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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)

**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**”), 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, the announcements dated 28 October 2022 and 1 December 2022 issued by the Company in relation to the grant of the reserved part of the Restricted Shares to the Participants of the 2021 Restricted Share Incentive Scheme, the announcements of the Company dated 30 October 2022, 27 December 2022, 29 December 2023 and 6 March 2024 in relation to the repurchase and cancellation of part of the Restricted Shares, and the announcements of the Company dated 29 December 2023, 5 February 2024, 30 August 2024 and 30 October 2024 in relation to the fulfillment of the Unlocking Conditions of the 2021 Restricted Share Incentive Scheme. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Circular and the above announcements.

The fourth meeting of the sixth session of the Board was held by the Company on 30 October 2024, at which the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Restricted Share Incentive Scheme was considered and approved. Pursuant to the above proposal, 1 Participant became unable to hold Restricted Shares of the Company after becoming a management leader of the State-owned Assets Supervision and Administration Commission of the State Council, 1 Participant was transferred from the Company due to organizational arrangements and the time of transfer was more than 6 months before the selling restrictions for the second batch are unlocked, 3 Participants were disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc., 1 Participant was transferred from the Company due to organizational arrangements and the time of transfer was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked, 6 Participants retired normally as the legal retirement age was reached and the time of retirement was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked,

and 2 Participants received a competent performance rating in the 2023 annual individual performance appraisal (80% of the Restricted Shares are unlocked in the current period, while the remaining 20% of the Restricted Shares would be repurchased and canceled by the Company). In accordance with the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, the Company has decided to repurchase and cancel certain Restricted Shares under the 2021 Restricted Share Incentive Scheme. The total number of Restricted Shares intended to be repurchased by the Company is 1,380,123. The repurchase price of the Restricted Shares to be repurchased from 9 Participants is RMB2.944 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, and the repurchase price of the Restricted Shares to be repurchased from 5 Participants is RMB2.944 per share.

None of the Participants for the proposed cancellation of Restricted Shares are connected persons as defined under the Hong Kong Listing Rules. The relevant matters are explained as follows:

I. REASONS, NUMBER, PRICE AND SOURCE OF FUNDS FOR THE REPURCHASE AND CANCELLATION

1. Reasons for the repurchase and cancellation

Among the Participants under the 2021 Restricted Share Incentive Scheme of the Company:

- (1) Repurchase of all the remaining Restricted Shares of 5 Participants that have not been unlocked

1 Participant became unable to hold Restricted Shares of the Company after becoming a management leader of the State-owned Assets Supervision and Administration Commission of the State Council, 1 Participant was transferred from the Company due to organizational arrangements and the time of transfer was more than 6 months before the selling restrictions for the second batch are unlocked, 3 Participants were disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc.

- (2) Repurchase of the third batch of Restricted Shares of 7 Participants that have not been unlocked

1 Participant was transferred from the Company due to organizational arrangements and the time of transfer was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked, 6 Participants retired normally as the legal retirement age was reached and the time of retirement was less than 6 months before the selling restrictions for the second batch are unlocked but more than 6 months before the selling restrictions for the third batch are unlocked.

- (3) Repurchase of 20% of the second batch of Restricted Shares of 2 Participants that have not been unlocked

2 Participants received a competent performance rating in the 2023 annual individual performance appraisal (80% of the Restricted Shares are unlocked in the current period, while the remaining 20% of the Restricted Shares would be repurchased and canceled by the Company).

In accordance with the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, the Company has decided to repurchase from the above 14 Participants all the Restricted Shares granted but not yet unlocked and cancel the same.

2. Number of repurchase and cancellation

The total number of Restricted Shares intended to be repurchased and cancelled by the Company from the above 14 Participants which were granted but not yet unlocked is 1,380,123. Among them, 688,198 Restricted Shares intended to be repurchased were granted to 5 Participants but not yet unlocked, 664,265 of the third batch of Restricted Shares intended to be repurchased were granted to 7 Participants but not yet unlocked, and 27,660 Restricted Shares intended to be repurchased were granted to 2 Participants who received a competent performance rating in the 2023 annual individual performance appraisal.

3. Price for the repurchase and cancellation

Pursuant to relevant provisions of the 2021 Restricted Share Incentive Scheme, where a Participant becomes unable to hold Restricted Shares of the Company, or is transferred from the Company and ceases to take office in the Company due to organizational arrangements, or retires normally as the legal retirement age is reached, the Restricted Shares not satisfied with the Unlocking Conditions shall be repurchased by the Company at the Grant Price plus the interests as calculated at the benchmark interest rate for deposits of the same period published by the People's Bank of China when repurchasing and cancelling; where a Participant is disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc., or receives a competent performance rating in the annual individual performance appraisal (80% of the Restricted Shares in the current period are unlocked while the remaining 20% of the Restricted Shares would be repurchased and canceled by the Company), all Restricted Shares held by such Participant that are still locked up shall be repurchased and cancelled by the Company at a repurchase price equal to the lower of the Grant Price and the market price of shares. If the Company has made dividend distribution, the repurchase price of the Restricted Shares shall be adjusted accordingly in accordance with the following formula: $P=P_0-V$, among which, P_0 represents the repurchase price per Restricted Share prior to adjustment; V represents the dividend per share; and P represents the adjusted repurchase price per Restricted Share.

The Grant Price of the Restricted Shares under the first grant to be repurchased is RMB3.55 per share. In view of the implementation of the 2021 Equity Distribution Plan by the Company on 29 July 2022, the implementation of the 2022 Equity Distribution Plan by the Company on 28 July 2023, and the implementation of the 2023 Equity Distribution Plan by the Company on 26 July 2024, an aggregate cash dividend of RMB0.606 per share (RMB0.196 in 2021, RMB0.2 in 2022 and RMB0.21 in 2023) had been distributed to the Participants under the first grant of the Restricted Shares. Thus, the adjusted repurchase price of the Restricted Shares is: $P = 3.55 - 0.606 = \text{RMB}2.944$ per share.

Therefore, the repurchase price of the Restricted Shares for the 1 Participant who became unable to hold Restricted Shares of the Company after becoming a management leader of the State-owned Assets Supervision and Administration Commission of the State Council, the 2 Participants who were transferred from the Company and ceased to take office in the Company due to organizational arrangements, and the 6 Participants who retired normally as the legal retirement age was reached is the sum of the adjusted Grant Price of RMB2.944 per share plus the interests as calculated at the benchmark interest rate for deposits of the same period published by the People's Bank of China; the repurchase price of the Restricted Shares for the 3 Participants who were disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc. and the 2 Participants who received a competent performance rating in the 2023 annual individual performance appraisal is the lower of the adjusted Grant Price of RMB2.944 per share and the market price of RMB6.39 per share at the time of repurchase, i.e., RMB2.944 per share.

4. Source of funds for the repurchase and cancellation

The total amount payable by the Company for the repurchase of the Restricted Shares is RMB4,276,310.21. The payment will be funded by the Company's internal resources.

II. TABLE ON CHANGES IN SHAREHOLDING STRUCTURE AFTER THE REPURCHASE AND CANCELLATION

After the repurchase and cancellation, the total number of Shares of the Company will be reduced from 24,743,245,241 Shares to 24,741,865,118 Shares. The changes in the shareholding structure of the Company are as follows:

Class of Shares	Before the change		Change (Share) (+/-)	After the change	
	Number of shares	Proportion		Number of shares	Proportion
Shares subject to selling restrictions (A Shares)	116,405,120	0.47%	-1,380,123	115,024,997	0.46%
Shares not subject to selling restrictions (A Shares)	20,419,450,121	82.53%	0	20,419,450,121	82.53%
H Shares	4,207,390,000	17.00%	0	4,207,390,000	17.01%
Total Shares	<u>24,743,245,241</u>	<u>100%</u>	<u>-1,380,123</u>	<u>24,741,865,118</u>	<u>100%</u>

Note: On 30 August 2024, the second meeting of the sixth session of the Board of the Company considered and approved the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Restricted Share Incentive Scheme. The Company has initiated the cancellation of a total of 7,384,576 Restricted Shares of 43 Participants (the “last repurchase and cancellation”), which has not been completed. The shareholding structure information on “before the change” in the above table is calculated on the basis that the last repurchase and cancellation has been completed.

The completion of the repurchase and cancellation will not result in any change in the controlling shareholder 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.

III. EFFECT OF THE REPURCHASE AND CANCELLATION ON THE COMPANY

The Company’s repurchase and cancellation of Restricted Shares will not have a substantial impact on the Company’s financial position and 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 shareholders.

IV. OPINIONS OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is of the opinion that pursuant to the related provisions of the Administrative Measures on Incentive Scheme of Listed Companies and the 2021 Restricted Share Incentive Scheme, among the Participants under the 2021 Restricted Share Incentive Scheme of the Company, 1 Participant became unable to hold Restricted Shares of the Company after becoming a management leader of the State-owned Assets Supervision and Administration Commission of the State Council, 2 Participants were transferred from the Company and ceased to take office in the Company due to organizational arrangements, 6 Participants retired normally as the legal retirement age was reached, 3 Participants were disqualified for the 2021 Restricted Share Incentive Scheme due to incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc. and 2 Participants received a competent performance rating in the 2023 annual individual performance appraisal. The Supervisory Committee agreed to the repurchase of 1,380,123 Restricted Shares in total which were granted but not yet unlocked and the cancellation of the same. The Company's repurchase and cancellation of such Restricted Shares under the 2021 Restricted Share Incentive Scheme and the adjustment of the repurchase price were in compliance with the provisions of relevant laws and regulations and the 2021 Restricted Share Incentive Scheme, and the deliberation procedures are legal and valid, and will not affect the operating results and financial position of the Company and there will not be any prejudice to the interest of the Company and its shareholders.

V. CONCLUSIVE VIEWS OF THE LEGAL OPINION

According to Beijing Jia Yuan Law Offices:

1. As of the date of the legal opinion, the necessary authorization and approval at this stage in respect of the repurchase and cancellation have been obtained, which was in compliance with the related provisions of the Administrative Measures on Incentive Scheme of Listed Companies and the 2021 Restricted Share Incentive Scheme.
2. The reasons for the repurchase and cancellation and the number, price and source of funds of repurchase of the Restricted Shares were in compliance with the related provisions of the Administrative Measures on Incentive Scheme of Listed Companies, the Work Guidelines for the Implementation of Equity Incentives by Listed Companies Controlled by Centrally Administered Enterprises and the 2021 Restricted Share Incentive Scheme, and the repurchase and cancellation are legal and valid.

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

Beijing, the PRC
30 October 2024

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. XIU Long, Ms. SUN Lishi and Mr. TU Haiming.