Lanzhou-Xinjiang High-speed Railway and other projects, totalling nearly 200 trunk railways, double-tracking railways, branch line railways, dedicated railway lines and passengers dedicated high-speed railway lines and covering a total length of more than 10,000 kilometres. With respect to the highway construction, starting from Chengdu-Chongqing Expressway, China Railway No.5 Engineering successively took part in the construction of more than 150 main roads of the state road, expressways and the complex projects of municipal highways, covering a total length of more than 7,000 kilometres, and the construction of Zhongnanshan Tunnel of Xi'an-Ankang Expressway, which is the second longest highway tunnel in mountainous area in the world, the construction of the Tunnel of Ngola Mountains, which is the longest highway tunnel in plateau permafrost area in the world, Shuinan Grand Bridge of Hurongxi Expressway, Wenming Grand Bridge of Ruchen Expressway and other high-risk projects of long and large tunnels and bridges. With respect to the hydropower project construction, China Railway No.5 Engineering successively completed the construction of Project "Lead Er into Bin", the water lock gate of Dujiangyan, the spillway tunnel of Hongjiadu Hydropower Station, the water diversion engineering project for Dianchi Lake and other 25 influential hydro engineering projects in great difficulties in Yunnan, Guizhou, Sichuan, Xinjiang and other ten provinces and regions.

The main businesses of China Railway No. 8 Engineering include construction of railway, urban rail transportation, highway, municipal work, housing, water conservancy and hydropower project, etc. With respect to the railway construction, China Railway No. 8 Engineering successively took part in the construction of multiple high-speed railway lines, including the Wuhan-Guangdong, Beijing-Shanghai, Shijiazhuang-Wuhan Line, Harbin-Daxinganling, Lanzhou-Xinjiang, Shanghai-Kunming, Chongqing-Guizhou, Chengdu-Kunming, Chengdu-Chongqing, Chengdu-Lanzhou, Xi'an-Chengdu ones, and proactively took part in overseas construction of railway lines and ancillary infrastructure. With respect to the construction of urban rail transportation, China Railway No. 8 Engineering successively took part in the construction of the urban rail transportation of

Chengdu, Chongqing, Nanjing, Nanning, Dalian, Kunming, Ningbo, Qingdao, Harbin and other cities. By virtue of the project business platform, China Railway No. 8 Engineering also provides professional services including survey and design for the railway construction or municipal works, and engages in engineering testing, surveying and mapping, logistics and trade, automotive sales services, leasing, hotel catering, property, printing and other services.

#### **4. Approvals to obtain before the disclosure of restructuring plan**

Before the disclosure of restructuring plan, the Acquisition of Assets by Issuance of Shares is required to be pre-approved by the competent state-owned assets supervision and administration authority. Currently, the Company and the relevant parties are proactively communicating with relevant administrative authorities and pushing forward related work in an orderly manner.

## **II. PROGRESS OF WORK**

During the period of suspension, the Company and the relevant parties have proactively pushed forward the preparation work of the Acquisition of Assets by Issuance of Shares according to the Administrative Measures for the Material Assets Reorganisation of Listed Companies and other relevant regulations. Major work carried out as of the date this announcement includes:

1. Negotiation and studies of the plan for the Acquisition of Assets by Issuance of Shares.
2. Proactively promoting the communication with the state-owned assets supervision and administration authority and other competent authorities.
3. Preliminarily engaging the independent financial advisor, legal counsel, audit firm, valuation agency and other intermediary agencies for the Acquisition of Assets by Issuance of Shares, and organising the work including due diligence, auditing and valuation in relation to the underlying assets.

## **III. SPECIFIC REASONS FOR FAILURE TO RESUME TRADING OF SHARES AS SCHEDULED**

This Acquisition of Assets by Issuance of Shares is of a complicated transaction structure and the legal, valuation, audit and other due diligence work concerned are of a complicated procedure and a large scale. The Company, the potential counterparties and all intermediary agencies need more time to study the plan and to conduct policy

consultations and communications with the relevant regulatory authorities in respect of the restructuring plan. Therefore, it is expected that the trading of the Shares of the Company will not be resumed within two months after the suspension of trading in relation to restructuring.

In order to ensure the authenticity, accuracy and completeness of the transaction plan and relevant data disclosure, prevent unusual fluctuation in the stock price of the Company and safeguard the interests of investors, pursuant to relevant provisions, the Company applied for an extension of resumption of trading of shares.

#### **IV. APPLICATION FOR FURTHER SUSPENSION OF TRADING OF SHARES**

At the thirteenth meeting of the fourth session of the board of directors of the Company held on 6 July 2018, the Proposal in relation to Further Suspension of Trading of Shares of the Company was considered and approved. The Company applied to the Shanghai Stock Exchange for further suspension of trading of the Shares of the Company for a period of not more than one month from 7 July 2018.

#### **V. RISK WARNING**

In light of the relatively great uncertainty involved in the Acquisition of Assets by Issuance of Shares and in order to ensure fair disclosure of information and safeguard the interests of the investors, the Company will announce the progress of the matters in a timely manner during the period of suspension of trading of shares.

The website and designated media for information disclosure of the Company are the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the China Securities Journal, the Shanghai Securities News, the Securities Daily and the Securities Times. The relevant information on the Company shall be subject to the announcement published by the Company on the aforementioned website and designated media. Investors are advised to pay prompt attention to such announcement and be aware of investment risks.

Announcement is hereby given.

The Board of Directors of  
China Railway Group Limited  
7 July 2018