



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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**China Railway Group Limited Initial Public Offering of A Shares**

**Announcement on the Results of the Preliminary Price Consultation  
and the Offering Price Range**

The preliminary price consultation of the initial public offering of A shares of China Railway Group Limited (hereinafter referred to as the “**Issuer**”) (hereinafter referred to as the “**Offering**”) was completed on 16 November 2007. The results of the preliminary price consultation and the offering price range are as follows:

**1. Description of Pre-Roadshow Presentation and Preliminary Price Consultation**

The Issuer and the joint sponsors (lead underwriters) organized and conducted various one-on-one and group presentations to potential price consultation participants in Beijing, Shanghai, Shenzhen and Guangzhou from 7 November 2007 to 16 November 2007, and a total of 153 price consultation participants submitted valid preliminary price consultation forms within the prescribed period. Based on the statistics on the valid preliminary price consultation forms submitted by price consultation participants, the overall price range quoted by the price consultation participants fell within RMB 2.40 per A share to RMB 8.60 per A share.

**2. Offering Price Range and the Basis of Price Determination**

The total number of shares of the Offering is not more than 4,675,000,000 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 the Offering; and the remaining portion, which is approximately 3,038,700,000 shares, representing approximately 65% of the size of the Offering, will be offered under the On-line Offering.

Based on the quotations from the preliminary price consultation with reference to the fundamentals of the Issuer, valuation levels of comparable companies and conditions of the capital market, the offering price range of the Offering as determined by the Issuer and the joint sponsors (lead underwriters) is RMB 4.00 per A share to RMB 4.80 per A share (lower price limit and upper price limit inclusive).

Implied price to earnings multiple ranges at the offering price range are as follows:

1. 16.30 times to 19.55 times (earnings per share is based on the estimated net profit in 2007 reviewed in accordance with the PRC GAAP by an accounting firm and divided by the total number of shares before the Offering).
2. 22.25 times to 26.70 times (earnings per share is based on the estimated net profit in 2007 reviewed in accordance with the PRC GAAP by an accounting firm and divided by the total number of shares after the Offering).

### 3. **About the Off-line Offering and the On-line Offering**

Please refer to the “*China Railway Group Limited Initial Public Offering of A shares: Announcement on Off-line Offering*” published in the *China Securities Journal*, *Shanghai Securities News*, *Securities Times* and *Securities Daily* on 20 November 2007 for details of the relevant requirements for the Off-line Offering.

The subscription to the Off-line Offering will take place from 9:00 a.m. to 5:00 p.m. on 20 November 2007 (Day T-1) and from 9:00 a.m. to 3:00 p.m. on 21 November 2007 (Day T). The price range of the Off-line Offering is from RMB 4.00 per A share to RMB 4.80 per A share. 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 (the “**prospective placement participants**”), only those prospective placement participants which have been registered with the Securities Association of China before 3:00 p.m. on 16 November 2007 are allowed to participate in the Off-line Offering. Participants in the subscription to the Off-line Offering shall pay and transfer the subscription monies in full before 3:00 p.m. on 21 November 2007 (Day T) to ensure that the subscription monies will be transferred into the bank account designated by the joint sponsors (lead underwriters) before 5:00 p.m. on 21 November 2007 (Day T). Any subscription for which the subscription monies are not paid on time in accordance with the aforesaid requirements will be invalid. Investors should note the transit time required for the transfer of such subscription monies.

Please refer to the “*China Railway Group Limited Initial Public Offering of A shares: Announcement on Subscription to the On-line Offering*” published in the *China Securities Journal*, *Shanghai Securities News*, *Securities Times* and *Securities Daily* on 20 November 2007 (Day T-1) for details of the relevant requirements for the On-line Offering.

The subscription to the On-line Offering will take place during the normal trading hours of the Shanghai Stock Exchange 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). The offer price of the subscription to the On-line Offering is RMB 4.80 per A share.

**Issuer:** China Railway Group Limited

**Joint Sponsors (Lead Underwriters):** BOC International (China) Limited  
**(not in any particular order)** UBS Securities Co. Limited

20 November 2007