THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in China Railway Group Limited, you should at once hand this circular and the accompanying form of proxy and the reply slip to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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CHINA RAILWAY GROUP LIMITED

(A joint stock limited company incorporated in the People•s Republic of China with limited liability)

(Stock Code: 390)

(1) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2017
(2) PROPOSAL REGARDING THE PLAN FOR SHAREHOLDERS• RETURN FOR 2018 TO 2020
(3) PROPOSED PROVISION OF GUARANTEE
(4) THE SALARY (REMUNERATION, WORK SUBSIDY) OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2017
(5) PROPOSED PURCHASE OF LIABILITIES INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT
(6) GENERAL MANDATE TO ISSUE NEW SHARES
(7) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(8) PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE BOARD
AND
NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2017

A notice convening the AGM to be held at 9:30 a.m. on Monday, 25 June 2018 at the Conference Room, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing, PRC, is set out on pages 27 to 30 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon. For holder of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited in person, by post or by facsimile not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish, but in such event the proxy form shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited or to the Company•s Board of Directors• Office on or before Monday, 4 June 2018.

11 May 2018

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In this circular, unless context otherwise requires, the following expressions have the following meanings:

•A SharesŽ	ordinary shares of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in RMB
•AGMŽ	the annual general meeting for the year 2017 of the Company to be held on Monday, 25 June 2018
•Articles of AssociationŽ	the •Articles of Association of China Railway Group LimitedŽ and its amendments from time to time
•BoardŽ	the board of directors of the Company
•CompanyŽ	• 7 • › p … Þ " ® ! (China Railway Group Limited), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange (stock code: 390) and the Shanghai Stock Exchange (stock code: 601390), respectively
•Company LawŽ	the Company Law of the People•s Republic of China
•CSRCŽ	the China Securities Regulatory Commission
•DirectorsŽ	the directors of the Company
•General MandateŽ	an unconditional and general mandate proposed to be granted at the AGM to authorise the Board to, among others, issue and deal with new Shares which shall not exceed 20% of each of the existing issued A Shares and H Shares as at the date of passing the proposed resolution at the AGM
•H SharesŽ	overseas listed foreign shares of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
•Hong KongŽ	the Hong Kong Special Administrative Region of the PRC
•Hong Kong Listing RulesŽ	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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CHINA RAILWAY GROUP LIMITED

(A joint stock limited company incorporated in the People•s Republic of China with limited liability)

(Stock Code: 390)

Executive Directors:
Mr. LI Changjin (Chairman)
Mr. ZHANG Zongyan
Mr. ZHOU Mengbo
Mr. ZHANG Xian

Independent Non-executive Directors:
Mr. GUO Peizhang
Mr. WEN Baoman
Mr. ZHENG Qingzhi
Mr. CHUNG Shui Ming Timpson

Non-executive Director:
Mr. MA Zonglin

Registered Office:
918, Block 1
No. 128 South 4th Ring Road West
Fengtai District
Beijing 100070
PRC

Principal Place of Business in Hong Kong:
Unit 1201-1203
12th Floor, APEC Plaza
49 Hoi Yuen Road, Kwun Tong
Kowloon
Hong Kong

11 May 2018

To the Shareholders

Dear Sir or Madam,

(1) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2017
(2) PROPOSAL REGARDING THE PLAN FOR SHAREHOLDERS• RETURN FOR 2018 TO 2020
(3) PROPOSED PROVISION OF GUARANTEE
(4) THE SALARY (REMUNERATION, WORK SUBSIDY) OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2017
(5) PROPOSED PURCHASE OF LIABILITIES INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT
(6) GENERAL MANDATE TO ISSUE NEW SHARES
(7) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
(8) PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE BOARD
AND
NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2017

1 INTRODUCTION

At the AGM, among other things, ordinary resolutions will be proposed to approve (1) the profit distribution plan for the year 2017; (2) the proposal regarding the plan for shareholders• return for 2018 to 2020; (3) proposed provision of guarantee; (4) the salary

(remuneration, work subsidy) of Directors and Supervisors for the year 2017; and (5) proposed purchase of liabilities insurance for Directors, Supervisors and senior management of the Company, and special resolutions will be proposed to approve (6) the General Mandate to issue New Shares; (7) proposed amendments to the Articles of Association; and (8) proposed amendments to the Procedural Rules for the Board. The notice of AGM is set out on pages 27 to 30 of this circular. The purpose of this circular is to provide you with information regarding certain proposals to be considered at the AGM and to set out the notice of the AGM.

2 PROFIT DISTRIBUTION PLAN FOR THE YEAR 2017

The retained profits of the parent company at the beginning of 2017 was RMB28,798,842,750.89 based on the audited financial report of the Company for 2017. After adding the net profit realised by the parent company of RMB19,023,574,657.77 during the year and deducting the cash dividends for 2016 and interest payments on perpetual notes amounting to RMB2,797,104,091.33, and with 10% of the net profit of the parent company, i.e. RMB1,902,357,465.78, being appropriated to its statutory surplus reserve, the distributable profit of the parent company to shareholders amounted to RMB43,122,955,851.55 for the year. A cash dividend of RMB1.13 per 10 shares (tax inclusive) is proposed to be distributed. Based on the Company•s total share capital of

Plan for Shareholders• Return for 2018 to 2020 of China Railway Group Limited, details of which are set out in the Appendix I to this circular.

The proposal regarding the plan for shareholders• return for 2018 to 2020 has been considered and approved at the ninth meeting of the fourth session of the Board held on 29 March 2018 and will be proposed at the AGM for the Shareholders to approve by way of ordinary resolution.

4 PROPOSED PROVISION OF GUARANTEE

Pursuant to the relevant provisions of the Articles of Association, any external guarantee proposed to be provided by the Company and its controlled subsidiaries after the total amount of guarantee reaching or exceeding 50% of the latest audited net assets value; or proposed to be provided to any secured party with liabilities-to-assets ratio exceeding 70% shall be put forward to the Shareholders• general meeting for consideration and approval.

The proposal on the total amount of the provision of external guarantee by the Company for July 2018 to June 2019 has been considered and approved at the tenth meeting of the fourth session of the Board held on 27 April 2018, according to which, the Company and some of its subsidiaries intend to provide guarantee for a total amount of RMB98,421.6920 million, among which, the guarantee provided for wholly owned subsidiaries amounts to RMB71,182.20 million, the guarantee provided for non-wholly owned subsidiaries amounts to RMB21,322.70 million, and the guarantee provided for external entities and investment companies amounts to RMB5,916.7920 million. For reasons that the total amount of such guarantee to be provided exceeds 50% of the audited net assets value of the Company for the year 2017, and certain guarantee are provided to entities with liabilities-to-assets ratio exceeding 70%, an ordinary resolution will be proposed at the AGM to consider and approve the proposal. To the best knowledge and belief of the Company, none of such guarantee is provided to a connected person of the Company.

5 THE SALARY (REMUNERATION, WORK SUBSIDY) OF DIRECTORS AND SUPERVISORS FOR THE YEAR 2017

The salary (remuneration, work subsidy) of Directors and Supervisors for the year 2017 is contained in Note 15 to the Consolidated Financial Statements in the 2017 Annual Report of the Company. The salary (remuneration, work subsidy) of Directors and Supervisors for the year 2017 has been considered and approved at the ninth meeting of the fourth session of the Board held on 29 March 2018. The independent Directors of the Company have issued their independent opinions of consent and it will be proposed at the AGM for the Shareholders to approve by way of ordinary resolution.

6 PROPOSED PURCHASE OF LIABILITIES INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Pursuant to A.1.8 of the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules and to protect the rights and interests of Directors, Supervisors

and senior management to satisfy the regulatory requirements for listed company, the Board proposed to purchase the liabilities insurance for Directors, Supervisors and senior management for the year 2018 with a coverage of USD14 million and the insurance premium of RMB104,550 with an aggregate insurance period of 12 months from Huatai Property and Casualty Insurance Company Limited.

The proposal has been considered and approved at the ninth meeting of the fourth session of the Board held on 29 March 2018 and will be proposed at the AGM for the Shareholders to approve by way of ordinary resolution. Meanwhile, the Board will further propose at the AGM to authorise the Board to renew and update the insurance contract with Huatai Property and Casualty Insurance Company Limited on or prior to the expiry of the insurance contract.

7 GENERAL MANDATE TO ISSUE NEW SHARES

A special resolution will be proposed at the AGM by the Board to seek the Shareholders• grant of the General Mandate, details of which are as follows:

(i) the Board is unconditionally given approval to exercise, during the Relevant Period (as defined below), all powers of the Company to separately or concurrently issue and deal with new A Shares and new H Shares (collectively, the •New SharesŽ) of the Company which shall not exceed 20% of the respective amounts of existing A shares and H shares of the Company as at the date of passing the relevant resolution;

(ii) pursuant to the approval under paragraph (i) above, the Board is authorised to enter into or make, during the Relevant Period, offers, agreements and/or options, under which the New Shares to be allotted and issued are required or may be required to be allotted and issued during or after the expiry of the Relevant Period, and the Board is authorised to issue and deal with the New Shares that are required or may be required to be allotted and issued under such offers, agreements and options;

(iii) after the issuance of the New Shares pursuant to the General Mandate, the Board is authorised to deal with all matters relating to the increase in the registered capital of the Company and to make such appropriate and necessary amendments to the articles of association of the Company relating to the share capital, the shareholding structure and the registered capital and other relevant things as they think fit and necessary, to complete domestic and overseas statutory procedures for approval, registration, and filing, and to take any other action and complete any formality required to effect the issuance of New Shares pursuant to the relevant resolution and the increase in the registered capital of the Company. The Board is authorised to re-delegate the authorisation herein to the persons delegated by the Board to sign, execute, modify, complete, submit all agreements, contracts and documents in relation to the allotment and issuance of and dealing with the New Shares under the General Mandate, unless otherwise stipulated by laws or regulations; and

(iv) • Relevant Period Ž means the period from the date of passing the relevant Shareholders• resolution in respect of the General Mandate until the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the 12-month period from the date of passing the relevant Shareholders• resolution; and

(c) the date on which the authorisation granted to the Board in the relevant resolution is revoked or varied by a special resolution of the Shareholders of the Company in general meeting.

The Directors believe that the General Mandate will allow financial flexibility for the Company to raise further funds for its future business development and expansion. Accordingly, the Directors consider that the approval of the grant of the General Mandate is in the interests of the Company and the Shareholders as a whole.

The Board will only exercise the General Mandate, if granted by the Shareholders, in accordance with the Company Law and the Hong Kong Listing Rules or all applicable laws, rules and regulations of any other governmental or regulatory authorities and only if all necessary approvals from CSRC and/or other relevant PRC governmental authorities are obtained. As at the Latest Practicable Date, no definitive plan has been formed by the Board as to when the General Mandate will be exercised, if granted by the Shareholders.

The proposal in relation to granting the General Mandate to issue New Shares to the Board have been considered and approved at the tenth meeting of the fourth session of the Board held on 27 April 2018 and will be proposed at the AGM for the Shareholders to approve by way of special resolution.

8 PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 27 April 2018 in relation to the proposed amendments to the Articles of Association.

Considering relevant situations including the change of company name of the controlling shareholder of the Company due to its enterprise reform, the discrepancy between the business scope of the Company as approved by the company registration authorities and that described in the current Articles of Association, the suggestions from the China Securities Investor Services Centre regarding cumulative voting mechanism for election of Directors or Supervisors, the regulatory requirement from the State Archives Administration on the term of preserving meeting materials, the adjustments to duties of strategy committee under the Board, the institutional reform of the State Council, as well as relevant regulations related to democratic corporate governance, and taking into account the actual situation of the Company, the Board proposed certain amendments to the Articles of Association, details of which are set out in the Appendix II to this circular.

The Plan for Shareholders• Return for 2018 to 2020 of China Railway Group Limited are written in Chinese and have no formal English version, any English version thereof is for reference only. In case of any discrepancies between the Chinese version and the English version, the Chinese version shall prevail.

The Plan for Shareholders• Return for 2018 to 2020 of China Railway Group Limited

III. Details of the shareholders• return plan for the coming three years (2018-2020)

1. Form of profit distribution

The Company may distribute dividends in cash, in shares or in a combination of both cash and shares. Under conditional circumstances, the Company may make interim profit distribution.

2. Conditions for and proportions of profit distribution

(1) Specific conditions for, proportion and intervals of distributing dividends in cash

Provided that the sustainable operation and long-term development of the Company are assured, if the Company•s profit for the year and its cumulative undistributed profit are positive and the Company has no significant investment plans or other significant cash expenditures, or other similar matters, the Company may distribute dividend in cash after full appropriation to the statutory reserves and discretionary reserves, the total profit to be distributed in cash in the past three consecutive years will not be less than 30% of the average annual distributable profit realized in the past three years; the profit to be distributed in cash per annum will not be less than 10% of the distributable profit realized for that year. The Company may not distribute dividends in cash in the following exceptional circumstances.: ú Where the auditing firm issues a non-standard unqualified audit opinion on the financial report of the Company for the year. û Where the operating net cash flow of the Company is negative.

When the aforesaid conditions of cash distribution are met, in principle, cash dividends shall be distributed once a year by the Company. And the board of directors of the Company can propose a distribution of interim cash dividends according to the Company•s situation of profitability and capital needs.

(2) Specific conditions for distributing dividends in shares

Where the Company is in a sound operating condition, and the board of directors considers that the stock price of the Company does not reflect its scale of share capital and distributing dividend in shares will be in the interests of all shareholders of the Company as a whole, the Company may propose the distribution plan of dividend in shares upon fulfilment of the above conditions concerning cash dividends.

(3) Differentiated policies for cash dividend

In the coming three years, the Board of the Company will take various factors into consideration, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and propose a differentiated policy for distributing cash dividend pursuant to the procedures stipulated in the Articles of Association of the Company.

IV. The period for formulating the shareholders• return plan and relevant decision-making mechanism

1. The Company shall review the Shareholders• Return Plan in the Next Three Years at least every three years and determine if any amendment is needed for the existing shareholders• return plan.

2. The profit distribution plan of the Company shall be submitted to the board of directors and the supervisory committee for review after it is drafted by the management based on the actual profitability, cash flow, future operating plan and other relevant factors of the Company. The board of directors shall hold a thorough discussion with respect to the reasonableness of the profit distribution plan, and the independent directors shall give their explicit opinions. Upon the review and adoption by the board of directors and the supervisory committee, the profit distribution plan shall be submitted to the general meeting of shareholders for consideration.

3. While establishing the specific plan of cash dividend, the board of directors shall study and identify with caution the timing, conditions and minimum proportion, conditions for adjustment and requirements for decision-making procedures involved in implementing the distribution of cash dividends, etc. Independent directors shall explicitly express their opinions thereon.

   Independent directors may collect opinions from minority shareholders for putting forward a profit distribution proposal which can be directly submitted to the board of directors for consideration.

4. Prior to the review of the profit distribution in the general meeting of shareholders of the Company, the Company shall also take the initiative to communicate and share information with shareholders in particular minority shareholders by way of various channels so as to take the opinions and demands of minority shareholders into full consideration and respond timely to the concerns of minority shareholders, and provide access to online voting to shareholders in the general meeting.

5. Where the Company, fails to distribute dividends in cash due to the special circumstances, the board of directors shall make special explanations on the specific reasons for such failure, the accurate usage of the retained profits of the Company, projected investment earnings and other relevant issues, submit such explanations to the general meeting of shareholders for consideration after the independent directors express their opinions, and disclose the same in those media designated by the Company.

6. After the profit distribution plan has been resolved at a general meeting of shareholders of the Company, the board of directors shall complete dividend (or share) distribution within two months after the general meeting of shareholders.

7. The Company may make adjustment on the profit distribution policies in the event of force majeure including the outbreaks of wars, natural disasters, or the material impact on the production and operation of the Company as a result of the external operating environmental changes, or the substantial changes in the Company•s operating condition.

The board of directors shall conduct specific detailed discussion over the grounds for the adjustment on the profit distribution policies, form a written report to be considered by the independent directors and then submit the same to the general meeting of shareholders for approval by way of special resolution.

V. Supplementary provisions

Any matters not covered in this plan shall be governed by the relevant laws and regulations, regulatory documents and the Articles of Association. The right to interpret this plan shall vest in the board of directors of the Company. This plan will come into force as of the date of approval at the general meeting of shareholders of the Company.

The Articles of Association are written in Chinese and have no formal English version, any English version thereof is for reference only. In case of any discrepancies between the Chinese version and the English version, the Chinese version shall prevail.

Details of the proposed amendments to the Articles of Association are set out below:

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
Article 2, Chapter 1	Article 2, Chapter 1	Article 2 *ff* The promoter of the Company: China Railway Engineering Corporation.	Article 2 *ff* The promoter of the Company: China Railway Engineering Corporation. On 28 December 2017, China Railway Engineering Corporation completed its enterprise reform registration and changed its company name to •China Railway Engineering Group Company LimitedŽ.

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
Article 11, Chapter 2	Article 11, Chapter 2	Article 11 The business scope of the Company shall be subject to the approval of the company registration authority. The business scope of the Company covers: Contracting of civil engineering and construction, wiring, pipe fitting and equipment installation; sub-contracting of the survey, design, building, construction supervision, technology consultation, technology development, technology transfer and technical service in connection with abovementioned items; research, manufacturing, sales and leasing of machinery facilities, apparatus, component, steel girder, steel structure and building materials designed for civil engineering; temporary passenger and cargo transport and related services prior to the formal testing and delivery for operation of newly-built railways; contracting of overseas projects and domestic foreign invested projects in the	

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
Article 113, Chapter 8	Article 113, Chapter 8	Article 113 The name list of candidates for directors and supervisors shall be included in a proposal to be submitted to the general meeting of shareholders for voting. According to the provisions of the Articles or a resolution of the general meeting of shareholders, cumulative voting system may be adopted when the general meeting of shareholders votes on the election of directors and supervisors. The cumulative voting system referred to in the preceding paragraph means that, when the general meeting of shareholders elects the directors and supervisors, each share shall have the same number of votes as the number of directors or supervisors to be elected, and the votes of the shareholders can be centralised. The board of directors shall make a public announcement to the shareholders on the resumes and basic information of the candidates for directors and supervisors.	Article 113 The name list of candidates for directors and supervisors shall be included in a proposal to be submitted to the general meeting of shareholders for voting. The board of directors shall make a public announcement to the shareholders on the resume and basic information of the candidates of directors and supervisors. According to the provisions of the Articles or a resolution of the general meeting of shareholders, cumulative voting system shall be adopted where the shareholding ratio of the controlling shareholder of the Company is over 30% and the general meeting of shareholders votes on the election of more than two directors or supervisors. The following rules shall be observed where cumulative voting system is adopted in a general meeting of shareholders for election of directors and/or supervisors: 1. There should be separate voting sessions for the election of independent directors, non-independent directors and supervisors respectively.

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
			(1) In the election of independent directors, each shareholder present at the meeting is entitled to such number of votes as equity to the number of shares held by it multiplied by the number of independent directors to be elected at the general meeting of shareholders, and such votes can only be used for the candidates of independent directors of the Company. (2) In the election of non-independent directors, each shareholder present at the meeting is entitled to such number of votes as equity to the number of shares held by it multiplied by the number of non-independent directors to be elected at the general meeting of shareholders, and such votes can only be used for the candidates of non-independent directors of the Company.

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
			(3) In the election of supervisors, each shareholder present at the meeting is entitled to such number of votes as equity to the number of shares held by it multiplied by the number of supervisors to be elected at the general meeting of shareholders, and such votes can only be used for the candidates of supervisors of the Company. When electing directors and/or supervisors at the general meeting of shareholders, each candidate of director and/or supervisor shall be voted separately and individually. A shareholder can exercise its voting rights either collectively to one candidate or separately to several different candidates for the same type of position, provided that the total number of votes exercised by a shareholder shall not exceed the total number of votes entitled to it for such type of candidate.

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
			2. The election of directors and/or supervisors shall depend on the number of votes obtained, which shall be no less than half (1/2) of the total voting rights entitled to the shareholders present at the general meeting of the shareholders. 3. Before voting for the candidates of directors and/or supervisors at the general meeting of shareholders, the chairman of the meeting shall expressly inform the shareholders present at the meeting of the adoption of cumulative voting system for the candidates of directors and supervisors. The board of directors shall prepare ballot tickets that are suitable for cumulative voting system. The secretary to the board of directors shall explain the methods of cumulative voting system and approaches on filling of ballot tickets.

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
Article 114, Chapter 8	Article 114, Chapter 8	Article 114 Methods and procedures to nominate directors and supervisor are as follows: (1) shareholders holding, individually or jointly, more than 3% in the total number of the outstanding voting shares of the Company may put forward in a written proposal to the general meeting of shareholders the candidates of directors and supervisors to be appointed from those other than the employee representatives, provided that the number of persons nominated must comply with the provisions of the Articles and be not more than the number of persons contemplated to be elected. The said proposal put forward by the shareholders to the Company shall be sent to the Company at least fourteen (14) days prior to the date of the general meeting of shareholders; (2) the board of directors and the supervisory committee may, within the scope of the number of persons as provided in the Articles, formulate a proposed name list of the candidates of directors and supervisors according to the number of persons contemplated to be elected, and put forward the said list in a written proposal to the general meeting of shareholders; *ff*	Article 114 Methods and procedures to nominate directors and supervisor are as follows: (1) shareholders holding, individually or jointly, more than 3% in the total number of the outstanding voting shares of the Company may put forward in a written proposal to the general meeting of shareholders the candidates of <u>non-independent</u> directors and supervisors to be appointed from those other than the employee representatives, provided that the number of persons nominated must comply with the provisions of the Articles and be not more than the number of persons contemplated to be elected. The said proposal put forward by the shareholders to the Company shall be sent to the Company at least fourteen (14) days prior to the date of the general meeting of shareholders; (2) the board of directors and the supervisory committee may, within the scope of the number of persons as provided in the Articles, formulate a proposed name list of the candidates of directors and supervisors <u>who are not employee representatives</u> according to the number of persons contemplated to be elected, and put forward the said list in a written proposal to the general meeting of shareholders; *ff*

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
Article 150, Chapter 10	Article 150, Chapter 10	Article 150 The major duties of the strategy committee of the board of directors shall be: *ff* (3) To be responsible for the establishment of the rule-of-law and compliance management system of the Company. To review the rule-of-law work plan, material rule-of-law system and compliance management system and handbook, analyse significant compliance risk issues, cultivate compliance culture and listen to the work report on law-based corporate governance and compliance management; (4) Other functions and powers delegated by the board of directors	Article 150 The major duties of the strategy committee of the board of directors shall be: *ff* (3) To study and provide suggestions on mergers and acquisitions issues and projects; (4) To study domestic and offshore capital markets and

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
Article 168, Chapter 10	Article 168, Chapter 10	Article 168 *ff* The *ff* minutes *ff* shall be kept as a file of the Company for no less than ten years.	Article 168 *ff* The *ff* minutes *ff* shall be kept as a file of the Company permanently .
Article 171, Chapter 11	Article 171, Chapter 11	Article 171 *ff* (xi) being responsible for the daily contact between the board of directors, State-owned Assets Supervision and Administration Committee and the supervisory committee of State-owned enterprises ; *ff*	Article 171 *ff* (xi) being responsible for the daily contact between the board of directors, State-owned Assets Supervision and Administration Committee; *ff*
Article 197, Chapter 13	Article 197, Chapter 13	Article 197 *ff* Minutes of the supervisory committee shall be filed with the Company and shall be kept for at least ten years .	Article 197 *ff* Minutes of the supervisory committee shall be filed with the Company and shall be kept permanently .

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
Article 251, Chapter 17	Article 251, Chapter 17	Article 251 Pursuant to the Constitution of Communist Party of China, the Company shall establish an organization of the Communist Party of China (•PartyŽ), which shall play the role as the core of leadership, and the political nucleus, and take charge of the direction and overall situation and ensure the implementation of policies. The Company shall establish a work institution of the Party with a sufficient number of personnel responsible for the Party affairs and guarantee the working funds of the Party organization.	Article 251 Pursuant to the Constitution of Communist Party of China, the Company shall establish an organization of the Communist Party of China (•PartyŽ), which shall play the role of leadership, and take charge of the direction and overall situation and ensure the implementation of policies. The Company shall establish a work institution of the Party with a sufficient number of personnel responsible for the Party affairs and guarantee the working funds of the Party organization.
Chapter 18	Chapter 18	Chapter 18 Labour and Democratic Employee Management	Chapter 18 Labour and Democratic Enterprise Management
	Article 257, Chapter 18 (new article) (The number of other articles shall be adjusted accordingly)		Article 257 The layoff, diversion and settlement plans of employees in the merger, spin-off, restructuring, dissolution, and bankruptcy implementation plans of the Company shall be examined and adopted by the employee representative assembly.

The Procedural Rules for the Board are written in Chinese and have no formal English version, any English version thereof is for reference only. In case of any discrepancies between the Chinese version and the English version, the Chinese version shall prevail.

Details of the proposed amendments to the Procedural Rules for the Board are set out below:

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
N/A	Articles 6 and 7, Chapter 2 (new articles) (The number of other articles shall be adjusted accordingly)	N/A	Article 6 When the board of directors decides on material issues, it shall first listen to the opinions of the Party Committee of the Company. Article 7 Where major operation and management matters to be studied and decided on by the board of directors are subject to the before-event procedures to be completed by the Party Committee or the special committees of the board of directors or the management team of the Company, the board of directors shall first submit such matters to the meeting of the Party Committee (or its standing committee) for study and discussion or to the meeting of the special committees of the board of directors or the work meeting of the presidents for study and approval before submitting the same to the board of directors for study and making a decision.

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
Article 12, Chapter 2	Article 14, Chapter 2	Article 12 ..... The supervisors may attend the meetings of the board of directors as non-voting attendees; the presidents and the secretary to the board of directors shall attend the meetings of the board of directors as non-voting attendees. The chairman of the meeting may, if he/she deems necessary, notify other relevant personnel to attend a meeting of the board of directors as non-voting attendees.	Article 14 ..... The secretary of the Party•s discipline committee and the supervisors may attend the meetings of the board of directors as non-voting attendees; the presidents and the secretary to the board of directors shall attend the meetings of the board of directors as non-voting attendees. The chairman of the meeting may, if he/she deems necessary, notify other relevant personnel to attend a meeting of the board of directors as non-voting attendees.
Article 19, Chapter 3	Article 21, Chapter 3	Article 19 Each of the proposals shall, upon sufficient discussion on it, be submitted by the chairman of the meeting in a timely manner to the directors participating in the meeting for voting on such proposals one by one. Each member of the board of directors shall have one vote at the meetings, and may exercise their voting rights by open ballot or in writing.	Article 21 The board of directors adopts a decision-making system of collective deliberation, independent voting and individual responsibility. Each of the proposals shall, upon sufficient discussion on it, be submitted by the chairman of the meeting in a timely manner to the directors participating in the meeting for voting on such proposals one by one. Each member of the board of directors shall have one vote at the meetings, and may exercise their voting rights by open ballot or in writing.

Article No. before the Amendment	Article No. after the Amendment	Articles before the Amendment	Articles after the Amendment
Article 37, Chapter 3	Article 39, Chapter 3	Article 37 The chairman of the board of directors shall supervise and inspect the implementation by the relevant personnel of resolutions of the board of directors and shall report on the same at the forthcoming board meeting. The chairman of the board of directors may authorise another director to supervise and inspect the implementation of resolutions of the board of directors.	Article 39 The chairman of the board of directors shall supervise and inspect the implementation by the relevant personnel of resolutions of the board of directors, conduct an assessment after passing the resolutions and shall report on the same at the forthcoming board meeting. The chairman of the board of directors may authorise another director to supervise and inspect the implementation of resolutions of the board of directors.
Article 40, Chapter 3	Article 42, Chapter 3	Article 40 *ff* The board meeting archives shall be kept for no less than ten years.	Article 42 *ff* The board meeting archives shall be kept permanently.
Article 42, Chapter 4	Article 44, Chapter 4	Article 42 The amounts set out in the budget of the board of directors shall be used as: (I) the allowance paid to the directors;	Article 44 The amounts set out in the budget of the board of directors shall be used as: (I) the salary, remuneration, work subsidy or meeting allowance paid to the directors; .....

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CHINA RAILWAY GROUP LIMITED

(A joint stock limited company incorporated in the People•s Republic of China with limited liability)

(Stock Code: 390)

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2017

NOTICE IS HEREBY GIVEN that the 2017 Annual General Meeting (• AGM Ž) of China Railway Group Limited (the • Company Ž) will be held at Conference Room, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing, PRC on Monday, 25 June 2018 at 9:30 a.m. to consider and approve the following as appropriate:

By way of ordinary resolutions:

1. To consider and approve the report of the Board of Directors of the Company for the year ended 31 December 2017.

2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2017.

3. To consider and approve the work report of independent directors of the Company for the year ended 31 December 2017.

4. To consider and approve the 2017 A share annual report and the abstract, H share annual report and results announcement for the year of 2017 of the Company.

5. To consider and approve the audited consolidated financial statements of the Company for the year ended 31 December 2017.

6. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2017.

7. To consider and approve the proposal regarding The Plan for Shareholders• Return for 2018 to 2020 of China Railway Group Limited.

8. To consider and approve the proposal in relation to the engagement of the auditors for 2018, re-appointment of PricewaterhouseCoopers as the Company•s international auditors and PricewaterhouseCoopers Zhong Tian LLP as the Company•s domestic auditors for 2018 for a term ending at the next annual general meeting of the Company, the aggregate remuneration shall be RMB33.30 million.

9. To consider and approve the proposal in relation to the appointment of internal control auditors for 2018, re-appointment of PricewaterhouseCoopers Zhong Tian LLP as the internal control auditors of the Company for 2018 for a term ending at the next annual general meeting of the Company, the remuneration shall be RMB1.80 million.

10. To consider and approve the proposal in relation to the total amount of the provision of external guarantee by the Company for July 2018 to June 2019.

11. To consider and approve the proposal on the salary (remuneration, work subsidy) of directors and supervisors of the Company for the year of 2017.

12. To consider and approve the proposal on the purchase of liabilities insurance for directors, supervisors and senior management of the Company for the year of 2018.

By way of special resolutions:

13. To consider and approve the proposal on granting a general mandate to issue new shares to the board of directors of the Company (the "Board" or the "Board of Directors"), details of which are as follows:

    (i) the Board is unconditionally given approval to exercise, during the Relevant Period (as defined below), all powers of the Company to separately or concurrently issue and deal with new A Shares and new H Shares (collectively, the "New Shares") of the Company which shall not exceed 20% of the respective amounts of existing A shares and H shares of the Company as at the date of passing the relevant resolution;

    (ii) pursuant to the approval under paragraph (i) above, the Board is authorised to enter into or make, during the Relevant Period, offers, agreements and/or options, under which the New Shares to be allotted and issued are required or may be required to be allotted and issued during or after the expiry of the Relevant Period, and the Board is

pursuant to the relevant resolution and the increase in the registered capital of the Company. The Board is authorised to re-delegate the authorisation herein to the persons delegated by the Board to sign, execute, modify, complete, submit all agreements, contracts and documents in relation to the allotment and issuance of and dealing with the New Shares under the General Mandate, unless otherwise stipulated by laws or regulations; and

(iv) • Relevant Period Ž means the period from the date of passing the relevant Shareholders• resolution in respect of the General Mandate until the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the 12-month period from the date of passing the relevant Shareholders• resolution; and

(c) the date on which the authorisation granted to the Board in the relevant resolution is revoked or varied by a special resolution of the Shareholders of the Company in general meeting.

14. To consider and approve the proposed amendments to the Articles of Association of the Company as set out in the Appendix II to the circular of the Company dated 11 May 2018.

15. To consider and approve the proposed amendments to the Procedural Rules for the Board of the Company as set out in the Appendix III to the circular of the Company dated 11 May 2018.

By Order of the Board
China Railway Group Limited
Yu Tengqun Tam Chun Chung
Joint Company Secretaries

Beijing, the PRC
11 May 2018

Notes:

1. Closure of register of members and eligibility for attending the AGM

Shareholders who submit their share transfer application forms to the Company•s share registrar before close of business on Monday, 4 June 2018 and become registered as shareholders on the register of members of the Company are entitled to attend the AGM.

Holders of the Company•s H shares are advised that the register of members will be closed from Tuesday, 5 June 2018 to Monday, 25 June 2018 (both days inclusive). Holders of H shares whose names appear on the register of members of the Company maintained in Hong Kong at the close of business on Monday, 4 June 2018 are entitled to attend the AGM.

Holders of H shares who wish to attend the AGM but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen•s Road East, Wan Chai, Hong Kong at or before 4:30 p.m., Monday, 4 June 2018.

2. Registration procedures for attending the AGM

Shareholders attending the AGM in person or by proxy shall present their identity certification. If the attending shareholder is the authorised legal representative of the Company•s shareholder, the Board or other decision making authority, then such attending shareholder shall present a copy of the relevant resolution of the Board or other decision making authority appointing it as its authorised legal or official representative in order to attend the AGM on behalf of such company.

3. Notice of attendance

Shareholders who intend to attend the AGM in person or by proxy should return the reply slip in person, by post or by facsimile to the Company•s Board of Directors• Office or Computershare Hong Kong Investor Services Limited on or before Monday, 4 June 2018.

The Company•s Board of Directors• Office is located at Room 511, Block A, China Railway Square, No. 69 Fuxing Road, Haidian District, Beijing 100039, PRC (Contact Persons: Ms. DUAN Yinhua/Mr. LI Qiang, Tel: (8610) 5187 8069/5187 8061, Fax: (8610) 5187 8417).

The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183