… 1 …

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… 2 …

4 Issue price : RMB7.77 per A Share

The date of benchmark pricing in relation to the new A Shares to be issued under the Issuance shall be the date of announcement of the resolutions passed at the seventh meeting of the third session of the Board, being 11 February 2015. The issue price shall be not less than RMB7.65 per A Share, which is not less than 90% of the average trading price of the
A Shares of the Company for the 20 trading days prior to the date of benchmark pricing. Following the completion of the distribution of the 2014 annual dividend (RMB0.78 for every 10 shares) by the Company, the base issue price has been adjusted to RMB7.57 per A Share.

The issue price represents 102.64% of the base price of RMB7.57 per A Share, 72.48% of the closing price of RMB10.72 per A Share on the last trading day immediately prior to the date of subscription quotation (6 July 2015), and 44.72% of the average trading price of RMB17.37 per A Share for the 20 trading days prior to the date of subscription quotation (as adjusted for ex-dividend).

5 Use of proceeds
and issuance
expenses

: The total proceeds raised through the Issuance amounted to
RMB11,999,999,989.11. After deducting the relevant expenses
for the Issuance of RMB121,068,933.71, the net proceeds from
the Issuance amounted to RMB11,878,931,055.40.

6 Lock-up period: Upon completion of the Issuance, China Railway Engineering
Corporation (•CRECGŽ) must not transfer the new A Shares
that it subscribed for within 36 months from the date of
completion of the Issuance, and the other investors must not
transfer the new A Shares that they subscribed for within 12
months from the date of completion of the Issuance. After that,
the relevant rules of the CSRC and Shanghai Stock Exchange will apply.

7 Sponsors and
joint lead
underwriters

: The sponsors for this Issuance are BOC International (China)
Limited, UBS Securities Co. Limited and Morgan Stanley Huaxin Securities Company Limited.

… 3 …

Issuance Results

In total seven investors participated in the Issuance, and the details of the allotment are as follows:

No. Target subscribers

Number of
shares allotted

allotment
amount

(RMB)

1. CRECG 308,880,308 2,399,999,993.16
2. Beijing Zhong Shang Rong Sheng Trading
Company Limited

141,570,141 1,099,999,995.57

3. Nanjing An Ci Investment Management
Company Limited

141,570,141 1,099,999,995.57

4. Ping An UOB Fund Management Co. Ltd. 643,500,643 4,999,999,996.11
5. China Merchants Wealth Asset Management
Limited

137,323,037 1,066,999,997.49

6. Cai Tong Fund Management Co. Ltd. 167,696,256 1,302,999,909.12
7. CIB Wealth Asset Management Company
Limited

3,861,017 30,000,102.09

… 4 …

Changes in the Top Ten Shareholders of the Company Before and After the Issuance

Before the Issuance, details of the shareholding of the top ten shareholders of the Company as at 31 March 2015 are as follow:

No. Name of Shareholder

Total Number of
shares held

Shareholding
percentage
(%)

1. CRECG 11,950,010,000 56.10
2. HKSCC Nominees Limited 4,150,900,675 19.49
3. No.3 Transfer Account of National Council for Social
Security Fund

163,625,000 0.77

4. Huaxia Life Insurance Co. Ltd. … Universal Life
Insurance Products

39,980,000 0.19

5. Hong Kong Securities Clearing Company Limited 38,507,692 0.18
6. CSOP Asset Management Limited … CSOP FTSE
China A50 ETF

30,402,166 0.14

7. Bank of China-Harvest SSE-SZSE 300 Tradable
Open-ended Index Securities Investment Fund

28,963,762 0.14

8. Industrial and Commercial Bank of China Co., Ltd
… Huatai Bairui SSE-SZSW 300 Tradable Open-ended Index Securities Investment Fund

20,296,111 0.10

9. One Zero One Combination of National Social
Security Fund

18,000,034 0.08

10. Industrial and Commercial Bank of China Co., Ltd.
… Huaxia SSE-SZSW 300 Tradable Open-ended
Index Securities Investment Fund

15,881,726 0.07

Total 16,456,567,166 77.26

… 5 …

After completion of the Issuance, details of the shareholding of the top ten A shareholders of the Company as at 14 July 2015 are as follow:

No. Name of shareholder

Total number of
shares held

Shareholding
percentage
(%)

1. CRECG 12,260,390,308 53.67
2. China Securities Finance Corporation Limited 773,696,588 3.39
3. Ping An UOB Fund-Ping An Bank-China Universal
Asset Management Company Limited

643,500,643 2.82

4. Beijing Zhong Shang Rong Sheng Trading Company
Limited

141,570,141 0.62

5. Xinyu City Zhongqing Brothers Investment
Institution (LP)

141,570,141 0.62

6. China Merchants Wealth … China Merchants
Bank … No.1 Guo Xin Jin Kong Specific Asset Management Plan

137,323,037 0.60

7. Huaxia Life Insurance Co. Ltd. … Universal Life
Insurance Products

124,721,939 0.55

8. Industrial and Commercial Bank of China Co., Ltd
… SSE 50 Tradable Open-ended Index Securities
Investment Fund

69,833,441 0.31

9. CITIC Securities Co., Ltd. 64,971,492 0.28
10. Cai Tong Fund … China Everbright Bank-China
Galaxy Securities Co., Ltd.

51,480,051 0.23

Total 14,409,057,781 63.08

… 6 …

Changes in the Shareholding Structure of the Company Before and After the Issuance

A total number of 1,544,401,543 A Shares has been issued under the Issuance. Upon completion of the Issuance, the share capital of the Company increased from 21,299,900,000 shares to 22,844,301,543 shares. Details of the changes in the shareholding structure of the Company before and after the Issuance are as follow:

Class of shares Before the Issuance After the Issuance
Number of
shares Percentage

Number of
shares Percentage
(%) (%)

1. Shares subject to sales restrictions
A Shares subject to sales restrictions … … 1,544,401,543 6.76
H Shares subject to sales restrictions … … … …

2. Shares not subject to any sales
restrictions
A Shares not subject to any sales
restrictions 17,092,510,000 80.25 17,092,510,000 74.82
H Shares not subject to any sales
restrictions 4,207,390,000 19.75 4,207,390,000 18.42

3. Total number of shares 21,299,900,000 100 22,844,301,543 100

Upon completion of the Issuance, the registered capital and the total number of shares of the Company will change accordingly. The Company will make amendments to the relevant provisions of the articles of association of the Company in accordance with the results of the Issuance.

Substitution of Use of Proceeds From the Issuance

As disclosed in the Circular, in the event that the amount of net proceeds from the Issuance is less than the amount of proceeds proposed to be used for the projects set out in the Circular, the Company will make adjustments to and final decisions on the specific projects to be invested with the proceeds, the priority of fund use and the specific amount of investment involved in projects respectively with reference to thenet amount of proceeds so raised and other factors including the importance and urgency of each project, and the Company will make up the shortfall with its own funds or through other financing means.

… 7 …

During the period from 11 February 2015 to 10 July 2015, the total investment made by the Company with its own funds in the projects which the proceeds are proposed to be used for amounted to RMB3.157 billion and details of which are as follow:

No. Name of Projects

Proposed
Amount of
Investment of
Proceeds

Actual Total
Amount of
Investment of
Own Fund

Percentage
in Proposed
Amount of
Investment of
Proceeds
(RMB100 million) (RMB100 million) (%)

1. Shenzhen Rail Transit Line 11 BT Project 30 12.31 41.03
2. Shijiazhuang Rail Transit Line 1 (Phase I)
BT Project

15 5.52 36.80

3. Guang-Fo-Jiang Expressway (Jiangmen Avenue
Northbound Lanes) BT Project

10 3.95 39.50

4. Huo-Yong Expressway (Yong He to Yong He
Guan Section) BT Project

15 0 0.00

5. Shen-Jia-Mi Expressway (Shenmu-to-Jiaxian
Section) BOT Project

14 9.79 69.93

Total 84 31.57 37.58

The Company proposed to substitute the proceeds from the Issuance for its own funds already invested in the projects which the proceeds are proposed to be used for. Details are as follow:

No. Name of Projects

Proposed
Amount of
Investment of
Proceeds

Amount to be
substituted
(RMB100
million)

(RMB100
million)

1. Shenzhen Rail Transit Line 11 BT Project 12.31 12.31
2. Shijiazhuang Rail Transit Line 1 (Phase I) BT Project 5.52 5.52
3. Guang-Fo-Jiang Expressway (Jiangmen Avenue
Northbound Lanes) BT Project

3.95 3.95

4. Huo-Yong Expressway (Yong He to Yong He Guan
Section) BT Project

0 0

5. Shen-Jia-Mi Expressway (Shenmu-to-Jiaxian Section)
BOT Project

9.79 9.79

Total 31.57 31.57

… 8 …

On 13 July 2015, the twelfth meeting of the third session of the Board considered and approved the proposal on the substitution of raised proceeds for the self-raised funds invested in the projects which the raised proceeds are proposed to be used for, and agreed with the above substitution plan.

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

The PRC, 15 July 2015

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