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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)

IMPLEMENTATION OF THE REPURCHASE AND CANCELLATION OF CERTAIN RESTRICTED SHARES UNDER THE 2021 RESTRICTED SHARE INCENTIVE SCHEME OF THE COMPANY

Reference is made to the 2021 Restricted Share Incentive Scheme (the “**2021 Restricted Share Incentive Scheme**”) which was approved at the Extraordinary General Meeting and the A Share Class Meeting held by China Railway Group Limited (the “**Company**”) on 30 December 2021 and the H Share Class Meeting held by the Company on 12 January 2022, respectively, the circular dated 14 December 2021 (the “**Circular**”), and the announcements dated 17 January 2022 and 24 February 2022 issued by the Company in relation to the first grant of Restricted Shares to the Participants of the 2021 Restricted Share Incentive Scheme and the announcement dated 28 October 2022 (the “**October 2022 Announcement**”), in relation to the repurchase and cancellation of part of the Restricted Shares (the “**Repurchase and Cancellation**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Circular and the above announcements.

REASONS, PRICES AND NUMBER AND SOURCES OF FUNDS FOR THE REPURCHASE AND CANCELLATION

Among the Participants in the first grant under the 2021 Restricted Share Incentive Scheme of the Company, 2 Participants were transferred from the Company and ceased to take office in the Company due to organisational arrangements, 3 Participants were disqualified for the incentive scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws, non-compliance of laws, etc. In accordance with the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, the Company has decided to repurchase and cancel from the above 5 Participants of all the Restricted Shares (1,379,700 Restricted Shares in total) which were granted but not yet unlocked. The repurchase price of the Restricted Shares to be repurchased from the 3 Participants is RMB3.354 per share, and the repurchase price of the Restricted Shares to be repurchased from the 2 Participants is RMB3.354 per share, plus the interests calculated according to the benchmark deposit interest rate published by the People's Bank of China for the same period. The 20th meeting of the fifth session of the Board was held by the Company on 28 October 2022, at which the proposal on the Repurchase and Cancellation was considered and approved. As disclosed in the October 2022 Announcement, the independent Directors and the Supervisory Committee unanimously agreed to the Repurchase and Cancellation.

The total amount payable by the Company for the repurchase of the Restricted Shares is RMB4,647,305.28. The payment will be funded by the Company's internal resources.

ARRANGEMENTS FOR THE REPURCHASE AND CANCELLATION

The Company has opened a special securities account for the repurchase with the China Securities Depository and Clearing Corporation Limited, Shanghai Branch (“**CSDC Shanghai Branch**”), and has made an application at the CSDC Shanghai Branch to proceed the repurchase and cancellation procedures of the 1,379,700 Restricted Shares which are granted but not yet unlocked and held by the abovementioned 5 Participants. The Repurchase and Cancellation is expected to be completed on 28 December 2022

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY UPON THE REPURCHASE AND CANCELLATION

Upon the completion of the Repurchase and Cancellation, the total number of Shares of the Company will be reduced from 24,753,575,683 Shares to 24,752,195,983 Shares. The changes in the shareholding structure of the Company are as follows:

Class of Shares	Before the Repurchase and Cancellation		After the Repurchase and Cancellation	
	Number of shares (Share)	Proportion	Number of shares (Share)	Proportion
Shares subject to selling restrictions (A Shares)	182,646,400	0.74%	181,266,700	0.73%
Shares not subject to selling restrictions (A Shares)	20,363,539,283	82.27%	20,363,539,283	82.27%
H Shares	4,207,390,000	17.00%	4,207,390,000	17.00%
Total Shares	<u>24,753,575,683</u>	<u>100%</u>	<u>24,752,195,983</u>	<u>100%</u>

Note:

- (1) The aggregate of the percentage figures in the table above may not add up to the relevant total percentage figures shown due to rounding of the percentage figures to two decimal places. Percentages may not add up to 100% due to rounding.

The completion of the Repurchase and Cancellation will not result in any change in the controlling shareholder (as defined in the Listing Rules) or actual controller of the Company. The shareholding distribution of the Company will remain eligible for listing. Meanwhile, the 2021 Restricted Incentive Scheme will continue to be implemented in accordance with the regulatory requirements.

STATEMENTS AND UNDERTAKINGS

The Board of the Company is of the view that the decision-making process and information disclosure relating to the Repurchase and Cancellation complied with the laws and regulations, provisions under the Administrative Measures on Incentive Scheme of Listed Companies and the 2021 Restricted Share Incentive Scheme, without prejudice to the legitimate rights and interests of the Participants and benefits of the creditors.

The Company undertakes that the Company has verified and guaranteed the truthfulness, accuracy and completeness of information in respect of the Participants, the number of Shares and the cancellation date in relation to the Repurchase and Cancellation, and has duly informed the relevant Participants of the Repurchase and Cancellation, who have not raised objection against the Repurchase and Cancellation. In case dispute arises between the Company and the Participants as a result of the Repurchase and Cancellation, the Company shall bear the relevant legal liabilities.

The number of the Restricted Shares that were repurchased and cancelled in the Repurchase and Cancellation is relatively small, and the funds used for the relevant repurchase are also not significant, which will not substantially impact the Company's financial position and its operating results, and will not prevent the management of the Company from working diligently and responsibly. The management of the Company will continue to perform its duties conscientiously so as to create value for the Shareholders.

CONCLUSIVE VIEWS OF THE LEGAL OPINION

According to Beijing Jia Yuan Law Offices:

- (1) As of the date of its legal opinion, the necessary authorisation and approval at the current stage in respect of the Repurchase and Cancellation have been obtained and have fulfilled the necessary disclosure obligations at the current stage.
- (2) The reasons for the Repurchase and Cancellation, the number and price of the repurchase of the Restricted Shares and the date of the cancellation of the Restricted Shares were in compliance with the relevant provisions of the Administrative Measures on Incentive Scheme of Listed Companies and the 2021 Restricted Share Incentive Scheme, and the Repurchase and Cancellation is legal and effective.
- (3) The Company has yet to complete the registration procedures, the registration of business changes and the filing of the record for the Shares to be repurchased and cancelled in accordance with the Company Law and other laws and regulations.

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

26 December 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.