



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)

WARNING

This announcement (this “**Announcement**”) in relation to the A share offering of China Railway Group Limited (the “**Company**”) is a translation of the official announcement published in Chinese and is being published as required by The Stock Exchange of Hong Kong Limited solely for the purpose of providing information to the public in Hong Kong.

The issue of this Announcement in the People’s Republic of China (“**PRC**”, excluding, for the purpose of this Announcement, Hong Kong, Macau and Taiwan) is pursuant to PRC regulatory requirements in connection with the A share offering of the Company. The A shares are only offered and sold in the PRC to, and can only be purchased by, investors that meet certain eligibility requirements under the PRC laws and regulations.

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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certain announcements will be published from time to time on the website of the Shanghai Stock Exchange, which may not be published on The Stock Exchange of Hong Kong Limited website.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

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

Stock short name: China Railway

Stock code: 601390

**Announcement on
Initial Public Offering and Listing of A Shares**

Joint Sponsors (Lead Underwriters)



中銀國際
BOC INTERNATIONAL

BOC International (China) Limited

39/F, Bank of China Tower,
200 Yincheng Road Central,
Pudongxin District, Shanghai



瑞銀

UBS Securities Co. Limited

12th and 15th Floor,
Winland International Finance Centre,
No.7 Finance Street, Xicheng District, Beijing

Section 1 Important Declaration and Notice

China Railway Group Limited (hereinafter referred to as “**China Railway**”, the “**Company**” or the “**Issuer**”) and all of its directors, supervisors, and senior management warrant the truth, accuracy, and completeness of this listing announcement (this “**Listing Announcement**”), undertake that this Listing Announcement does not contain any false statement, misrepresentation or material omission, and take joint and several legal liability in this regard.

Any opinion expressed by the Shanghai Stock Exchange and other government authorities in respect of the listing of the shares of the Company and other relevant issues does not represent any warranty in respect of the Company.

Public investors are reminded to refer to the full text of the prospectus of the Company, which is published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), for any content not covered in this Listing Announcement.

The directors, supervisors and senior management of the Company do not hold, directly or indirectly, any shares in the Company in any manner, and undertake to comply strictly with relevant provisions of the *Company Law*, the *Securities Law*, the *Rules Governing the Listing of Securities on the Shanghai Stock Exchange* and the relevant laws and regulations on shareholdings and lock-up period for directors, supervisors and senior management of a company.

Section 2 Listing of Shares

- I. This Listing Announcement, which is prepared pursuant to relevant provisions in laws and regulations including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Rules Governing the Listing of Securities on the Shanghai Stock Exchange* and in accordance with the *Guidance on the Contents and Format of Announcement on Listing of Shares issued by the Shanghai Stock Exchange*, is intended to provide investors with the basic particulars of the initial public offering and the listing of shares (A shares) of the Company.
- II. The Company's initial public offering of A shares (hereinafter referred to as the “**Offering**”) has been approved under the Document Zheng Jian Fa Xing Zi [2007] No. 396 issued by the China Securities Regulatory Commission (the “**CSRC**”). The Offering shall adopt a combination of placement of shares, to participants through 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**”).
- III. The listing of A shares of the Company has been approved under the Document Shang Zheng Shang Zi [2007] No. 205 issued by the Shanghai Stock Exchange.

The A shares issued by the Company will be listed on the Shanghai Stock Exchange. The stock short name is “China Railway” and the stock code is “601390”. 3,272,450,000 shares issued in the On-line Offering will be listed and traded from 3 December 2007.

- IV. Information concerning the listing of shares
 1. Place of listing : Shanghai Stock Exchange
 2. Date of listing : 3 December 2007
 3. Stock short name: China Railway
 4. Stock code: 601390
 5. Total share capital after the Offering: 17,475,000,000 shares
 6. Number of shares to be offered to the public under the Offering: 4,675,000,000 shares
 7. Trading restrictions on and lock-up period for the shares held by the shareholder prior to the Offering:

China Railway Engineering Corporation (hereinafter referred to as “**CRECG**”), the controlling shareholder of the Company, undertakes that, for a period of 36 months commencing from the date on which the shares of the Company will be listed on the Shanghai Stock Exchange, it will not transfer or entrust another party to administer the shares of the Company held directly or indirectly by it nor will such shares be acquired by the Company. However, upon the successful offering of H shares (the “**H Share Offering**”), CRECG will reduce its shareholding in the state-owned shares of the Company according to relevant regulations, or after obtaining the approvals and the implementation of relevant procedures, CRECG may transfer its shares in China Railway to overseas investors and such shares will then be traded as H shares on the Hong Kong Stock Exchange, which in each case shall not be subject to the above-mentioned lock-up period.

8. Other lock-up arrangements for shares of this listing: the 1,402,550,000 shares placed to consultation participants in the Off-line Offering will be subject to a 3-month lock-up period commencing from the date on which shares issued in the On-line Offering will be listed and traded on the Shanghai Stock Exchange.
9. Shares which are not subject to any trading restriction and lock-up arrangement of this listing: the 3,272,450,000 shares issued in the On-line Offering are not subject to any trading restriction or lock-up arrangement.
10. Shares registrar: China Securities Depository and Clearing Corporation Limited (Shanghai Branch)
11. Sponsors (not in any particular order):

BOC International (China) Limited, UBS Securities Co. Limited

Section 3 Particulars of the Issuer, Shareholders and Actual Controller

- I. Basic Information of the Issuer
 1. Company name in Chinese: 中國中鐵股份有限公司
Chinese short name: 中國中鐵
 2. Company name in English: China Railway Group Limited
English short name: China Railway
 3. Registered capital: RMB12,800,000,000 (before the Offering)
 4. Legal representative: SHI Dahua
 5. Address: No. 1 Xinghuo Road, Fengtai District, Beijing
 6. Scope of operation:

Main contractor for construction of civil engineering works, installations of circuits, pipelines and equipments; sub-contractor for survey, design, construction, compliance certification, technical consultancy, technical development, technical transfer and technical services of the above-mentioned projects; research and development, manufacture, sale and leasing of specialized machinery and facilities, equipment, components, girders, steel structures and construction materials for civil engineering; provisional passenger and freight transportation businesses and related services before final examination and delivery of completed new railways for operations; contractor for overseas projects and domestic foreign-invested projects of the industry; property development and management, resource development, trading and logistics; import and export business; counter trade and re-export; sale of automobiles; sale of electronic products, communication and signalling equipment, communication and electrical appliances, construction hardware, water heating instruments and daily merchandises.

7. Core Businesses: Infrastructure construction, survey, design and consulting services, engineering equipment and component manufacturing and property development, etc.
8. Industry: Civil Engineering Construction
9. Telephone: (010) 5184 5717
10. Fax: (010) 5184 2057
11. Website: www.crec.cn
12. Email: ir@crec.cn
13. Secretary to board of directors: YU Tengqun
14. Shares and corporate bonds of the Company held by directors, supervisors and senior management
 - (1) Names of directors and particulars of their holdings in shares and corporate bonds of the Company

<u>Name</u>	<u>Holdings in shares or corporate bonds of the Company</u>
SHI Dahua	No
LI Changjin	No
BAI Zhongren	No
WANG Qiuming	No
HE Gong	No
ZHANG Qinglin	No
GONG Huazhang	No
WANG Taiwen	No
SUN Patrick	No

- (2) Names of supervisors and particulars of their holdings in shares and corporate bonds of the Company

<u>Name</u>	<u>Holdings in shares or corporate bonds of the Company</u>
GAO Shutang	No
JI Zhihua	No
ZHANG Xixue	No
ZHOU Yuqing	No
LIN Longbiao	No

- (3) Names of senior management and particulars of their holdings in shares and corporate bonds of the Company

<u>Name</u>	<u>Holdings in shares or corporate bonds of the Company</u>
LI Changjin	No
BAI Zhongren	No
LI Jiansheng	No
LIU Hui	No
YAO Guiqing	No
MA Li	No
ZHOU Mengbo	No
DAI Hegen	No
DUAN Xiubin	No
YU Tengqun	No

II. Particulars of the Controlling Shareholder

The controlling shareholder of the Company is CRECG, a large state-owned group directly administered by the State-Owned Assets Supervision and Administration Commission of the State Council. The predecessor of CRECG is General Bureau of Engineering and General Bureau of Design of the Ministry of Railways (the “MOR”), which had been established in 1950 and subsequently changed its name to General Bureau of Capital Construction. On 1 July 1989, the MOR dissolved the General Bureau of Capital Construction and established CRECG, which was approved by the State Council. In March 1990, upon the approval of the State Administration for Industry and Commerce, CRECG was incorporated with the registered capital of RMB10,814,925,000 and the legal representative is SHI Dahua. After the Company was incorporated by way of promotion, CRECG mainly engages in the businesses of equity management, assets management and property management.

III. Particulars of Shareholders

(i) The share capital structure of the Company before and after the Offering

Names of Shareholders	Before the Offering		After the Offering	
	Number of Shares Held (in 10,000 shares)	Shareholding Percentage (%)	Number of Shares Held (in 10,000 shares)	Shareholding Percentage (%)
CRECG (SS) ¹	1,280,000	100.00	1,241,751	71.06
CRECG (SS) ²	-	-	38,249	2.19
Public Investors	-	-	467,500	26.75
Total	1,280,000	100.00	1,747,500	100.00

Notes:

1. SS represents state-owned shareholder, i.e. the shareholder of the state-owned shares.
2. The A shares and H shares are respectively proposed to be offered and listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange by the Company in a manner of firstly offering of A shares then followed by the offering of H shares. The H Share Offering is in process, which has been approved by the CSRC on 7 November 2007 and by the Hong Kong Stock Exchange at the hearing on 8 November 2007. The Company will issue up to 3,824.90 million H shares upon the exercise of the over-allotment option. In accordance with relevant PRC regulations regarding disposal of state-owned shares, CRECG, the state-owned shareholder of the Company, is required to transfer a portion of the state-owned shares held by it to the National Council for Social Security Fund (the "NSSF") upon completion of the H Share Offering. The number of such shares to be transferred will not exceed 382.49 million shares, which is 10% of the total number of the H shares to be issued in the H Share Offering. The shares transferred to the NSSF will be converted into H shares on a one-for-one basis, which will not constitute part of the H Share Offering.

(ii) Shareholdings of the largest ten shareholders of A shares after the Offering but before the listing

Number	Account Name of Shareholder	Number of Shares held (shares)	Shareholding Percentage (%)
1	China Railway Engineering Corporation	12,417,510,000	71.0587
2	Citic Securities Co., Ltd.	48,805,819	0.2793
3	Haitong Securities Co., Ltd.	48,641,983	0.2784
4	Ping An Life Insurance Company of China-Bonus-Group Bonus	41,795,983	0.2392
5	China Life Insurance Company Limited-Bonus-Individual Bonus-005L-FH002 Hu	41,794,983	0.2392
6	China Pacific Life Insurance Co., Ltd.-Traditional-General Insurance Products	41,794,983	0.2392
7	China Life Insurance Company Limited-Bonus-Group Bonus-005L-FH001 Hu	41,793,983	0.2392
8	China Life Insurance Company Limited-Traditional-General Insurance Products-005L-CT001 Hu	41,793,983	0.2392
9	China Life Insurance (Group) Company-Traditional-General Insurance Products	41,791,983	0.2391
10	Ping An Life Insurance Company of China-Multiple-Individual Universal Insurance	41,790,983	0.2793

Section 4 Issue of Shares

I. Number of shares issued in the Offering: 4,675,000,000 shares

II. Offer price: RMB4.80 per share

III. Forms of Offering

The Offering shall adopt a combination of placement of shares to participants of an off-line price consultation process and a public offering of shares through on-line application process, under which 1,402,550,000 shares will be placed to participants in the Off-line Offering and 3,272,450,000 shares will be allocated to public investors in the On-line Offering.

IV. Total proceeds and verification of funds raised by certified public accountants

1. The total proceeds from the Offering are RMB22.44 billion.

2. Deloitte Touche Tohmatsu CPA Ltd. has conducted a verification of the amount of funds raised from the Offering on 26 November 2007, and issued a capital verification report.

V. Total Cost and element of the Offering and Cost of Offering Per Share

1. The total cost of the Offering is RMB505,716,393, which mainly include the followings:

(1) underwriting and sponsoring fees: RMB405,920,000

(2) audit fee: RMB46,800,000

(3) valuation fee: RMB21,300,000

(4) legal counsel fees: RMB3,800,000

(5) issue processing cost: RMB2,159,251

(6) roadshow presentation expenses: RMB14,770,000

(7) stamp duty: RMB10,967,142

2. Cost of offering per share in the Offering is RMB0.1082.

VI. Net proceeds raised from the Offering: RMB21,930,000,000.

VII. Net assets per share after the Offering: RMB1.73 (based on dividing the net assets after the Offering by the total amount of share capital after the Offering, of which the net assets is based on the aggregate of the audited net assets as of 30 June 2007 of the Company and the net proceeds raised from the Offering.)

VIII. Earnings per share after the Offering: RMB0.18 (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);

Upon the completion of the H Share Offering, earnings per share after the Offering and H Share Offering is:

RMB0.15 (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 and H Share Offering and the exercise of the over-allotment option).

Section 5 Other Important Matters

During the period from the date of publication of the preliminary prospectus to the date of publication of this Listing Announcement, there has not been any major event which might have material impact on the Company. In particular:

1. Progress in the core businesses of the Company is normal.
2. There has not been any material changes in the industry and the market in which the Company operates.
3. There has not been any material change in the purchase price of raw materials, sales prices of products and contract prices of construction contracts undertaken by the Company.
4. The Company has not entered into any material connected transaction with its connected parties.
5. The Company has not made any major investment.
6. The Company has not made any material purchase, sale, or swap of assets (or equity).
7. There has not been any change in the address of the Company.
8. There has not been any change in the directors, supervisors, senior management and core technicians of the Company.
9. The Company has not been involved in any material litigation or arbitration.
10. The Company has not executed any material external guarantees or been involved in other contingent matters save as those in the ordinary course of business.
11. There has not been any material change in the financial position and operating results of the Company.
12. The circumstance relates to the H Share Offering.

The A shares and H shares are respectively proposed to be offered and listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange by the Company in a manner of firstly offering A shares then followed by the offering of H shares. The H Share Offering has been approved by the CSRC on 7 November 2007 and has passed the hearing of the Hong Kong Stock Exchange on 8 November 2007. A brief compare sheet of the dates for the Offering and H Share Offering is as follows:

<u>Date</u>	<u>A shares</u>	<u>H shares</u>
5 November	Examination of the Offering by the Issuance Examination Committee of the CSRC	
6 November	Obtained the approval for the Offering	
7 November	Publication of the summary of the preliminary prospectus	Approval for the overseas listing by the CSRC
8 November		Hearing by the Hong Kong Stock Exchange
19 November	Submission of the preliminary range of price consultation to the CSRC	Determination of the price range
20 November	Commencement of the on-line roadshow	Commencement of roadshow for international offering
21 November	Subscription Day for the On-line Offering	
23 November		Commencement of Hong Kong public offering
30 November		Determination of the price for H shares; Publication of the announcement of offer price on the website
1 December	Announcement of the offer price for the H Share Offering	Announce the offer price for the H Share Offering on newspaper
3 December	Listing of A shares; Announcement of the offer price for the H Share Offering	

13. The Company has not been involved in any major issue which requires disclosure.

Section 6 Sponsors and their Opinions

I. Basic information of the Sponsors

1. BOC International (China) Limited

Legal representative: TANG Xinyu

Address: 39/F, Bank of China Tower, 200 Yincheng Road Central, Pudongxin District, Shanghai

Telephone: (010) 6622 9000

Fax: (010) 6657 8964

Sponsor's representative: TIAN Jin, FAN Wenwei

2. UBS Securities Co. Limited
Legal representative: LI Yi
Address: 12th and 15th Floor, Winland International Finance Center,
No.7 Finance Street, Xicheng District, Beijing
Telephone: (010) 5832 8888
Fax: (010) 5832 8954
Sponsor's representative: LI Honggui, MA Le

II. Recommendations by the Sponsors

The Sponsors believe that the application made by the Issuer for the listing of its A shares complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and the *Rules Governing the Listing of Securities on the Shanghai Stock Exchange* and other relevant provisions of the laws and regulations of the PRC, and the conditions for the listing of A shares of the Issuer on the Shanghai Stock Exchange have been satisfied.

Issuer: China Railway Group Limited

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

30 November 2007