



SOCIAL RESPONSIBILITY REPORT 2008



Stock Code:525(HK)、601333(SH)

The Board of Directors and all the Directors of Guangshen Railway Company Limited warrant that there are not material omissions from, or misrepresentations or misleading statements in this report, and severally and jointly accept full responsibility for the authenticity, accuracy and integrity of the information contained in this report.

The report is written in both Chinese and English. The English version is for reference purpose only. The Chinese version shall prevail should there be any inconsistency.

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Chapter I Preface

This report is the first corporate social responsibility report published by Guangshen Railway Company Limited (hereafter referred to as “Guangshen Railway” or “the Company”), representing Guangshen Railway’s contribution towards promoting sustainable development of society, economy and environment in 2008.

1. Scope of the report

Unless otherwise specified, all the data and information in the report comes from Guangshen Railway and its subsidiaries.

2. Data collection

Guangshen Railway sent out questionnaires to each department and unit mainly through our intranet to fully collect the data and information regarding its fulfillment of corporate social responsibility. No paper was used in the process.

3. Related parties

Guangshen Railway’s related parties include the government, customers (passengers and cargo owners), investors, employees, the public, suppliers and similar enterprises. The main points of concern and communication channels of the related parties and the responses of the Company are as follows:

Related Parties	Main Points of Concern	Communication Channels	Response of the Company
Government	<ul style="list-style-type: none">·To abide by related laws and rules·To conform to railway industrial standards·Corporate governance as a listed company	<ul style="list-style-type: none">·Daily communication·Working conference·Inspection and supervision	<ul style="list-style-type: none">·To operate by law·To implement industrial standards and ensure work safety·To promote corporate governance and establish internal control system
Customers	<ul style="list-style-type: none">·Service quality of passenger and freight transportation	<ul style="list-style-type: none">·Passenger and freight marketing survey·Customer complaint and management	<ul style="list-style-type: none">·To meet customer demands through providing quality services and creating new transportation products

Investors	·Capital safety and growth	·Management of investor relationship	·To protect shareholders' rights and interests ·To promote operating efficiency and realize good return
Employees	·Good salary and welfare ·Good working environment and room for development	·Daily communication ·Staff representative conference ·Employee supervisors	·To improve income distribution and welfare mechanisms ·To establish and regulate labor management mechanisms ·To enhance training of employees
The public	·Safety and environmental protection along rail lines ·Railway and regional economic and social development	·Supervision by the public ·Public charity	·To strengthen safety measures along rail lines ·To plant trees to build a green railway corridor ·To pay taxes according to law and be active in public charity
Suppliers	·To cooperate in a win-win model to create value	·Credit rating for suppliers ·Bidding management	·To cooperate in delivering high-quality passenger and freight transportation services and create new passenger and freight products
Similar enterprises	·To establish a leveled playing field and promote harmonious development of the industry	·Industrial conference and exchange ·Exchange and study	·To strengthen coordination and communication and exchange advanced experience ·To implement industrial revenue settlement standards

4. Company profile

On March 6, 1996, Guangshen Railway was registered and established 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 (share code: 0525) and American Depositary Shares ("ADSs", ticker symbol: GSH) issued by Guangshen Railway were listed on the Stock Exchange of Hong Kong Limited (the "Hong Kong Exchange") and the New York Stock Exchange, Inc. ("NYSE"), respectively. In December 2006, the A shares ("A Shares", share code: 601333) issued by Guangshen Railway were listed on the Shanghai Stock Exchange. In January 2007, the Company acquired Guangzhou-Pingshi Railway, which is the southernmost

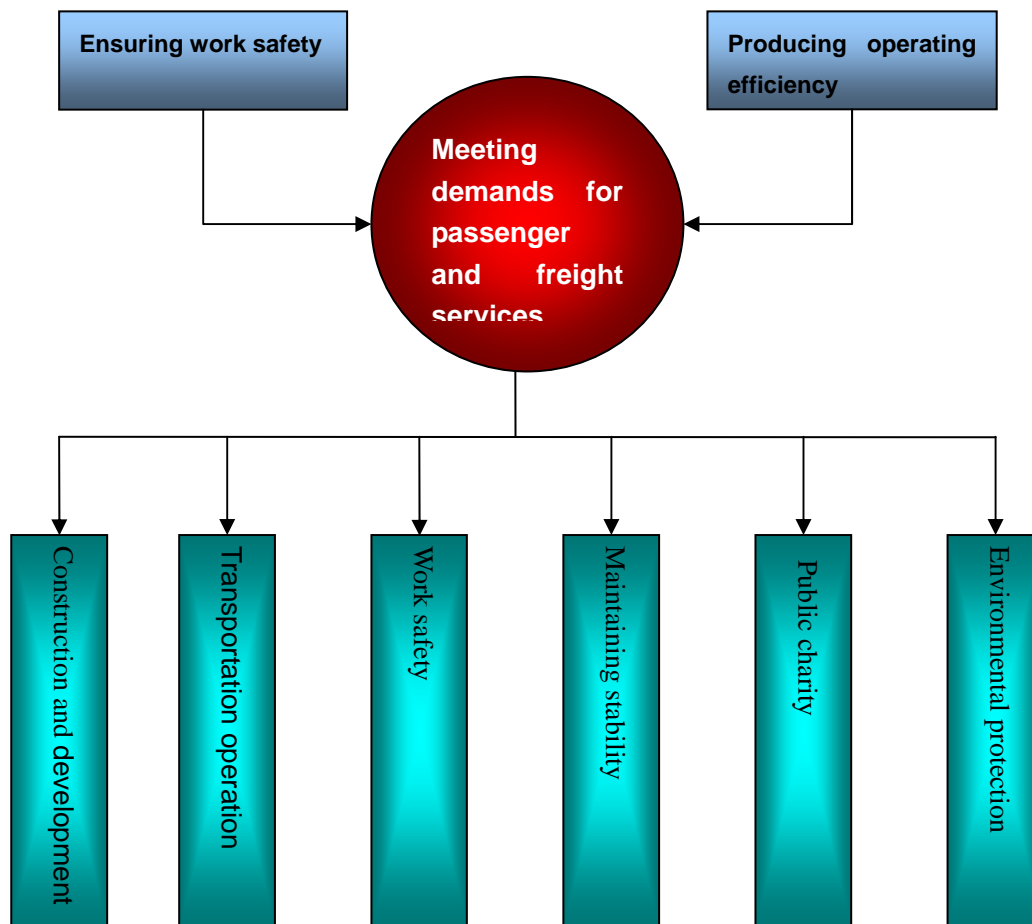
section of Beijing-Guangzhou Railway, with the funds raised from the A share issue. The operating territory expanded from a regional railway into the state trunk line networks, and the passenger and freight transportation capacity was significantly enhanced. Guangshen Railway is currently the only PRC railway enterprise with its shares listed in Shanghai, Hong Kong and New York.

Guangshen Railway is mainly engaged in passenger and freight transportation businesses on the Shenzhen-Guangzhou-Pingshi Railway and certain long-distance passenger transportation services. Guangshen Railway also cooperates with MTR Corporation Limited (“MTR”) in operating the Hong Kong Through Train passenger and freight services.

The Shenzhen-Guangzhou-Pingshi Railway, which is operated solely and independently by Guangshen Railway, is 481.2 kilometres long. It runs vertically through the whole Guangdong Province. Guangzhou-Pingshi Railway is the southern part of Beijing-Guangzhou railway, which is the aorta connecting North and South China. Guangzhou –Shenzhen railway is strategically located and links with major railway networks in China, including the Beijing-Guangzhou, Beijing-Kowloon, Sanshui-Maoming, Pinghu-Nantou, and Pinghu-Yantian lines, as well as to the East Rail of MTR in Hong Kong. It is an important component of the transportation network of China. The Guangzhou-Shenzhen railway is currently one of the most modern railways in the PRC, as well as the first wholly-closed railway with four parallel lines in the PRC that allows passenger trains and freight trains to run on separate lines.

Chapter II View of Social Responsibility

As a listed company providing railway passenger and freight transportation services, Guangshen Railway combines business operation closely with the fulfillment of social responsibility. While creating values for shareholders, Guangshen Railway endeavors to promote sustainable development of economy, society and environment as the overall goal of social responsibility. The core of Guangshen Railway’s social responsibility is to meet demands for passenger and freight transportation, with the prerequisite of ensuring work safety and producing operating efficiency. There are six components in Guangshen Railway’s social responsibility: responsibility of construction and development, responsibility of transportation operation, responsibility of work safety, responsibility of maintaining stability, responsibility of public charity and responsibility of environmental protection, which interact with each to serve the fundamental goal of satisfying demands for passenger and freight services.



Chapter III Responsibility of Construction and Development

Since its establishment, Guangshen Railway has taken the paths of construction and development through rail line renewal and renovation and construction of new lines to continuously improve the quality and pass-through capacity of lines and expand business scale; through the development and application of modern railway technology and purchase of advanced rolling stock such as high-speed electric train-sets to increase its technical competence. Guangshen Railway will make good use of its advantages in inter-city express train operation, mid-long distance passenger transportation and mass goods transportation in the fulfillment of construction and development responsibility as the motive force of its growth as well as the fundamental way of meeting demands for railway transportation services..

Between 1996 and 1998, Guangshen Railway continued to invest in semi-high-speed railway, high-speed electrification and auxiliary projects, the building of Guangzhou East Station and the third Guangzhou-Shenzhen line as well as the purchase of high-speed trains with the funds raised from H share issue and internal funds. In September 2000, the electrification project of Guangzhou-Shenzhen Railway was completed. In April 2007, the

fourth Guangzhou-Shenzhen rail line was completed and began operation, meanwhile a large number of CRHs (abbreviation for “China Railway High-speed”) with a speed of 200 kph commenced operation between Guangzhou and Shenzhen. In December 2008, 86 regular pairs of CRHs were scheduled on the Guangzhou-Shenzhen train diagram and the “As-frequent-as-buses” operation model took shape.

In 2008, the Company carried on with the construction of infrastructure and further improved transportation facilities and equipment.

Passenger facilities The Company focused on the improvement and renovation of passenger facilities in Guangzhou, Guangzhou East and Shenzhen Stations, etc. The Company ameliorated five systems of Guangzhou Station, including entrance and exit passages, guiding, monitoring, broadcasting and lighting and renovated the platform canopies and posts. The Company improved the monitoring system of Guangzhou East Station, bettered the lighting and broadcasting facilities of Platform 7, eliminated leaky parts in the station and strengthened operation of the automatic ticket vending machines for Guangzhou-Shenzhen intercity trains. The Company renovated the canopy of the waiting hall and the lighting circuits of Shenzhen Station, made improvement to the platforms, stairs and exits and perfected its link with the subway system. The Company raised the platforms of Shilong Station and had screen door installed on the platforms. The Company accelerated the opening of Shenzhen North Passenger Technical Depot, formulated and implemented renovation and construction plan for phase I of the depot, renovated the stationhouses, power and water supply, station yard roads, video monitoring system and lighthouses to ensure the depot was put into use before the Spring Festival season.

Basic renovation The Company built track cross-overs at Guangzhou East Station, overline pedestrian bridges at Dongguan Station and renovated switches at Pinghu Station. The Canton-Kowloon Through Trains switched to Line III and IV, thus the transportation capacity of the Company was expanded. The Company finished the installation of video monitoring system along the lines and accelerated the construction of fences along the Guangzhou-Pingshi Railway. The crossing safety system was improved through turning level crossings into grade separation crossings to ensure the safety of pedestrians and residents along the lines. The renovation of South Utilization Workshop of Guangzhou North Car Depot was finished and the freight car repair competence was promoted.

Overhaul of equipment 381 overhauls of equipment were arranged in 2008, mainly including replacement of switches, ballast cleaning, overhauls of cables, locomotives and cars, etc. Centralized repairs were conducted of the equipment of southern section of Beijing-Guangzhou Railway. 59.7 kilometers of sleeper slabs of the tunnels on Beijing-Guangzhou line were replaced. 43.8 kilometers of new rails replaced old ones on Line I and Line II of Guangzhou-Shenzhen Railway. The quality of rail lines was significantly improved.

Through continuous construction and development, the quality of lines and technical competence of Guangshen Railway has been enhanced and the stations and yards have

been expanded, laying good foundations for work safety and production of economic benefit.

Chapter IV Responsibility of Transportation

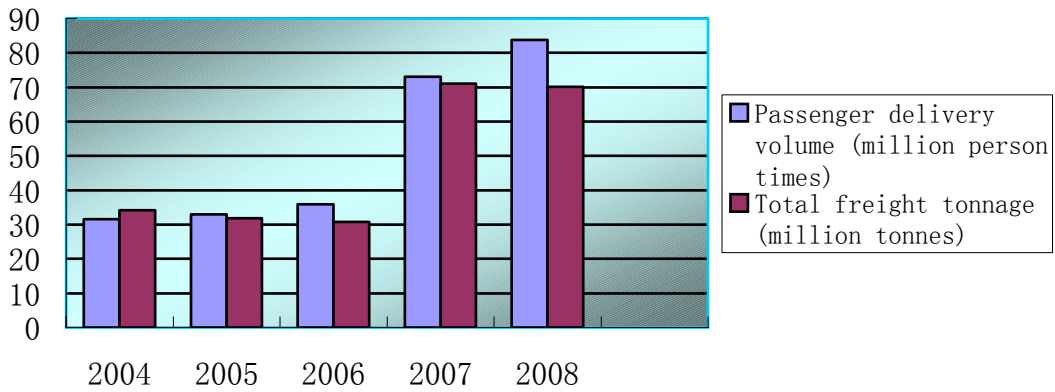
Operation

While devoted to construction and development, Guangshen Railway fulfills its responsibility of transportation operation and promotes social and cultural exchanges and economic development in the region. Guangshen Railway takes up the priority tasks of passenger transportation during peak seasons such as the Spring Festival and various other holidays as well as the transportation of bulky cargo of strategic importance. Adhering to the principle of corporate governance by law and standardized operation, Guangshen Railway creates values for shareholders, pays taxes to the state and provides high-quality services for customers. Despite the havoc caused by the current financial crisis, Guangshen Railway will, as always, strengthen its confidence in the execution of the responsibility of transportation operation to do its bit for the sustained and stable growth in the national economy.

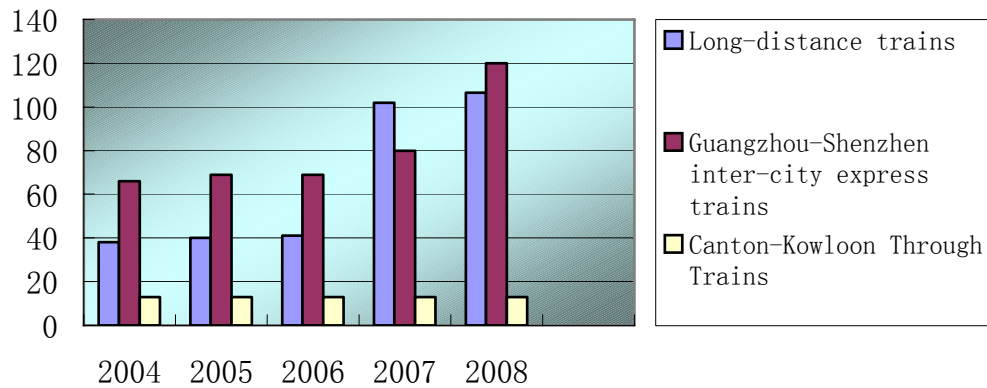
1. Passenger and freight transportation

In 2008, Guangshen Railway recorded a passenger delivery volume of 83.83 million person times and a total freight tonnage of 70.14 million tonnes. In passenger transportation, Guangshen Railway operated 106.5 pairs of long-distance passenger trains, 120 pairs of Guangzhou-Shenzhen inter-city express trains and 13 pairs of Canton-Kowloon Through Trains according to its train diagram. In 2008, a total of 30,793 pairs of Guangzhou-Shenzhen inter-city express trains were operated, or 84 pairs per day on average. During peak seasons such as the Spring Festival and summer holidays, Guangshen Railway operates stand-by trains and increases the number of cars to meet market demands as much as practicable. In freight transportation, Guangshen Railway provides high-quality services for consigners through making in-field research in factories, mines and other enterprises, consolidating freight resources, planning massive containerized transportation, unifying loading and unloading rates and implementing flexible tariff policies, etc.

Passenger and freight delivery volumes in the last five years



Pairs of passenger trains in operation on the train diagram in the last five years



2. Corporate governance by law

Guangshen Railway strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other regulatory rules, and accepts inspections and supervision by the securities bureau. Guangshen Railway conscientiously strengthens its independence as a listed company, constantly promotes corporate governance and improves its corporate governance structure consisting of the shareholders' general meeting, the board of directors (with a special committee), the supervisory committee and the management. Guangshen Railway continuously improves the construction of systems to establish effective operating mechanisms and reasonable working procedures. The shareholders' general meeting gives definite and concrete authorizations to the board of directors. The audit committee, which comprises of independent directors, has clear responsibilities and works effectively. The management strictly executes the resolutions approved by the shareholders' general meeting and the board. Guangshen Railway earnestly fulfils the obligation of information disclosure as a

listed company and carefully executes the Management Methods of Information Disclosure of Guangshen Railway to ensure the authenticity, accuracy, integrity, timeliness and impartiality of disclosure. Guangshen Railway devotes much attention to the management of investor relationship and keeps effective communication with investors through phone call, fax, reception of visiting investors, mail and internet. The management holds regular results announcement conferences, takes part in large international and domestic seminars to introduce the operation situation and development strategies to investors. Guangshen Railway also engages certain public relation firms to help promote relations with domestic and overseas investors.

As a company listed on the NYSE, to comply with the related requirements of Section 404 of the United States Sarbanes-Oxley Act of 2002 (“SOX404”), Guangshen Railway initiated the “project for the construction of internal control system in relation to financial reporting” in October 2005 and has put a great deal of efforts and resources into the recording and assessment of internal control procedures related to financial reporting. Guangshen Railway set up an independent internal audit department with full-time auditors. External advisors are also engaged to assist Guangshen Railway with the checking of internal control related to financial reporting. The SOX404 project is aimed at enhancing the effectiveness of internal control and ensuring the accuracy and integrity of information disclosed to investors.

3. Standardized operation

Guangshen Railway continuously promotes its operation and management. With the management principles of “controlling the source, supervising the process, mutual restraint and centralized examination and approval”, the Company strengthens management and operation orders, regulates operating activities, prevents risks related to operation, formulates and implements a series of internal management systems, promotes the management of budget, contracts, projects, bidding, human resources, capital and assets to keep the operation and management of the Company in good order and within control, ensure the growth of company assets and create values for the state and shareholders. In 2008, the Company implemented 48 public biddings or negotiations related to procurement of commodities, seven project biddings and signed more than 1,929 contracts.

In 2008, the total revenues of Guangshen Railway were RMB11,700 million; profit from operation was RMB1,500 million; profit attributable to equity holders was RMB1,200 million and paid-in taxes and fees were RMB586 million. As of December 31, 2008, total assets of Guangshen Railway were RMB28,200 million and the shareholders’ equity was RMB21,800 million under the International Financial Reporting Standards, representing an increase of 213% and 142%, respectively, when compared to that in 1996 when Guangshen Railway was listed. Having maintained relatively high dividends since it went public, Guangshen Railway was honored one of the “Most Generous Listed Companies with H Shares” and has paid accumulated dividends of RMB5,800 million as of December 31, 2007. Guangshen Railway proposed to pay a dividend of RMB0.08 per share, totaling around RMB567 million, to its shareholders for 2008.

4. Quality services

Guangshen Railway attaches great importance to the quality of passenger and freight services. On one hand, the Company executes the methods of safety responsibility assessment, intensifies supervision over service quality, strictly implements service quality standards and carries out quantification assessment of service quality; on the other hand, the Company carefully handles complaints lodged by passengers and consigners and makes responses to the satisfaction of customers. According to our statistics, the Company received 17 complaints about service quality in 2008, each of which was dealt with well, and no repetition of similar complaint occurred.

Guangshen Railway takes various measures to provide safe, comfortable, convenient and fast transportation services for passengers.



Safe—The Company intensifies the checkup and maintenance of equipment related to train operation to ensure the safety of equipment; the Company applies the train operation safety monitoring system to ensure the safety of trains in operation; the Company prevents dangerous goods into stations and ensure a secure boarding environment; the Company pays great attention to food safety, hygiene and epidemic prevention, and provides necessary medicines and utensils in stations and on board to ensure the personal safety of passengers.

Comfortable—Each station has spacious, bright and air-conditioned waiting halls and waiting-rooms specially for soldiers, the old and mothers with babies. The clean platforms and underground passages are connected with escalators. Lifts and non-obstacle passages are provided for the disabled. Drinking machines, disabled-only zones and nurseries for babies are provided on the CRHs. The full-time cleaners keep the cars clean and tidy.

Convenient—The Company introduces on-line and telephone ticket-booking systems. The Guangzhou-Shenzhen inter-city train tickets are available through the automatic ticket vending machines. Shenzhen Station, Guangzhou East Station and Guangzhou Station are connected with Shenzhen Subway, Line 1 and Line 2 of Guangzhou Subway, respectively, making transfers more convenient. The IC card ticketing system is applied on the Guangzhou-Shenzhen inter-city trains and the boarding procedure is automated. A passenger guidance system is fixed in the station and gives clear direction to passengers.

Fast—Guangzhou and Shenzhen are closely linked by CRHs with a speed of 200 kph and a frequency of 5 minutes per pair in the peak hour. Passengers can make a trip between the two cities within one hour on a non-stop CRH. The inter-city express trains, working in cooperation with Canton-Kowloon Through Trains, subways and buses, have become an important means of transportation for residents in Guangdong and Hong Kong, and promoted the economic and cultural exchanges between Hong Kong, Shenzhen and Guangzhou as part of the “One-hour Life Circle” in the region. After several speed-up projects and adjustments to train diagrams, the long-distance trains run faster than before, many of which operate in a sunset-to-sunrise model that saves more time for passengers.

Chapter V Responsibility of Work Safety

Work safety is a matter of priority in railway transportation. Transportation safety is directly linked with personal security of passengers and safety of freight, while influencing the quality of our operating activities. Therefore, Guangshen Railway takes ensuring work safety as the fundamental pre-condition for the fulfillment of social responsibilities through continuously strengthening construction of safety basis, promoting employees’ sense of safety and endeavoring to establish an advanced safety control system.

The Shenzhen-Guangzhou-Pingshi Railway operated by the Company traverses the whole Guangdong Province vertically, links large cities in the Pearl River Delta such as Guangzhou, Shenzhen and Dongguan, and is also currently the only railway channel to Hong Kong. The passenger and freight transportation of Guangshen Railway is of high speed and high frequency. In 2008, 86 pairs of CRHs with top speed of 200 kph were operated on average per day between Guangzhou and Shenzhen. One CRH was dispatched every ten minutes on average from Guangzhou Station, Guangzhou East Station or Shenzhen Station. As the southernmost section of Beijing-Guangzhou Railway, the busiest trunk line in China, Guangzhou-Pingshi Railway is facing shortage of transportation capacity with large passenger and freight volumes. Guangshen Railway ensures the safety and stability of railways under its jurisdiction in the provision of transportation services.

In 2008, the Company strengthened construction of safety supervision system, carefully executed the responsibility of safety inspection and supervision, formulated and implemented a series of methods regarding transportation safety management and further improved the regulations and systems on safety supervision.

In 2008, Guangshen Railway endeavored to improve the quality of transportation equipment, optimize and consolidate transportation resources, strengthen management of stations and depots, enhance safety consciousness and technical proficiency of the staff and conduct inspections and supervision regarding operation safety. The Company launched various activities on investigation into and elimination of hidden perils and vulnerable spots related to work safety and brought the construction of safety basis to a higher level.

In 2008, Guangshen Railway intensified repair and maintenance of locomotives, cars, power and signaling systems, especially during the Spring Festival, the summer holidays and the Olympic Game, and conducted intensive repair of the transportation equipment of the busy Guangzhou-Pingshi Railway, thus improving the quality of rail lines and signaling devices. The Company checked and supervised the dispatching and receiving of trains in contingency, shunting operation, transportation of dangerous goods, loading and reinforcement of bulky cargo, engineering construction and flood control. The Company finished the installation of video monitoring system along the rail lines and the improvement of fences along Guangzhou-Shenzhen Railway. The Company initiated the building of fences along Guangzhou-Pingshi Railway and accelerated the building of overline pedestrian bridges at railway crossings and the conversion of level crossings into grade separation crossings at culverts to ensure the security and personal safety of residents along the rail lines. Guangshen Railway pays great attention to rescue work and made quarterly inspections. The Company launched rescue drills participated by 450 workers from 24 rescue teams or rescue trains.



Chapter VI Responsibility of Maintaining Stability

As a corporate citizen, Guangshen Railway has profound understanding of its responsibility of maintaining stability in the provision of transportation services for the public and welfares for its employees.

1. Fight against storm

At the beginning of 2008, the most terrible snowstorm in half a century swept South China. From January 25, due to the widespread, lasting and intensive snowy and freezing weather in Hunan and Northern Guangdong, the local power system suffered from large-scale collapses of power grids and the southern section of Beijing-Guangzhou Railway was basically paralyzed. More than 3.5 million passengers were held up in Guangzhou. At Guangzhou Station, Guangzhou East Station and Shenzhen Station, over 400,000 passengers gathered during peak periods. The disaster proved an unprecedented challenge to transportation safety and social stability during the Spring Festival.

Guangshen Railway initiated the contingency plan to combat the storm. With support from

the Ministry of Railways and local governments, the whole staff of Guangshen Railway dropped their holidays and stuck to their posts to resist the storm and freezing disaster in cooperation with local authorities between January 26 and February 5.

When public interests were harmed, Guangshen Railway promised that passengers could get full refunds for tickets at any ticket office in the province. More than 500 ticket windows handled ticket refunds. As of February 5, the Company handled more than 800,000 returned tickets.

For passengers waiting for trains at night, Shenzhen Station and Guangzhou Station put up shelters in an area of 4,000 m² and 2,900 m², respectively. Guangzhou East Station and Guangzhou North Station made temporary adjustments to waiting areas, designated waiting areas for special passengers and took special care of the old, weak, sick, disabled and mothers with babies, allowing them to enter the station ahead of others. The Company also gave out umbrellas and raincoats for free.

On January 28, train T98 between Hong Kong and Beijing West was detained at Leiyang Station in Hunan. 36 attendants waded through the snow to purchase 960 bottles of water and 552 tins of porridge and distributed them to the 883 passengers on the train for free, while they ate nothing after more than 30 hours of non-stop work.

In the five days between January 26 and 30, Guangzhou Station distributed for free more than 40,000 cotton-padded garments and quilts, 150,000 raincoats and umbrellas, over 100,000 servings of fast food, more than 200,000 bottles of mineral water and rented more than 80 mobile toilets to ensure supplies for passengers waiting at the square. Guangzhou Train Operation Department sent out more than 1,000 person times to purchase supplies at 30 stations along the lines for approximately 200,000 passengers on 73 delayed trains, including 10,885 kilos of rice, 2,535 kilos of meat, 9,030 kilos of vegetables, 725 kilos of edible oil, 515 kilos of eggs, 10,400 boxes of bottled water, 7,810 boxes of instant noodles, 1,090 boxes of biscuits and 1,986 boxes of tinned porridge.

On January 31, Beijing-Guangzhou Railway basically resumed operation. As of February 24, a total of 74.244 million passengers were dispatched in the Spring Festival season, representing a year-on-year increase of 11.245 million, or 17.8%. On February 5, all the passengers held up at Guangzhou Station were evacuated.

2. Underpinning security during the Games

Hong Kong held part of the Beijing Olympics events. Railway transportation safety was closely related to the security of the Games as the Company operates domestic trains to Beijing as well as Beijing-Kowloon Through Trains. Guangshen Railway made painstaking efforts to ensure railway transportation safety during the Games. Since May 2008, Guangshen Railway had formulated and improved various contingency plans for earthquake, flood, typhoon, epidemic, outbreak of mass commotions, large-scale delay of trains and breakdown of ticket systems, etc. The Company launched training and drills related to the implementation of these contingency plans to improve the staff's handling of

emergency. From the early period of the Games, Guangshen Railway implemented wholly-closed management of all the stations, purchased security equipment and checked all the luggage of passengers. The stations paid great attention to the organization of passenger flows, set up security balustrades, increased the number of check-in passages and implemented the double-checking system. Each passage was guarded by the station personnel and monitoring devices were installed at vital areas to ensure safety of passengers getting into or out of the station. Passenger transportation personnel strengthened inspections on the train and focused on prevention of fires, explosions as well as security of key locations to ensure the safety of passengers on board. Guangshen Railway also intensified examination of food and drinking water in the stations and on board to ensure safe dining for passengers.

3. Care for employees

Guangshen Railway regards care for employees' welfares and promotion of employment as an important measure of safeguarding stability. In 2008, the Company recruited 493 college graduates, including ten with master's degrees, 261 bachelors and 222 from training schools. 22 demobilized soldiers also found employment with the Company.

Guangshen Railway strictly executes the Labour Contract Law and implementation rules. The Company signs labour contracts with employees in accordance with the law. The Company formulated Employee Manual to help employees have a general idea about the Company, understand the working procedures and the rules and regulations to abide by. The Employee Manual also clarifies the responsibilities and obligations as well as welfares of employees. The Company has formulated and implemented various insurance management methods. The Company handled 4,000 various insurance applications and fully paid the premiums in time in 2008. The Company devotes much attention to the housing of employees and the management of housing reserves. The Company promoted the construction of dormitories and affordable houses and paid more than RMB90 million as housing reserves for employees. The Company held 447 training programs participated by 97,434 person times in 2008, effectively enhancing the professional competence of employees. The Company spent a great deal in promoting the material and spiritual well-being of employees, and building sports facilities. The Company built or renovated 17 recreation facilities, purchased large amounts of utensils and electric appliances, distributed heat-stroke and cold prevention materials and labour safety articles to improve the life of employees working along the lines. The Company had 728 workers working with dust or toxic materials enjoy recuperation services and 77 model workers go for holidays. 5,824 women workers received gynecological checkups and 6,895 workers got various types of health checkups.



Chapter VII Responsibility of Public Charity

Keen on public charity, Guangshen Railway combines railway transportation with public interests in the following aspects:

1) The Company made substantial contribution to the Wenchuan Earthquake relief work. The headquarters and subordinate units donated RMB2.255 million and many clothes. 7,666 party members paid RMB1.122 million as special party membership dues for the quake victims. The Company operated special trains to help transfer the injured from the stricken areas and took meticulous care of them. The Company delivered 484 cars of relief materials from Guangzhou East Station, totaling 28,980 tonnes. On May 14 and 20, the special trains “搶 87646” and “抗 946/5” carried 70 ambulances or epidemic-prevention vehicles and 444 medical workers to Chengdu East Station. The Health Bureau of Guangdong Province and medical staff to Sichuan spoke highly of the performance of the Company in this mission as well as the services of the attendants on board and gave a letter of thanks.

2) The Company put a great deal of efforts into the renovation of undesirable environment in the vicinity of rail lines and has improved the living environment and security condition of the neighborhood.

3) The Company provides preferential tickets for students, children and other special groups in accordance with relevant policies. Shenzhen Station alone sold 30,201 student tickets, 64,975 child tickets and 6,204 tickets for other special groups in 2008.

4) The Company put up shelters at the station squares during the Spring Festival season to bring convenience for passengers. The Company also handled ticket refunds for passengers held up by the storm and reduced economic losses for passengers.

Chapter VIII Responsibility of Environmental Protection

As important infrastructure of China, railway has relative advantages of high capacity, low costs, less land occupation, energy-efficiency, being environmentally friendly and safety. The rail lines of the Company run vertically through Guangdong Province and connect the important cities in the Pearl River Delta. With escalating pressure on the resources and environment in the region, Guangshen Railway plays an increasingly important role in the optimization of economic structure and relieving pressure on the environment. In 2008, Guangshen Railway paid great attention to environmental protection, energy saving and emission control, constructed a green corridor and vigorously fulfilled its responsibility of maintaining sustainable development of environment.

1. Environmental protection

In 2008, Guangshen Railway strengthened environmental protection efforts, endeavored to promote the competence of environmental protection staff, vigorously conducted propaganda on environmental protection, focused on capital investment in environmental protection, took various environmental protection measures and strived to build itself into an environmentally friendly corporate.

There are 14 sewage treatment facilities, four waste gas treatment facilities and two noise reduction facilities along the Company's rail lines to reduce water and air pollution in the production process.

Guangshen Railway intensified the clearance of white pollutants along the rail lines and regularly cleared the rubbish in the neighboring area. Guangzhou Maintenance Department alone gathered more than 300 tonnes of white rubbish, cleared 750 kilometers of ditch and 760 kilometers of weedy slopes in one year.

Decomposable paper lunch-boxes and disposable paper cups are used on the long-distance trains operated by Guangshen Railway. The disposable bamboo/wood chopsticks were replaced with reusable sterilized plastic ones.

There are sanitation workers on the long-distance trains and CRHs specially responsible for the hygiene of trains. Knowledge about environmental protection and travel safety are publicized through broadcasting and picture posters in each car. Littering is not allowed along the rail lines to reduce environmental pollution and prevent the production of new pollutants for the aim of building a green trains.

The CRH applies much advanced technology in environmental protection. The regenerative braking system turns kinetic energy into electric energy to the maximum limit and greatly reduces the wear of brake pads. The streamlined body and use of light materials decreases the noise produced by the train traveling high-speed. The electric dining car does not emit waste gas containing sulfur or carbon. The vacuum type dejectas collecting system collects all the sewage produced on the train to avoid pollution of environment along the lines. The fast cleaning equipment is energy-efficient and water-saving.

In 2008, Guangshen Railway issued 1,010 notices and documents through the on-line working system and realized "No-paper" procedure.

2. Energy saving and emission control

In 2008, Guangshen Railway further improved rules and regulations on energy saving management. The Company regarded the control of total energy consumption and single-item energy consumption as the focal point of the work and carried on with the energy economy contract system. The Company strengthened statistics on energy

consumption, collected, analyzed and assessed data on energy consumption of each unit on a quarterly basis and implemented rectification measures to put related expenses under strict control. The Company endeavored to promote the staff's sense of energy conservation through energy inspections and propaganda on energy saving.

Measures of energy saving and emission control:

Guangshen Railway actively introduced energy saving projects promoted by the government. T5 energy saving lamps and time-lapse faucets were installed in Shenzhen Station as required by Shenzhen government and segmentation electricity control system was applied to reduced waste of resources.

Guangshen Railway promoted technological innovation and installed lighting control equipment in the Dayaoshan Tunnel, which works the lighting system when necessary and saved electricity in the amount of 63,825 kW in 2008.

The trains undertaken by Guangshen Railway replaced coal cookers with induction cookers in all the dining cars, except for three passenger trains without air-conditioning, to reduce exhaust fumes.

Guangshen Railway actively uses environmentally friendly and energy-saving products. It popularizes the use of energy-saving lamps and water pumps and water-saving valves in the stations under its jurisdiction. It equipped part of these stations with energy saving appliances such as solar water heaters and central air conditioners.

The Company's energy consumption in 2008 represented a decrease of 1.21% from that in 2007.

3. Green corridor

In 2008, Guangshen Railway initiated the construction of "Green Corridor" through planting large quantities of shrubs and trees along its rail lines. The Company planted 123,430 trees and 191,450 shrubs and grew 46,418 square meters of ground cover between Guangzhou and Shenzhen. 275,720 trees and 842,506 shrubs were planted along the Guangzhou-Pingshi rail lines. The "Green Corridor" protects railway subgrade, repels dust and reduces noise while beautifying the landscape along the rail lines.



Chapter IX Honor and Awards

In 2008, Guangshen Railway received the following honor and awards:

“Top one hundred enterprises of Shenzhen in 2008”;

“Most honest enterprises of China in 2008”;

“Top 100 tax paying enterprises in Guangdong in 2008”;

“Social donation award of listed companies in Shenzhen”;

“Award of donation for Wenchuan Earthquake”;

“Award for innovation in investor relationship management in 2008”;

“Listed Company with best investor relationship in China's financial circle”.

Chapter X Concluding Remarks

Guangshen Railway discloses contribution to society per share and calculation of social costs in this report in accordance with relevant notice and guidelines issued by the Shanghai Stock Exchange.

In 2008, the social value created by the Company, including dividend, taxes and fees, salary and interests, etc, totaled RMB3,945.53 million; the costs of environmental pollution , calculated based on cleaning fees and pollutant discharge fees, etc paid by the Company, was RMB46.87 million. Therefore, Guangshen Railway's contribution to society per share= (RMB3,945.53 million- RMB46.87 million)/total share capital (7,083.537 million shares) = RMB0.55.

During the unusual year of 2008, Guangshen Railway consistently stuck to the core of its social responsibility, ie meeting demands for passenger and freight transportation services, while strengthening safety basis and producing operating efficiency. In the fulfillment of six responsibilities, including construction and development, transportation operation, work safety, maintaining stability, public charity and environmental protection, the Company demonstrated its image as a responsible corporate citizen. In 2009, Guangshen Railway will further integrate business operation with the fulfillment of social responsibility to make even greater contribution towards spurring domestic demands, promotion of regional economic growth and sustainable development of economy, society and environment.

Appendix: Feedback

Dear readers,

Thank you for reading Social Responsibility Report of Guangshen Railway Company Limited 2008. There might be negligence or errors in this report, which is the first such report ever published by the Company. Your opinions and suggestions will be much appreciated.

You are cordially expected to fill the following form and send it back to us by mail, fax or e-mail.

Name				
Means of contact	Phone number		Email	
Name of Employer				
Opinions on the report	Readability	Logicity	Objectivity	Integrity
Beginning				
View of social responsibility				
Responsibility of construction and development				
Responsibility of transportation operation				
Responsibility of work safety				
Responsibility of maintaining stability				
Responsibility of public charity				
Responsibility of environmental protection				
Ending				
Overall evaluation				

The highest mark for each item is 5, lowest 1.

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Guangshen Railway Company Limited

April 29, 2009