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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)*

**ANNOUNCEMENT ON NON-FULFILLMENT OF THE UNLOCKING
CONDITIONS FOR THE THIRD UNLOCKING PERIOD OF
THE 2021 RESTRICTED SHARE INCENTIVE SCHEME AND
THE REPURCHASE AND CANCELLATION OF
CERTAIN RESTRICTED SHARES**

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, 30 October 2024, 20 December 2024, 13 March 2025 and 9 June 2025 in relation to the repurchase and cancellation of part of the Restricted Shares, and the announcements dated 29 December 2023, 5 February 2024, 30 August 2024, 30 October 2024, 25 November 2024, 13 March 2025 and 25 March 2025 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 Announcements.

The fifteen meeting of the sixth session of the Board was held by the Company on 29 September 2025, at which the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Restricted Share Incentive Scheme was considered and approved.

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

1. Reasons for the repurchase and cancellation

In accordance with the relevant provisions of the 2021 Restricted Share Incentive Scheme, the performance assessment requirements for the Company during the third unlocking period and the actual performance of the Company in 2024 are as follows:

2024 Company-level performance evaluation indicators	Actual performance of the Company in 2024
The weighted average returns on net assets after deducting nonrecurring profit and loss for 2024 shall not be less than 11.00% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies (9.27%)	The weighted average returns on net assets after deducting non-recurring profit and loss for 2024 is 8.28%
On the basis of 2020, the compound growth rate of net profit after deducting non-recurring profit and loss attributable to the shareholders of the listed Company for 2024 shall not be less than 12% and not lower than the average performance of industry peers or the 75th percentile of the benchmarking companies (14.75%)	On the basis of 2020, the compound growth rate of net profit after deducting non-recurring profit and loss attributable to the shareholders of the listed Company for 2024 is 2.74%
Achieve the economic value added (EVA) performance targets of SASAC for 2024 (no less than RMB33.336 billion)	Had not achieved the economic value added (EVA) performance targets for 2024

In view of the fact that the performance evaluation indicators set out at the Company level for the third unlocking period of the Company's 2021 Restricted Share Incentive Scheme have not been met, in accordance with the provisions of the 2021 Restricted Share Incentive Scheme and relevant laws and regulations, the Company has decided to repurchase and cancel the Restricted Shares held by 678 Participants which were granted but have not met the unlocking conditions for the third unlocking period.

2. Number of repurchase and cancellation

The Company intends to repurchase and cancel a total of 54,786,990 Restricted Shares held by the aforementioned 678 Participants which were granted but have not met the unlocking conditions for the third unlocking period. This includes the repurchase and

cancellation of 50,813,003 Restricted Shares granted to 628 Participants under the first grant but have not met the unlocking conditions for the third unlocking period, and 3,973,987 Restricted Shares granted to 50 Participants under the reserved grant but have not met the unlocking conditions for the third unlocking period.

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, if the performance assessment target of the Company is not achieved during a certain unlocking period, the Restricted Stocks of all Participants during that period cannot be unlocked, and the Company shall repurchase and cancel them in accordance with the 2021 Restricted Share Incentive Scheme at the lower of the Grant Price and the stock market price at the time of repurchase (the average trading price of the Company's target stocks on the trading day before the announcement of the board resolution to consider and approve the repurchase). 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. The Grant Price of the Restricted Shares under the reserved grant to be repurchased is RMB3.68 per share. In view of the implementation of the 2021 Profit Distribution Plan by the Company on 29 July 2022, the implementation of the 2022 Profit Distribution Plan by the Company on 28 July 2023, the implementation of the 2023 Profit Distribution Plan by the Company on 26 July 2024, and the implementation of the 2024 Profit Distribution Plan by the Company on 18 July 2025, an aggregate cash dividend of RMB0.784 per share (RMB0.196 in 2021, RMB0.2 in 2022, RMB0.21 in 2023 and RMB0.178 in 2024) had been distributed to the Participants under the first grant of the Restricted Shares, and an aggregate cash dividend of RMB0.588 per share (RMB0.2 in 2022, RMB0.21 in 2023 and RMB0.178 in 2024) had been distributed to the Participants under the reserved grant of the Restricted Shares. Thus, the adjusted repurchase price of the Restricted Shares is: P_1 (Participants under the first grant) = $3.55-0.784 = \text{RMB}2.766$ per share, and P_2 (Participants under the reserved grant) = $3.68-0.588 = \text{RMB}3.092$ per share.

Therefore, the repurchase price of the Restricted Shares for the 628 Participants under the first grant is the lower of the adjusted Grant Price of RMB2.766 per share and the market price of RMB5.47 per share at the time of repurchase, i.e., RMB2.766 per share; and the repurchase price of the Restricted Shares for the 50 Participants under the reserved grant is the lower of the adjusted Grant Price of RMB3.092 per share and the market price of RMB5.47 per share at the time of repurchase, i.e., RMB3.092 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 RMB152,836,335.43. 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 24,741,008,919 Shares to 24,686,221,929 Shares. The changes in the shareholding structure of the Company are as follows:

Class of Shares	Before current change		Current change (+/-)	After current change	
	Number of Shares	Proportion		Number of Shares	Proportion
Shares with selling restrictions	58,760,978	0.24%	-54,786,990	3,973,988	0.02%
Shares without selling restrictions	24,682,247,941	99.76%	0	24,682,247,941	99.98%
Total number of Shares	24,741,008,919	100%	-54,786,990	24,686,221,929	100%

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 BOARD OF DIRECTORS AND THE REMUNERATION AND APPRAISAL COMMITTEE

The ninth meeting of the sixth session of the Remuneration and Appraisal Committee of the Board of Directors 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 meeting held that in accordance with the relevant provisions of the Administrative Measures on Incentive Scheme of Listed Companies and the 2021 Restricted Share Incentive Scheme, the Company's performance evaluation indicators set for the third unlocking period of the Company's 2021 Restricted Share Incentive Scheme have not been met, and agreed to repurchase and cancel 54,786,990 Restricted Shares held by 678 Participants which were granted but have not met the unlocking conditions for the third unlocking period. 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 have a substantial impact on 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 Wenjian
Chairman

Beijing, the PRC
29 September 2025

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Wenjian (Chairman) and Mr. WANG Shiqi; the non-executive directors of the Company are Mr. WEN Limin and Mr. FANG Xiaobing; the independent non-executive directors of the Company are Mr. XIU Long, Ms. SUN Lishi and Mr. TU Haiming.