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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**

The Company announces that on 31 July 2009, it received notice from its parent company, China Railway Engineering Corporation (“**CRECG**”) that CRECG has, through its Venezuela subsidiary, entered into a railway design and construction contract with INSTITUTO DE FERROCARRILES DEL ESTADO (the “**Venezuela Railway Authority**”) on 31 July 2009 (the “**Construction Contract**”), pursuant to which the Venezuela Railway Authority shall appoint the Venezuela subsidiary of CRECG as the contractor for the TINACO to ANACO railway project. The contract value is US\$7.5 billion (approximately HK\$58.126 billion).

CRECG has informed the Company that it intends to let the Company act as the contractor under the Construction Contract in place of its Venezuela subsidiary. The Company will conduct further investigation of the railway project under the Construction Contract and convene a board meeting to decide whether to undertake the project under the Construction Contract as soon as possible. Even if the board of the Company resolves to undertake the project, the Company will only implement the transaction after full compliance with the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**China Railway Group Limited**  
**SHI Dahua**  
*Chairman*

3 August 2009

*As at the date of this announcement, the executive directors of the Company are SHI Dahua (Chairman), LI Changjin and BAI Zhongren; the non-executive director is WANG Qiuming; and the independent non-executive directors are HE Gong, ZHANG Qinglin, GONG Huazhang, WANG Taiwen and SUN Patrick.*