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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**”), 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, 6 March 2024, 30 August 2024 and 30 October 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, 30 October 2024 and 25 November 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.

## **REASONS, BASIS, NUMBER OF PERSONNEL AND NUMBER OF SHARES FOR THE REPURCHASE AND CANCELLATION**

Among the Participants in the first grant under the 2021 Restricted Share Incentive Scheme of the Company, 1 Participant was transferred from the Company and ceased to take office in the Company due to organizational arrangements, 36 Participants retired normally as the legal retirement age was reached and the time of retirement was more than 6 months before the selling restrictions are unlocked, 2 Participants resigned from the Company during the employment contract period, 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 1 Participant received a fair performance rating in the 2022 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 43 Participants all the Restricted Shares granted but not yet unlocked and cancel the same. For details, please refer to the announcement of the Company dated 30 August 2024.

Among the Participants in the first grant 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, 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 from the above 14 Participants all the Restricted Shares granted but not yet unlocked and cancel the same. For details, please refer to the announcement of the Company dated 30 October 2024.

The total number of Restricted Shares intended to be repurchased and cancelled by the Company from the above 43 Participants which were granted but not yet unlocked is 7,384,576. Among them, 7,368,649 Restricted Shares intended to be repurchased were granted to 42 Participants but not yet unlocked and 15,927 Restricted Shares intended to be repurchased were granted to 1 Participant who received a competent performance rating in the 2022 annual individual performance appraisal.

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.

After the repurchase and cancellation, the remaining number of Restricted Shares of the Company will be 111,066,899.

## **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”), and has made an application at the CSDC to proceed the repurchase and cancellation procedures of the 8,764,699 Restricted Shares which are granted but not yet unlocked and held by the abovementioned 57 Participants. The cancellation of the Restricted Shares to be repurchased is expected to be completed on 25 December 2024.

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

Upon the completion of the repurchase and cancellation of the Restricted Shares, the total number of Shares of the Company will be changed from 24,750,629,817 to 24,741,865,118 Shares. The changes in the shareholding structure of the Company are as follows:

Class of Shares	Before the change		The change (+/-)	After the change	
	Number of Shares	Proportion		Number of Shares	Proportion
Shares subject to selling restrictions (A Shares)	119,831,598	0.48%	-8,764,699	111,066,899	0.45%
Shares not subject to selling restrictions (A Shares)	20,423,408,219	82.52%	0	20,423,408,219	82.55%
H Shares	4,207,390,000	17.00%	0	4,207,390,000	17.00%
<b>Total Shares</b>	<b>24,750,629,817</b>	<b>100%</b>	<b>-8,764,699</b>	<b>24,741,865,118</b>	<b>100%</b>

## 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 including 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.

## 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.
- (2) The reasons, number and price for the repurchase and cancellation 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 implementation of the repurchase and cancellation was 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 Company still has to complete the shares cancellation registration procedures, administration of industry and commerce registration changes and filing procedures in respect of the repurchase and cancellation in compliance with the Company Law and other relevant laws and regulations.

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

Beijing, the PRC  
20 December 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.*