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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)

PROPOSED ISSUANCE OF USD NOTES GUARANTEED BY THE COMPANY

The Issuer, which is a wholly-owned subsidiary of the Company, proposes to conduct the Proposed Notes Issue and will commence a series of roadshow presentations beginning on or around 18 July 2016 to institutional investors. The Notes, if issued, will be guaranteed by the Company under a Deed of Guarantee.

Standard Chartered Bank and HSBC are the joint global coordinators for the Proposed Notes Issue and Standard Chartered Bank, HSBC, UBS AG Hong Kong Branch, Bank of China, DBS Bank Ltd. and China Everbright Securities (HK) Limited are the joint lead managers and joint bookrunners for the Proposed Note Issue.

The Issuer will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange.

The Notes are expected to be rated A3 by Moody's and A- by Fitch.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcements in respect of the Proposed Notes Issue will be made by the Company should the Subscription Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Issuer, which is a wholly-owned subsidiary of the Company, proposes to conduct the Proposed Notes Issue and will commence a series of roadshow presentations beginning on or around 18 July 2016 to institutional investors. The Proposed Notes Issue, if it proceeds, will only be offered and sold outside the United States in compliance with Regulation S under the Securities Act.

The Notes, if issued, will be guaranteed by the Company under a Deed of Guarantee. Completion of the Proposed Notes Issue is subject to market conditions and investor interest.

Standard Chartered Bank and HSBC are the joint global coordinators for the Proposed Notes Issue and Standard Chartered Bank, HSBC, UBS AG Hong Kong Branch, Bank of China, DBS Bank Ltd. and China Everbright Securities (HK) Limited are the joint lead managers and joint bookrunners for the Proposed Note Issue.

The pricing of the Notes, including the aggregate principal amount, the issue price and the interest rate, will be determined through a bookbuilding exercise conducted by the joint bookrunners. Upon finalisation of the terms of the Proposed Notes Issue, the Issuer, the Company, Standard Chartered Bank, HSBC, UBS AG Hong Kong Branch, Bank of China, DBS Bank Ltd. and China Everbright Securities (HK) Limited will enter into a Subscription Agreement.

Proposed use of proceeds

The net proceeds of the Proposed Notes Issue are expected to be used for the Group's working capital and general corporate purposes.

Listing

The Issuer will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange shall not to be taken as an indication of the merits of the Notes, the Issuer or the Company.

Ratings

The Notes are expected to be rated A3 by Moody's and A- by Fitch. Such ratings of the Notes do not constitute a recommendation to buy, sell or hold the Notes and may be subject to revision or withdrawal at any time by Moody's or Fitch, as the case may be.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcements in respect of the Proposed Notes Issue will be made by the Company should the Subscription Agreement be signed.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Bank of China”	Bank of China Limited, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue
“Board”	The board of Directors
“China Everbright Securities (HK) Limited”	China Everbright Securities (HK) Limited, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue
“Company”	China Railway Group Limited (中國中鐵股份有限公司), a joint stock limited company incorporated in the People’s Republic of China with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 390) and the A shares of which are listed on Shanghai Stock Exchange (stock code: 601390)
“DBS Bank Ltd.”	DBS Bank Ltd., one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue
“Deed of Guarantee”	the deed proposed to be made by the Company in favour of DB Trustees (Hong Kong) Limited as trustee, pursuant to which, inter alia, the Company will provide a guarantee in connection with the Proposed Notes Issue
“Directors”	the directors of the Company
“Fitch”	Fitch Ratings, Inc.
“Group”	the Company and its subsidiaries
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the Proposed Notes Issue

“Issuer”	China Railway XunJie Co., Limited 中铁迅捷有限公司, a BVI business company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of the Company
“Moody’s”	Moody’s Investors Service, Inc.
“Notes”	the USD notes to be issued by the Issuer and guaranteed by the Company
“PRC”	the People’s Republic of China
“Proposed Notes Issue”	the proposed issue of the Notes by the Issuer
“Securities Act”	The United States Securities Act of 1933, as amended
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the Proposed Notes Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement proposed to be entered into between the Issuer, the Company, Standard Chartered Bank, HSBC, UBS AG Hong Kong Branch, Bank of China, DBS Bank Ltd. and China Everbright Securities (HK) Limited in relation to the Proposed Notes Issue
“UBS AG Hong Kong Branch”	UBS AG Hong Kong Branch, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue
“USD”	United States dollars

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

Beijing, the PRC
15 July 2016

As at the date of this announcement, the executive directors of the Company are LI Changjin (Chairman), YAO Guiqing and ZHANG Zongyan; and the independent non-executive directors are GUO Peizhang, WEN Baoman, ZHENG Qingzhi and NGAI Wai Fung.