

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTION

IN RELATION TO THE LIMITED PARTNERSHIP AGREEMENT FOR THE JOINT ESTABLISHMENT OF INFRASTRUCTURE INVESTMENT FUND

THE LIMITED PARTNERSHIP AGREEMENT

The Board announces that on 24 December 2021, China Railway Capital (a wholly owned subsidiary of the Company) as a Limited Partner, China Life as a Limited Partner and the General Partner as the general partner of the Limited Partnership entered into the Limited Partnership Agreement. Pursuant to the Limited Partnership Agreement, China Railway Capital, China Life and the General Partner committed to contribute RMB15 billion, RMB15 billion and RMB10 million to the Limited Partnership.

HONG KONG LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules in respect of the Limited Partnership Agreement are more than 5% but all are less than 25%, the entering into of the Limited Partnership Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

INTRODUCTION

The Board announces that on 24 December 2021, China Railway Capital (a wholly owned subsidiary of the Company) as a Limited Partner, China Life as a Limited Partner and the General Partner as the general partner of the Limited Partnership entered into the Limited Partnership Agreement. Pursuant to the Limited Partnership Agreement, China Railway Capital, China Life and the General Partner committed to contribute RMB15 billion, RMB15 billion and RMB10 million to the Limited Partnership. The Limited Partnership will not become a subsidiary of the Company upon its establishment.

THE LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are as follows:

- Date : 24 December 2021
- Parties : (i) The General Partner, as the general partner of the Limited Partnership;
- (ii) China Railway Capital, as a Limited Partner; and
- (iii) China Life, as a Limited Partner.
- Name of the Limited Partnership : 國壽鐵工(天津)股權投資基金合夥企業(有限合夥)(China Life-China Railway (Tianjin) Equity Investment Fund L.P.*), subject to approval from the relevant PRC authorities.
- Objective of the Limited Partnership : The Limited Partnership will focus on investing equity investment projects that are in line with national regional development strategies such as the integration of the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing Economic Zone.
- Fund size and capital commitments : The respective capital commitments of the parties to the Limited Partnership Agreement are as follows:
- (i) the General Partner will contribute RMB10 million in cash, representing approximately 0.04% of the total capital commitment of the Limited Partnership;
- (ii) China Railway Capital will contribute RMB15 billion in cash, representing approximately 49.98% of the total capital commitments of the Limited Partnership; and
- (iii) China Life will contribute RMB15 billion in cash, representing approximately 49.98% of the total capital commitments of the Limited Partnership.

The respective capital commitments are payable as and when determined by the Manager and the Manager shall notify the respective Limited Partner in accordance with the Limited Partnership Agreement at least 10 business days prior to the date the capital commitments are due and payable.

The amounts of such capital commitments were determined after arm's length negotiations between the parties with reference to the strategies and the anticipated capital requirement of the Limited Partnership.

The capital commitments to be contributed by China Railway Capital will be funded from the internal cash resources of the Group.

Term of the Limited Partnership : The term of the Limited Partnership is 15 years from the establishment of the Limited Partnership, subject to any extension to be agreed by all Partners.

General Partner responsibilities and remuneration : The General Partner is responsible for (i) the daily expenses of the General Partner and its related parties, including remunerations directly paid to their respective managers, directors and/or employees, including salaries, bonuses and benefits; and (ii) office rent, office facility expenses and other daily office expenses related to the management of the General Partner.

The General Partner is entitled to receive annual remuneration from the Limited Partnership calculated with reference to the amount of capital commitments paid by all Limited Partners.

Management of the Limited Partnership : The Manager (a wholly owned subsidiary of China Life) will be the manager of the Limited Partnership and will be responsible for the investment management, administrative management and daily operation management of the Limited Partnership.

During the term of the Limited Partnership, the Manager shall be entitled to receive annual remuneration from the Limited Partnership which equals to 0.24% of the amount of capital commitments paid by all Limited Partners.

Escrow fees : The Limited Partnership, the General Partner and/or the Manager shall enter into an escrow agreement pursuant to the Limited Partnership Agreement with an escrow agent pursuant to which the escrow agent will provide escrow services to the capital of the Limited Partnership. The escrow agent shall be entitled to service fees from the Limited Partnership calculated with reference to the amount of capital commitments paid by all Limited Partners.

Distributions : Unless otherwise agreed in the Limited Partnership Agreement, the distributable income (if available) will generally be distributed every year on the Distribution Day after the First Closing Date; if no distributable income is available, the distribution will be deferred to the next Distribution Day. On each Distribution Day, the Limited Partnership shall distribute the deferred distributable income (if any) from the previous distribution accounting period and the previous Distribution Day. Unless otherwise agreed by the Partners, the distributable income of the Limited Partnership shall be distributed by the Manager after deducting the relevant expenses incurred by the Limited Partnership and accounting for reasonable reserves (if applicable).

- Liquidation of the Limited Partnership : The Limited Partnership shall be dissolved and liquidated upon any of the following events occurring:
- (i) all Partners unanimously agree to dissolve the Limited Partnership;
 - (ii) the General Partner is of the view that all investments of the Limited Partnership have completed their exits or the objective of the Limited Partnership is no longer feasible commercially and decides, at its discretion, to dissolve the Limited Partnership before the end of the term;
 - (iii) the term of the Limited Partnership has expired and is not being extended;
 - (iv) the General Partner has been removed or the General Partner has exited pursuant to the Limited Partnership Agreement with no new general partner being accepted into the Limited Partnership;
 - (v) the business license of the Limited Partnership is revoked;
 - (vi) any other reasons specified under the Partnership Enterprise Law of the PRC or the Limited Partnership Agreement.

The Partners hereby agree that the liquidator shall be the General Partner, unless a person other than the General Partner has been unanimously agreed by all Limited Partners.

REASONS FOR AND BENEFITS OF THE LIMITED PARTNERSHIP AGREEMENT

In order to fully implement the major decisions and deployments of the Central Government of the PRC, service the national strategy, and actively promote the improvement of infrastructure shortcomings, improve the national transportation system, rural revitalization and other strategies, China Railway Capital and China Life jointly establish the Limited Partnership and focus on investing equity investment projects that are in line with national regional development strategies such as the integration of the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing Economic Zone. The establishment of the Limited Partnership with China Life will be beneficial to the overall investment power of the Company, by introducing capital from insurance and in line with the Company's development strategy and is in the interests of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Limited Partnership Agreement are fair and reasonable, that the Limited Partnership Agreement is on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

HONG KONG LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules in respect of the Limited Partnership Agreement are more than 5% but all are less than 25%, the entering into of the Limited Partnership Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules and is subject to the reporting and announcement requirements under the Hong Kong Listing Rules.

INFORMATION ON THE COMPANY AND THE PARTIES

Information on the Group

The Company is a joint stock limited company incorporated in the PRC. The Group provides a full range of construction-related services, including infrastructure construction, survey, design and consulting services and engineering equipment and component manufacturing, and also expands to other businesses such as property development and mineral resource development.

Information on China Railway Capital

China Railway Capital is a company incorporated under the laws of the PRC and is a wholly owned subsidiary of the Company. China Railway Capital primarily engages in the business including project investment, asset management, investment management and business management consulting.

Information on China Life

China Life is a joint stock limited company established in the PRC whose shares are listed on the Hong Kong Stock Exchange (stock code: 2628). China Life is one of the leading life insurance companies in the PRC.

Information on the General Partner

The General Partner is a company incorporated under the laws of the PRC. As at the date of this announcement, it is owned as to 21% by China Railway Capital, 19% by 國壽產業投資管理公司 (China Life Asset Management Company*) and 60% by 天津民通恒信企業管理中心(有限合夥) (Tianjin Mintong Hengxin Enterprise Management Center L.P.*). The General Partner primarily engages in the business of investment management.

To the best of the knowledge, information and belief and having made all reasonable enquiries by the Directors, save as disclosed, each of China Life and the General Partner is a third party independent of the Company and its connected persons.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

“Board”	the board of Directors
“China Life”	China Life Insurance Company Limited, a joint stock limited liability company established under the laws of the PRC, shares of which are listed on the Hong Kong Stock Exchange (stock code: 2628)
“China Railway Capital”	中鐵資本有限公司(China Railway Capital Co., Ltd.*), a company incorporated under the laws of the PRC and is a wholly owned subsidiary of the Company
“Company”	中國中鐵股份有限公司(China Railway Group Limited), 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
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Distribution Day”	On 10 April every year after the First Closing Date; or the day after the Limited Partnership receives the distribution from existing an investment
“First Closing Date”	all Partners transfer the first capital contribution to the escrow account according to the requirements of the Manager
“General Partner”	天津恒通基業股權投資有限責任公司(Tianjin Hengtong Foundation Equity Investment Co., Ltd.*), a company incorporated under the laws of the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Limited Partner”	a limited partner of the Limited Partnership

“Limited Partnership”	國壽鐵工(天津)股權投資基金合夥企業(China Life-China Railway (Tianjin) Equity Investment Fund L.P.*), a limited partnership to be established under the laws of the PRC pursuant to the Limited Partnership Agreement
“Limited Partnership Agreement”	a limited partnership agreement dated 24 December 2021 entered into among the General Partner, China Railway Capital and China Life in relation to the Limited Partnership
“Manager”	國壽資本投資有限公司(China Life Capital Investment Co., Ltd.*) the manager of the Limited Partnership, a wholly owned subsidiary of China Life
“Partner(s)”	the partner(s) of the Limited Partnership, including the General Partner and the Limited Partners
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company

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

Beijing, China
24 December 2021

* For identification purposes only

As at the date of this announcement, 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.