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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)

**ISSUANCE OF U.S.\$500,000,000 4.00 PER CENT. BONDS DUE 2027
GUARANTEED BY THE COMPANY**

Reference is made to the announcement of the Company dated 27 June 2022 in relation to the Bonds Issue.

The Board is pleased to announce that on 28 June 2022, the Issuer, the Company and the Joint Lead Managers entered into the Subscription Agreement in connection with the Bonds Issue in the aggregate principal amount of U.S.\$500,000,000.

The net proceeds of the Bonds Issue are expected to be used for refinancing the Group's offshore existing indebtedness and general corporate purposes.

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

The Bonds are expected to be assigned a rating of "A-" by Fitch.

As the conditions precedent to completion of the Bonds Issue may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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THE SUBSCRIPTION AGREEMENT

Date: 28 June 2022

Parties: (1) the Issuer as issuer of the Bonds;

(2) the Company as guarantor of the Issuer's obligations in respect of the Bonds; and

(3) BOCI Asia Limited and Standard Chartered Bank as the Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners, and CLSA Limited, The Hongkong and Shanghai Banking Corporation Limited, China International Capital Corporation Hong Kong Securities Limited, ICBC International Securities Limited and CMB International Capital Limited as the Joint Lead Managers and Joint Bookrunners in respect of the offer and sale of the Bonds.

The Joint Lead Managers have severally and not jointly undertaken to the Issuer to procure subscribers for, or failing which, subscribe for the Bonds pursuant to the terms of the Subscription Agreement. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Joint Lead Managers is an independent third party and not a connected person of the Company.

The Bonds and the Guarantee of the Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds will only be offered and sold outside the United States in compliance with Regulation S under the Securities Act. None of the Bonds will be offered or sold to the public in Hong Kong or placed to any connected persons of the Company.

PRINCIPAL TERMS OF THE BONDS

Bonds to be Issued

Subject to satisfaction of the conditions precedent set out in the Subscription Agreement, the Issuer will issue the Bonds in the aggregate principal amount of U.S.\$500,000,000 on 6 July 2022.

Issue Price

The issue price of the Bonds will be 99.557 per cent. of the aggregate principal amount of the Bonds.

Form and Denomination

The Bonds will be issued in registered form in the denomination of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof.

Interest

The Bonds will bear interest from and including 6 July 2022 at the rate of 4.00 per cent. per annum, payable semi-annually in arrear on 6 January and 6 July in each year, commencing on 6 January 2023.

Issue Date

The Bonds are expected to be issued on or about 6 July 2022.

Maturity Date

6 July 2027, unless redeemed earlier pursuant to the terms thereof.

Ranking of the Bonds

The Bonds, when issued, will constitute direct, general, unconditional, unsubordinated and (subject to the *negative pledge* covenant under the Conditions) unsecured obligations of the Issuer which will at all times rank pari passu and without any preference or priority among themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Guarantee of the Bonds

The Company will in the Deed of Guarantee unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Bonds. The Guarantee of the Bonds will constitute a direct, general, unconditional, unsubordinated and (subject to the *negative pledge* covenant under the Conditions) unsecured obligation of the Company which will at all times rank at least pari passu with all other present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Negative Pledge

So long as any Bond remains outstanding, neither the Issuer nor the Company shall, and the Issuer and the Company shall procure that none of its Material Subsidiaries (other than the Listed Subsidiaries and the subsidiaries of a Listed Subsidiary) will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or guarantee of Relevant Indebtedness without (i) at the same time or prior thereto securing the Bonds equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Bonds as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Bondholders or as may be approved by an extraordinary resolution of Bondholders.

Redemption

Unless previously redeemed, or purchased and cancelled in accordance with Conditions, the Bonds will be redeemed at their principal amount on 6 July 2027.

In accordance with the Conditions, the Bonds may be redeemed in any of the following circumstances:

- (1) the Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) and in writing to the Trustee and the principal paying agent, at their principal amount, together with interest accrued up to, but excluding, the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that (A) the Issuer or the Company, as the case may be, has or will become obliged to pay additional tax amounts as set out in the Conditions as a result of any change in, or amendment to, the laws or regulations of (in the event of the Issuer) the British Virgin Islands or (in the event of the Company) the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 28 June 2022; and (B) such obligation cannot be avoided by the Issuer or the Company, as the case may be, taking reasonable measures available to it, provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Company would be obliged to pay such additional tax amounts if a payment in respect of the Bonds were then due or (as the case may be) a demand under the Guarantee of the Bonds were then made;
- (2) at any time following the occurrence of a Change of Control or a Non-Registration Event, the holder of any Bond will have the right, at its option, to require the Issuer to redeem all, but not some only, of that holder's Bonds on the put settlement date at 101 per cent. of their principal amount (in the case of a redemption for a Change of Control) or at 100 per cent. of their principal amount (in the case of a redemption for a Non-Registration Event), in each case, together with accrued interest up to, but excluding, such put settlement date as described in the Conditions.

Events of Default

If an event of default under the Bonds occurs, the principal amount of the Bonds, together with accrued interest, may become immediately due and payable, subject to the notice provisions and other applicable requirements under the Conditions.

The events of default under the Bonds include any of the following events: (a) default in the payment of principal or premium in respect of the Bonds or Guarantee of the Bonds or interest in respect of the Bonds when due (or in the case of interest, such default continues for a period of seven days), (b) a breach by the Issuer or the Company in the performance or observance of any of its other obligations under or in respect of the Bonds, the Trust Deed or (in the case of the Company only) the Deed of Guarantee which is incapable of remedy or is capable of remedy but remains unremedied within the period stipulated in the Conditions, (c) cross-default of the Issuer, the Company or their subsidiaries under other indebtedness in respect of money borrowed or raised, (d) unsatisfied judgement against the Issuer, the Company or any of the Company's Material Subsidiaries for period stipulated in the Conditions, (e) a secured party takes possession,

or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Company or any of the Company's Material Subsidiaries, (f) the insolvency of the Issuer, the Company or any of the Company's Material Subsidiaries, (g) the winding-up of the Issuer, the Company or any of the Company's Material Subsidiaries, (h) any event occurs which under the laws of the British Virgin Islands or the PRC has an analogous effect to any of the events referred to items (d) to (g) above (both inclusive), (i) failure to take action (aa) to enable the Issuer and the Company to lawfully enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Bonds, the Trust Deed and the Deed of Guarantee, (bb) to ensure that those obligations are legal, valid, binding and enforceable and, (cc) to make the certificates of the Bonds, the Trust Deed and the Deed of Guarantee admissible in evidence in the courts of Hong Kong, (j) it is or will become unlawful for the Issuer or the Company to perform or comply with any of its obligations under or in respect of the Bonds, the Trust Deed or (in the case of the Company only) the Deed of Guarantee, (k) the Guarantee of the Bonds is not (or is claimed by the Company not to be) in full force and effect, (l) nationalization of all or a substantial part of the undertaking, assets and revenues of the Issuer, the Company or any of the Company's Material Subsidiaries, or (m) the Issuer ceases to be a wholly-owned subsidiary of the Company.

PROPOSED USE OF PROCEEDS

The net proceeds of the Bonds Issue are expected to be used for refinancing the Group's offshore existing indebtedness and general corporate purposes.

LISTING

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

RATINGS

The Bonds are expected to be rated "A-" by Fitch. Such ratings of the Bonds do not constitute a recommendation to buy, sell or hold the Bonds and may be subject to revision or withdrawal at any time by Fitch.

GENERAL

As the conditions precedent to completion of the Bonds Issue may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, shareholders and prospective investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Bonds
“Bonds”	the U.S.\$ 500,000,000 4.00 per cent. guaranteed bonds due 2027 to be issued by the Issuer and guaranteed by the Company
“Bonds Issue”	the issue of the Bonds by the Issuer
“Change of Control”	the situation where (i) the government of the PRC or persons under the control of the government of the PRC (each, a “PRC Government Person”) cease to, directly or indirectly or in combination, Control (as defined in the Conditions) the Company; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person, unless (a) the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Company or the successor entity, or (b) such person(s) is/are Controlled by a PRC Government Person (as defined in the Conditions)
“Company”	China Railway Group Limited (中國中鐵股份有限公司), a joint stock limited company incorporated in the PRC 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 the Shanghai Stock Exchange (stock code: 601390)
“Conditions”	the terms and conditions of the Bonds
“connected person”	has the meaning ascribed to it under The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Deed of Guarantee”	the deed of guarantee to be dated on or around 6 July 2022 made by the Company, in favour of the Trustee, pursuant to which, inter alia, the Company will provide the Guarantee of the Bonds
“Directors”	the directors of the Company
“Fitch”	Fitch Ratings, Inc.
“Group”	the Company and its subsidiaries
“Guarantee of the Bonds”	the guarantee provided by the Company of the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Bonds

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	China Railway XunJie Co., Limited (中鐵迅捷有限公司), a BVI business company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of the Company
“Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners”	BOCI Asia Limited and Standard Chartered Bank
“Joint Lead Managers”	BOCI Asia Limited, Standard Chartered Bank, CLSA Limited, The Hongkong and Shanghai Banking Corporation Limited, China International Capital Corporation Hong Kong Securities Limited, ICBC International Securities Limited and CMB International Capital Limited
“Joint Lead Managers and Joint Bookrunners”	CLSA Limited, The Hongkong and Shanghai Banking Corporation Limited, China International Capital Corporation Hong Kong Securities Limited, ICBC International Securities Limited and CMB International Capital Limited
“Listed Subsidiary”	any subsidiary of the Company, the ordinary voting shares of which are at such time listed on a recognised stock exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Material Subsidiaries”	a subsidiary of the Company whose total amount of gross assets, profits or revenue (excluding intra-group items) represents 5 per cent. or more of the gross assets, profits or revenue of the Group calculated on a consolidated basis pursuant to the Conditions
“Non-Registration Event”	the event where the requisite registration of the Deed of Guarantee with the State Administration of Foreign Exchange of the PRC or its local counterparts (and related notifications to the Trustee and the Bondholders) as provided in the Conditions has not been satisfied on or prior to the day falling 90 PRC business days after the date of the issue of the Bonds
“PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macau and Taiwan
“Relevant Indebtedness”	any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market), but excludes any such indebtedness that is issued in the PRC

“Securities Act”	the United States Securities Act of 1933, as amended
“Security Interest”	any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 28 June 2022 entered into between the Issuer, the Company, and the Joint Lead Managers in relation to the Bonds Issue
“Trust Deed”	the trust deed to be dated on or around 6 July 2022 to be made between the Issuer, the Company and the Trustee, pursuant to which the Trustee will be appointed as trustee
“Trustee”	China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司)
“United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S.\$”	United States dollars, the lawful currency of the United States

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

Beijing, the PRC
29 June 2022

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.