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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)

**RESULTS OF THE NON-PUBLIC ISSUANCE OF
A SHARES**

Reference is made to the announcement dated 11 February 2015, the circular dated 3 March 2015 (the “**Circular**”) and the announcements respectively dated 4 March 2015, 4 June 2015, 11 June 2015 and 26 June 2015 of China Railway Group Limited (the “**Company**”). These announcements and the Circular set out further details of the proposal in respect of the non-public issuance of A shares of the Company, details of such proposal being considered and passed at the extraordinary general meeting of the Company held on 31 March 2015 and being approved by the SASAC and CSRC, and the adjustment made by the Company to the base issue price and number of shares to be issued. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings ascribed to such terms in the Circular.

The board of directors of the Company (the “**Board**”) is pleased to announce that the non-public issuance of 1,544,401,543 A Shares (the “**Issuance**”) completed on 14 July 2015.

Terms of the Issuance

- | | | | |
|---|---------------------------------|---|--|
| 1 | Type of shares | : | RMB denominated ordinary shares listed within the PRC (A Shares) |
| 2 | Nominal value | : | RMB1.00 |
| 3 | Number of A Shares to be issued | : | 1,544,401,543 shares |

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 (“**CRECG**”) 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.

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
	Total	1,544,401,543	11,999,999,989.11

All the investors mentioned above subscribed for the shares in cash. The new shares issued under the Issuance will be permitted to be traded on the Shanghai Stock Exchange on the second trading day after expiration of the lock-up period.

Save for the subscription by CRECG, there are no direct subscription or indirect participation in the subscription through structural arrangements by the controlling shareholder, actual controller or associates it controls, directors, supervisors, senior management, joint lead underwriters and any associates of the aforementioned institutions and persons.

Saved for CRECG, there has been no material transaction between the Company and the target subscribers and their associates in the most recent year and no arrangements for future transaction. In respect of future possible transactions, the Company will strictly abide by the articles of association of the Company and relevant laws and regulations, perform relevant decision-making procedures and make adequate information disclosure.

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	<u>16,456,567,166</u>	<u>77.26</u>

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

Prior to the Issuance, the controlling shareholder of the Company is CRECG, which held 11,950,010,000 A Shares of the Company, representing approximately 56.10% of the total issued share capital of the Company. The actual controller of the Company is SASAC. CRECG increased its shareholding in the Company through the purchase of 1,500,000 A Shares of the Company in secondary market on 9 July 2015. After such increase, CRECG held 11,951,510,000 A Shares of the Company, representing approximately 56.11% of the total issued share capital of the Company. CRECG subscribed for 308,880,308 A Shares under the Issuance. After the Issuance, CRECG holds 12,260,390,308 A Shares of the Company, representing approximately 53.67% of the shareholding, and remains as the controlling shareholder of the Company, while SASAC remains as the actual controller of the Company.

The Issuance will not lead to a change of control of the Company and also will not result in a change of the corporate governance structure or the composition of the directors and the senior management of the Company.

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	<u>21,299,900,000</u>	<u>100</u>	<u>22,844,301,543</u>	<u>100</u>

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 the net 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.

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 <i>(RMB100 million)</i>	Actual Total Amount of Investment of Own Fund <i>(RMB100 million)</i>	Percentage in Proposed Amount of Investment of Proceeds <i>(%)</i>
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 <i>(RMB100 million)</i>	Amount to be substituted <i>(RMB100 million)</i>
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

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.