



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)

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This Announcement does not and will not form part of any prospectus registered with the Registrar of Companies in Hong Kong save in so far as any information has already been incorporated into such prospectus. As part of the A share offering process, certain announcements will be published from time to time on the website of the Shanghai Stock Exchange, which may not be published on The Stock Exchange of Hong Kong Limited website.



中國中鐵股份有限公司
CHINA RAILWAY GROUP LIMITED

Announcement of Arrangements for Initial Public Offering of A Shares and Preliminary Price Consultation

IMPORTANT NOTICE:

1. The application for an initial public offering of not more than 4,675,000,000 RMB-denominated ordinary shares (A shares) (“**this Offering**”) by China Railway Group Limited (“**the Issuer**” or “**China Railway**”) has been approved by the China Securities Regulatory Commission pursuant to the document *Zheng Jian Fa Xing Zi* [2007] No. 396.
2. This Offering shall adopt a combination of placement of shares, to participants of an off-line price consultation process (the “**Off-line Offering**”) and a public offering of shares through an on-line application process (the “**On-line Offering**”). For details of the structure of this Offering, please refer to the sub-section “Structure of this Offering” under the section “Offering Arrangements” herein.
3. The price consultation for this Offering comprises a preliminary price consultation and a book-building price consultation. The Issuer and the joint sponsors (lead underwriters) determine the offering price range through a preliminary price consultation with price consultation participants, and determine the offer price within the offering price range through an off-line book-building price consultation with the prospective placement participants.
4. Price consultation participants may decide, at their discretion, whether to participate in the preliminary price consultation. The price consultation participants who do not participate in the preliminary price consultation process or participate in the preliminary price consultation process but do not make valid bids cannot participate in the off-line book-building price consultation and the off-line placement. Among the security investment products which are managed by the price consultation participants who participate in the preliminary price consultation process and make valid bids (prospective placement participants), only those prospective placement participants which are registered with the Securities Association of China before 3:00 pm on 16 November 2007 shall be allowed to participate in the Off-line Offering. The periods for the preliminary price consultation process of this Offering will be during the hours 9:00 a.m. to 5:00 p.m. for each trading day from 7 to 15 November 2007 and during the hours 9:00 a.m. to 3:00 p.m. on 16 November 2007. Price

consultation participants in the price consultation process are required to fax the “China Railway Group Limited Initial Public Offering of A Shares Preliminary Price Consultation Form” (the “**Preliminary Price Consultation Form**”, which can be downloaded from the website, www.bocichina.com or www.ubssecurities.com) to (010) 66578980 during the aforementioned periods. Failure to do so will be deemed as withdrawal from participating in the preliminary price consultation process.

5. In this Offering, the On-line Offering and the Off-line Offering will be conducted simultaneously. The Off-line Offering will be carried out from 9:00 a.m. to 5:00 p.m. on 20 November 2007 (Day T-1, where “Day T” refers to the on-line application date, being 21 November 2007) and from 9:00 a.m. to 3:00 p.m. on 21 November 2007 (Day T). The on-line application will take place during the normal trading hours of Shanghai Stock Exchange (the “SSE”) from 9:30 a.m. to 11:30 a.m. and from 1:00 p.m. to 3:00 p.m. on 21 November 2007 (Day T).
6. Investors in the On-line Offering should make application and subscription payments on the basis of the upper limit of the offering price range in the announcement *China Railway Group Limited Initial Public Offering of A Shares: Announcement Relating to On-line Subscription* to be published on 20 November 2007 (Day T-1). If the offering price as finally determined is lower than the upper limit of the offering price range, the difference will be refunded to investors in the On-line Offering on 26 November 2007 (Day T+3) together with refund for application monies for unsuccessful applications. Investors participating in the On-line Offering should comply with the relevant rules required by the SSE and securities registration and clearing institutions.
7. Upon completion of the Off-line Offering and the On-line Offering in connection with this Offering, the Issuer and the joint sponsors (lead underwriters) will decide on 22 November 2007 (Day T+1) based on the level of overall applications whether or not to activate the clawback mechanism to adjust the offering sizes of the Off-line Offering and the On-line Offering, which will be disclosed in the *China Railway Group Limited Initial Public Offering of A Shares Announcement of Pricing, Results of the Off-line Offering and the On-line Offering Success Rate* (the “**Announcement of Pricing, Results of the Off-line Offering and the On-line Offering Success Rate**”). For details of the clawback mechanism, please refer to the sub-section “On-line Offering and Off-line Offering Clawback Mechanism” under the section “Offering Arrangements” herein.
8. The full text of the preliminary prospectus in respect of this Offering has been published on the website of the SSE (<http://www.sse.com.cn>) on 7 November 2007. A summary of the preliminary prospectus has been published in the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on 7 November 2007.

I. Offering Arrangements

(i) Important Dates of this Offering

Trading Day	Date	Offering Arrangements
T-10	7 November	<i>Summary of Preliminary Prospectus and Announcement of Arrangements for the Offering and Preliminary Price Consultation</i> are published Commencement day of the preliminary price consultation
T-3	16 November	Closing day of the preliminary price consultation
T-2	19 November	Determination of offering price range <i>Announcement on the Roadshow for the On-line Offering</i> is published
T-1	20 November	<i>Announcement on the Results of the Preliminary Price Consultation and the Offering Price Range, Announcement on Off-line Offering and Announcement on Subscription to the On-line Offering</i> are published Commencement day of the application and payment for subscription in the Off-line Offering Roadshow for the On-line Offering
T	21 November	Commencement day of the subscriptions in the On-line Offering Closing day of the application and payment for subscription in the Off-line Offering
T+1	22 November	Determination of the offer price; whether or not clawback mechanism should be activated; and final offering size of the On-line Offering / Off-line Offering after clawback (if any); Assignment of the subscription numbers in the On-line Offering
T+2	23 November	<i>Announcement of Pricing, Results of the Off-line Offering and On-line Offering Success Rate</i> is published Refund of subscription funds for the Off-line Offering Balloting for the On-line Offering is held
T+3	26 November	<i>Announcement on Results of Subscription Balloting in the On-line Offering</i> is published Release of On-line Offering subscription funds

Note: “T” refers to the commencement day of subscriptions in the On-line Offering. Each “day” in relation to “T” refers to a Trading Day. In the event of force majeure or other events affecting the Offering, the joint sponsors (lead underwriters) shall publish an announcement on a timely basis and revise the Offering timetable.

(ii) Structure of this Offering

The size of this Offering is not more than 4,675,000,000 shares, and upon the completion of the initial public offering of A shares, the total share capital will be not more than 17,475,000,000 shares. Before clawback, the number of shares under the Off-line Offering will not exceed 1,636,300,000 shares,

representing approximately 35% of the size of this Offering; and the remaining portion, which is approximately 3,038,700,000 shares, representing approximately 65% of the size of this Offering, will be offered under the On-line Offering.

The Off-line Offering will be conducted by the joint sponsors (lead underwriters) of this Offering and investors may make an application at a price within the offering price range. The On-line Offering will be conducted through the SSE trading system and investors may make applications and subscription payments based on the upper limit of the offering price range.

(iii) On-line Offering and Off-line Offering Clawback Mechanism

Upon completion of this Offering, the Issuer and the joint sponsors (lead underwriters) will decide whether or not to activate the clawback mechanism to adjust the offering sizes of the Off-line Offering and On-line Offering based on the level of overall applications. The activation of the clawback mechanism will be determined on the basis of the preliminary success rate in the On-line Offering and the preliminary placement ratio in the Off-line Offering.

Preliminary success rate in the On-line Offering = Number of shares offered under the On-line Offering before the clawback mechanism is activated / Number of shares validly subscribed for in the On-line Offering; and

Preliminary placement ratio in the Off-line Offering = Number of shares placed under the Off-line Offering before the clawback mechanism is activated / Number of shares validly subscribed for in the Off-line Offering.

The specific arrangements for the clawback mechanism are as follows:

- a. In the event the Off-line Offering is fully subscribed, if the preliminary success rate in the On-line Offering is lower than 1% and is also lower than the preliminary placement ratio in the Off-line Offering, shares representing not more than 5% of the size of this Offering (not more than 233,750,000 shares) will be reallocated to the On-line Offering from the Off-line Offering, provided that the adjustment will not result in the final success rate in the On-line Offering being higher than the final placement ratio in the Off-line Offering.
- b. In the event the On-line Offering is fully subscribed, if the preliminary placement ratio in the Off-line Offering is lower than the preliminary success rate in the On-line Offering, shares will be reallocated to the Off-line Offering from the On-line Offering, until the final placement ratio in connection with the Off-line Offering is not lower than the final success rate in the On-line Offering.
- c. In the event of an under-subscription in the Off-line Offering or the On-line Offering, the Issuer and the joint sponsors (lead underwriters) may activate a two-way clawback mechanism based on the actual subscription levels to adjust the offering size of the Off-line Offering and the On-line Offering.

(iv) Price Determination and Lock-Up Period Arrangements

a. Determination of Offering Price Range

Upon completion of the preliminary price consultation process, the Issuer and the joint sponsors (lead underwriters) will determine the offering price range based on the bids quoted by the price consultation participants. Such offering price range will be disclosed in the *Announcement on the Results of the Preliminary Price Consultation and the Offering Price Range of Initial Public Offering of A Shares of China Railway Group Limited* to be published on 20 November 2007.

b. Determination of Offering Price

Upon completion of the Off-line Offering and the On-line Offering in connection with this Offering, the Issuer and the joint sponsors (lead underwriters) will determine through negotiations the offering price within the offering price range and the final offering size for this Offering based on book-building price consultation, with reference to the fundamentals of the Issuer, valuation levels of comparable companies and market conditions.

c. Lock-Up Period Arrangements

The lock-up period for the shares placed to the investors in the Off-line Offering shall be 3 months. The lock-up period shall commence from the date on which shares in respect of the On-line Offering are listed and traded on the SSE.

II. Arrangements for Preliminary Price Consultation and Pre-Roadshow Presentations

(i) Preliminary Price Consultation

Pursuant to the requirements of the *Procedures Governing the Offering and Underwriting of Shares (Zheng Jian Hui Ling No. 37)*, price consultation participants may decide at their discretion whether to participate in the preliminary price consultation. Price consultation participants who do not participate in the preliminary price consultation or participate in the preliminary price consultation but do not make valid bids cannot participate in the off-line book-building price consultation and the off-line placement.

Price consultation participants who have actual controlling relationships with the Issuer or the joint sponsors (lead underwriters) and the proprietary trading business of joint sponsors (lead underwriters) may not participate in the Off-line Offering.

The joint sponsors (lead underwriters) for this Offering will conduct the preliminary price consultation for this Offering. The periods for the preliminary price consultation process of this Offering will be from 9:00 a.m. to 5:00 p.m. for each trading day from 7 to 15 November 2007 and during the hours 9:00 a.m.

to 3:00 p.m. on 16 November 2007. Price consultation participants are required to fax the Preliminary Price Consultation Form, which can be downloaded from the website, www.bocichina.com or www.ubssecurities.com, to (010) 66578980 during the aforementioned periods. Failure to do so will be deemed as withdrawal from participating in this preliminary price consultation process.

(ii) Pre-Roadshow Presentations

- a. The joint sponsors (lead underwriters) for this Offering will organize and conduct pre-roadshow presentations to the price consultation participants in Beijing, Shanghai, Shenzhen and Guangzhou during the period from 7 to 16 November 2007.
- b. For the purposes of facilitating the presentations and distribution of research reports of investment valuation, interested price consultation participants may contact the investor consultants of the joint sponsors (lead underwriters). For enquiries, please contact: (010) 66578990.

Issuer: China Railway Group Limited

Joint Sponsors (Lead Underwriters): BOCI Securities Limited
(in no particular order) UBS Securities Company Limited

7 November 2007

Appendix: China Railway Group Limited Initial Public Offering of A Shares Preliminary Price Consultation Form

1. General information on the joint sponsors (lead underwriters)				
Joint sponsors (lead underwriters) (in no particular order)	BOCI Securities Limited, UBS Securities Company Limited			
Contact persons	Jiang Yu (江禹) , Lu Qiang (盧強)	Contact Telephone number	(010) 66578990	
Fax for receiving Preliminary Price Consultation Forms	(010) 66578980			
2. General information on the price consultation participant				
Full name of participant in the price consultation				
Correspondence address & postal code				
Legal representative				
Name of the Manager		Contact telephone number of the Manager		
Fax no. of the Manager		Email address of the Manager		
3. Price range quoted by the price consultation participant				
Quoted price range	Upper limit (Yuan per share)			
	Lower limit (Yuan per share)			
*Number of shares to be subscribed within the quoted price range	<input type="checkbox"/> Subscription	Number of shares to be subscribed (in '000 shares):		
	<input type="checkbox"/> Not yet determined	<input type="checkbox"/> Do not subscribe		
Basis for the quotation (use separate sheets if necessary)				
Comments on the research report of investment valuation prepared by the joint sponsors (lead underwriters) (Rank 5 for the highest score and 1 for the lowest score)	BOCI Securities Limited	Objectivity	Reasonableness of valuation method	Overall
	UBS Securities Company Limited	Objectivity	Reasonableness of valuation method	Overall
Legal (or authorized) representative signature/stamp:			Common seal :	
<p>We hereby confirm that no investment decision has been made upon the research report of investment value provided by any of the joint sponsors (lead underwriters), and confirm that we are fully aware of, understand and accept entirely the warning, restrictions and agreements made by the joint sponsors (lead underwriters) relating to the contents in, or use of the research reports and the responsibilities thereto. We confirm and agree that each of the joint sponsors (lead underwriters) and its connected persons (including but not limited to the affiliates of each of the joint sponsors (lead underwriters), or any directors, supervisors, senior management, employees and consultants of each of the joint sponsors (lead underwriters)) shall not be held liable for any risks of and loss from the investment resulting from our reliance or trust on, or use of the research report.</p>				

Note 1: Price consultation participants who do not participate in the preliminary price consultation or participate in the preliminary price consultation but fail to make valid bids will not be allowed to participate in the book-building price consultation process and the off-line placement.

Note 2: The upper price limit of the quoted price range shall not exceed 120% of the lower price limit.

Completed on: _____, 2007

Important Notes :

1. This Form can be downloaded from the website, www.bocichina.com or www.ubssecurities.com. For the purpose of clarity, participants in the preliminary price consultation process are advised to print out this Form separately.
2. The proprietary account held and the investment product accounts managed by the same participant shall be treated as a single price consultation participant in the preliminary price consultation process.
3. No amendment shall be made to this Form. Failure to complete this Form as instructed or to affix a signature and a stamp thereto, or any entries that are illegible, incomplete or inaccurate shall render this Form invalid.
4. The name filled in the “Full name of participant in the price consultation” box must be identical to the name registered with the Securities Association of China.
5. All boxes in this Form must be completed, except the box “Comments on the research report of investment valuation prepared by the joint sponsors (lead underwriters)”.
6. The common seal must be affixed to this Form.
7. Participants are required to fax the Preliminary Price Consultation Forms to (010) 66578980 between 9:00 a.m. to 5:00 p.m. on any trading day from 7 to 15 November 2007 and 9:00 a.m. to 3:00 p.m. on 16 November 2007. Failure to do so will be deemed as a withdrawal from participating in the preliminary price consultation process.
8. Prior to the announcement of the results of preliminary price consultation by the joint sponsors (lead underwriters), no participants in the preliminary price consultation process may disclose to a third party any information in relation to the price range quoted in this Form.