

COMPANY PROFILE

Guangshen Railway Company Limited (the “Company”) was established on March 6, 1996. The Company is a joint stock limited company engaging in railway passenger and freight transportation and related services. The Company is registered in Shenzhen, the People’s Republic of China (the “PRC”) in accordance with the Company Law of the PRC.

In May 1996, the H shares (“H Shares”) and American Depositary Shares (“ADSs”) issued by the Company were listed on the Stock Exchange of Hong Kong Limited (the “Hong Kong Exchange”) and the New York Stock Exchange, Inc. (“New York Stock Exchange”), respectively. The Company is currently the only enterprise engaging in the PRC railway industry with its shares listed in Hong Kong and New York.

The Guangshen Railway, which is operated solely and independently by the Company, is 147 kilometres long. It traverses the Pearl River Delta in Guangdong Province, a region of rapid economic growth. The Guangshen Railway is favourably located with links to the major railway networks of southern China, including the Beijing-Guangzhou, Beijing-Jiujiang, Sanshui-Maoming, Pinghu-Nantou, and Pinghu-Yantian lines, as well as to the Kowloon-Canton Railway (the “KCR”) in Hong Kong. It is the only railway channel linking Hong Kong with inland China. It is an important component of the transportation network of southern China.

The Company is mainly engaged in railway passenger and freight transportation businesses between Guangzhou and Shenzhen and certain long-distance passenger transportation services. The Company also operates the Hong Kong through train passenger service under a cooperative arrangement with the KCR. The Company provides consolidated services relating to railway facilities and technology. The Company also engages in commercial trading and other businesses that are consistent with the Company’s overall business strategy.

The Guangshen Railway operated by the Company is currently one of the most modern railways in the PRC. It is equipped with the state-of-the-art equipment and facilities. Several aspects of its technical performance have reached or are moving towards international standards. It is currently the only railway line in the PRC that operates high-speed passenger trains with a speed of up to 210 kilometres per hour.

In 2001, there was a great development in the implementation of the Company’s High Speed Programme. The Company operated 52 pairs of intercity express trains, nine pairs of through trains between Guangzhou and Kowloon (including six pairs of Guangzhou-Kowloon through trains, one pair of Zhaoqing-Kowloon through trains, one pair of Beijing (Shanghai)-Kowloon through trains and one pair of Dongguan-Kowloon through trains operated during holidays and on weekends). The launch of the new schedule of the Guangzhou-Shenzhen intercity express trains at every 15 minutes on average marks the initial realization of the Company’s goal of “As-frequent-as-buses” High-speed Passenger Train Service Project (“As-frequent-as-buses” Train Project). The Company leased eight domestically made high-speed electric trains, the “Blue Arrow”, which are capable of reaching a speed of 210 kilometres per hour, together with the X-2000 (“Xin Shi

Su”) high-speed electric train purchased from Sweden, the high-speed electric trains became the Company’s main vehicles for its “As-frequent-as-buses” Train Project.

In order to explore new growth potentials, the Company began to run the Shenzhen-Yueyang long-distance passenger train from July 1, 2001 and the Shenzhen-Beijing long-distance passenger train from October 21, 2001, indicating that the Company began to compete with other operators in the domestic long-distance passenger transportation market.

The Guangshen Railway is part of the PRC’s main railway line that has close links with regional ports. Specifically, it connects with the Guangzhou Port in Guangzhou, and with Yantian Port, Shekou Port, Chiwan Port and Mawan Port in Shenzhen. The Company is well-equipped with various freight facilities and can effectively satisfy customers’ needs for transporting car-load cargo, less-than-car-load cargo, containers, bulky and overweight cargo, dangerous cargo, fresh and live cargo, and oversized cargo. The Company enjoys extensive competitive advantages in transporting freight for medium to long distances in the PRC.

The Guangshen Railway is one of the best railways in the PRC in terms of overall performance. The Company’s service territory covers regions including Guangzhou, Zhuhai, Zhongshan, Shunde, Zengcheng, Dongguan, Panyu, Shenzhen and Hong Kong. Its passenger and freight transportation services have become an integral part of the economy of Guangdong and Hong Kong, and of the daily life of the residents in these areas. The Company believes that, with China’s accession to the World Trade Organization (“WTO”), the continued growth of the Chinese economy, especially the economic growth in the Pearl River Delta, and with the improved national transportation environment, the Company will have a promising development prospect.

