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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 Code: 390)

**RESULTS ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

The Board of Directors of China Railway Group Limited (the “**Company**”) announces the unaudited results (the “**First Quarterly Results**”) of the Company and its subsidiaries (the “**Group**”) for the first quarter ended 31 March 2016 (the “**Reporting Period**”), which have been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC. This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

1 IMPORTANT NOTICE

- 1.1** The Board of Directors and the Supervisory Committee of the Company and its directors, supervisors and senior management warrant that there are no false presentations or misleading statements contained in, or material omissions from, this report, and severally and jointly accept legal responsibility for the authenticity, accuracy and completeness of the information contained in this quarterly report.
- 1.2** All the directors of the Company attended the Board meeting held on 29 April 2016 and have reviewed and adopted this quarterly report.
- 1.3** Mr. LI Changjin, person in charge of the Company, Mr. YANG Liang, person in charge of accounting affairs and Mr. HE Wen, person in charge of the accounting department (head of accounting), hereby warrant the authenticity, accuracy and completeness of the financial information contained in this quarterly report.
- 1.4** The first quarterly report of the Company has not been audited.

2 MAIN FINANCIAL DATA AND CHANGE IN SHAREHOLDERS OF THE COMPANY

2.1 Main Financial Data

	<i>Unit: '000 Currency: RMB</i>		
	At the end of the Reporting Period	At the end of the previous year	Change compared with pervious year (%)
Total assets	717,797,505	713,667,705	0.58
Net assets attributable to the equity holders of the Company	133,272,073	130,586,987	2.06
	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous year to the end of the previous reporting period	Change compared with the same period of previous year (%)
Net cash generated from operating activities	-2,433,898	-4,603,658	47.13

	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous year to the end of the previous reporting period	Change compared with the same period of previous year (%)
Revenue	127,336,899	125,667,524	1.33
Profit attributable to the equity holders of the Company	2,274,163	2,071,941	9.76
Profit attributable to equity holders of the Company excluding non-recurring gains and losses	2,199,141	1,979,951	11.07
Weighted average net assets yield (%)	1.72	2.13	Decreased by 0.41 percentage point
Basic earnings per share (RMB/share)	0.10	0.10	0
Diluted earnings per share (RMB/share)	N/A	N/A	N/A

Non-recurring profit and loss items and amount:

Applicable Not Applicable

Unit: '000 Currency: RMB

Item	Reporting Period
Gains or losses from the disposal of non-current assets	-9,226
Government grant as included in profit and loss of current period, other than those closely relating to business of company and subject to a fixed amount or norm under the national policy	44,584
Debt restructuring gains or losses	21,228
Gains or losses on changes in fair value arising from held-for-trading financial assets and held-for-trading financial liabilities (excluding the valid hedging business relating to the Company's business), as well as investment gains from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	47,135
Reversal of provision for impairment from receivables individually tested for impairments	108
Other net non-operating income and expenditure	-1,500
Impact of minority interests (after tax)	-1,725
Impact of income tax	-25,582
	<hr/>
Total	<u>75,022</u>

2.2 Number of Shareholders, Particulars of Shareholding of Top Ten Shareholders and Top Ten Holders of Tradable Shares (or Without Selling Restrictions) as at the End of the Reporting Period

Unit: Share

Total number of shareholders 836,336

Shareholdings of top ten shareholders

Name of shareholder	Number of shares held as at the end of the Reporting Period	Shareholding percentage (%)	Number of shares with selling restrictions	Status of pledged/frozen shares		Nature of the shareholder
				Status of shares	Number of shares	
China Railway Engineering Corporation ("CRECG") (Note 1)	12,424,784,308	54.39	308,880,308	None	0	State-owned
HKSCC Nominees Limited (Note 2)	4,003,498,909	17.53	0	Unknown	0	Other
Ping An UOB Fund – Ping An Bank – China Universal Asset Management Co.,Ltd	643,500,643	2.82	643,500,643	None	0	Other
China Securities Finance Corporation Limited	638,376,241	2.79	0	None	0	Other
Central Huijin Asset Management Ltd.	235,455,300	1.03	0	None	0	Other
Xinyu City Zhongqing Brothers Investment Institution (LP) (Note 3)	141,570,141	0.62	141,570,141	None	0	Other
Beijing Zhong Shang Rong Sheng Trading Company Limited	141,570,141	0.62	141,570,141	Pledged	136,950,000	Other
China Merchants Wealth – China Merchant Bank – No.1 Guo Xin Jin Kong Specific Asset Management Plan	137,323,037	0.60	137,323,037	None	0	Other
Huaxia Life Insurance Co., Limited – Universal Insurance Products	124,721,939	0.55	0	None	0	Other
Hong Kong Securities Clearing Company Limited (Note 4)	61,182,270	0.27	0	None	0	Other

Name of shareholder	Number of shares held as at the end of the Reporting Period	Shareholding percentage (%)	Number of shares with selling restrictions	Status of pledged/frozen shares		Nature of the shareholder
				Status of shares	Number of shares	
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	54,496,500	0.24	0	None	0	Other
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	54,496,500	0.24	0	None	0	Other
Guangfa Fund – Agricultural Bank of China – Guangfa China Securities Financial Asset Management Plan	54,496,500	0.24	0	None	0	Other
Huaxia Fund – Agricultural Bank of China – Huaxia China Securities Financial Asset Management Plan	54,496,500	0.24	0	None	0	Other
Jiashi Fund – Agricultural Bank of China – Jiashi China Securities Financial Asset Management Plan	54,496,500	0.24	0	None	0	Other
Southern Fund – Agricultural Bank of China – Southern China Securities Financial Asset Management Plan	54,496,500	0.24	0	None	0	Other
Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	54,496,500	0.24	0	None	0	Other
Yinhua Fund – Agricultural Bank of China – Yinhua China Securities Financial Asset Management Plan	54,496,500	0.24	0	None	0	Other
Central European Asset Management – Agricultural Bank of China – Central European China Securities Financial Assets Management Plan	54,496,500	0.24	0	None	0	Other

Particulars of shareholding of the top ten shareholders without selling restrictions

Name of shareholder	Total number of tradable shares held without selling restrictions as at the end of the Reporting Period	Type and quantity of shares	
		Type of shares	Quantity
CRECG	11,951,510,000	RMB-dominated ordinary shares	11,951,510,000
	164,394,000	Overseas listed foreign shares	164,394,000
HKSCC Nominees Limited (Note 2)	4,003,498,909	Overseas listed foreign shares	4,003,498,909
China Securities Finance Corporation Limited	638,376,241	RMB-dominated ordinary shares	638,376,241
Central Huijin Asset Management Ltd.	235,455,300	RMB-dominated ordinary shares	235,455,300
Huaxia Life Insurance Co., Limited – Universal Insurance Products	124,721,939	RMB-dominated ordinary shares	124,721,939
Hong Kong Securities Clearing Company Limited	61,182,270	RMB-dominated ordinary shares	61,182,270
Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan	54,496,500	RMB-dominated ordinary shares	54,496,500
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan	54,496,500	RMB-dominated ordinary shares	54,496,500

Name of shareholder	Total number of tradable shares held without selling restrictions as at the end of the Reporting Period	Type and quantity of shares	
		Type of shares	Quantity
Guangfa Fund – Agricultural Bank of China – Guangfa China Securities Financial Asset Management Plan	54,496,500	RMB-dominated ordinary shares	54,496,500
Huaxia Fund – Agricultural Bank of China – Huaxia China Securities Financial Asset Management Plan	54,496,500	RMB-dominated ordinary shares	54,496,500
Jiashi Fund – Agricultural Bank of China – Jiashi China Securities Financial Asset Management Plan	54,496,500	RMB-dominated ordinary shares	54,496,500
Southern Fund – Agricultural Bank of China – Southern China Securities Financial Asset Management Plan	54,496,500	RMB-dominated ordinary shares	54,496,500
Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan	54,496,500	RMB-dominated ordinary shares	54,496,500
Yinhua Fund – Agricultural Bank of China – Yinhua China Securities Financial Asset Management Plan	54,496,500	RMB-dominated ordinary shares	54,496,500

Name of shareholder	Total number of tradable shares held without selling restrictions as at the end of the Reporting Period	Type and quantity of shares	
		Type of shares	Quantity
Central European Asset Management – Agricultural Bank of China – Central European China Securities Financial Assets Management Plan	54,496,500	RMB-dominated ordinary shares	54,496,500

Statement on the related relations and concerted actions between the shareholders above CRECG, the controlling shareholder, does not have related relations or perform concerted actions with the above other shareholders. The Company is not aware of any related relationships or concerted action relationships between the above shareholders.

Statement on holders of preference shares with reinstated voting rights and their shareholdings Not applicable

Note 1: 12,424,784,308 shares of the Company held by CRECG include 12,260,390,308 A Shares and 164,394,000 H Shares of the Company.

Note 2: H Shares held by HKSCC Nominees Limited are exclusive of the number of H Shares held by CRECG and are held on behalf of its various clients.

Note 3: Xinyu City Zhongqing Brothers Investment Institution (LP) is a private fund managed by Nanjing An Ci Investment Management Company Limited.

Note 4: A Shares held by Hong Kong Securities Clearing Company Limited are held on behalf of its various Southbound Investors of the Company.

Note 5: The numbers shown in the table are based on the register of member of the Company of as at 31 March 2016.

2.3 Number of Holders of Preference Shares, Particulars of Shareholding of Top Ten Holders of Preference Shares and Top Ten Holders of Preference Shares Without Selling Restrictions as at the End of the Reporting Period

Applicable Not Applicable

3 SIGNIFICANT EVENTS

3.1 Major Changes to Main Financial Statements Items and Financial Indicators of the Company and the Reasons Thereof

✓ Applicable

□ Not Applicable

Item	At the end of the Reporting Period or from the beginning of the year to the end of the Reporting Period (RMB'000)	At the end of the previous reporting period or the previous reporting period (RMB'000)	Change (%)	Explanation of the change
Cash and cash equivalents	83,634,607	100,717,851	-16.96	Mainly due to the payment of construction costs and repayment of debts during the Spring Festival.
Trade receivables	256,759,629	246,758,108	4.05	Mainly due to the increase in receivable from construction projects and retention receivables.
Bills payables	24,440,646	22,460,054	8.82	Mainly due to the intensive handling of bills to cover the payment during the period between the New Year's Day and the Spring Festival.
Other current liabilities	40,179	3,039,856	-98.68	Mainly due to the repayment of the RMB3 billion short-term debentures for China Railway Erju, a subsidiary of the Company.

3.2 Progress of Significant Events and Analysis on Its Impact and Solutions

✓ Applicable □ Not Applicable

3.2.1 Major Operating Information for the First Quarter of 2016

Business segment	Number of new projects	Value of new contracts (RMB'00, 000,000)	Increase/ decrease over same period last year (%)	Aggregate number of new projects for the current year	Aggregate value of new contracts for the current year (RMB'00, 000,000)
Infrastructure construction	679	1,568.9	16.0	679	1,568.9
Including: Railway	222	641.5	93.4	222	641.5
Highway	64	174.8	-24.6	64	174.8
Municipal works and others	393	752.6	-4.6	393	752.6
Survey, design and consulting services	N/A	45.3	9.2	N/A	45.3
Engineering equipment and component manufacturing	N/A	53.2	12.0	N/A	53.2
Property development	N/A	43.1	29.8	N/A	43.1
Other businesses	N/A	181.5	91.9	N/A	181.5
Total	-	<u>1,892.0</u>	<u>20.6</u>	-	<u>1,892.0</u>

Among the above information, major operating information on property development during the current period is set out below:

	Area/value	Increase/ decrease over same period last year (%)
Newly acquired land reserve ('0,000 m ²)	0	0
Area that has commenced construction ('0,000 m ²)	49	11.4
Area that has completed construction ('0,000 m ²)	48	-45
Contract area ('0,000 m ²)	47	20.5
Contract value (RMB'00,000,000)	43.1	22.9

Note: "Value of new contracts" under "Property development" refers to the total value of contracted property sales of the Company.

Contract backlog

As at the end of the Reporting Period, the Company's contract backlog amounted to RMB1,867.914 billion, representing an increase of 3.65% as compared with that as at the end of last year. Among which RMB1,508.534 billion was from infrastructure construction business segment, RMB25.489 billion was from survey, design and consulting services business segment and RMB26.805 billion was from engineering equipment and component manufacturing business segment.

3.2.2 The Poland A2 Litigation

An explanatory note of the dispute between the consortium established by China Overseas Engineering Group Co., Ltd., China Railway Tunnel Group Co., Ltd., (both of which are subsidiaries of the Company) and two other third party companies and General Directorate of National Roads and Motorways of Poland, in relation to the Section A and C of the A2 Motorway Project in Poland in which the Consortium won the bid, is set out in the 2011 Interim Report of China Railway Group Limited and the subsequent periodic reports. As at the end of the Reporting Period, there has not been any subsequent progress.

3.2.3 Material Asset Swap and Subscription of Non-publicly Issued Shares of China Railway Erju with Assets

To follow the “Guidelines on Deepening the Reform of State-owned Enterprises” of the CPC Central Committee and State Council and to proactively implement the new strategies deployed in “Made in China 2025” to facilitate the structural optimisation and upgrading of our engineering equipment and component manufacturing business segment through tactics such as mergers, acquisitions and restructuring in the capital market, the Company is contemplating a material asset restructuring in relation to an asset swap and share issuance for acquisition of assets for China Railway Erju (600528), with a view to building up a listed company platform in our engineering equipment and component manufacturing business segment.

On 4 December 2015, the Company published the Announcement on Material Assets Swap and Subscription of Non-publicly Issued Shares of China Railway Erju with Assets [Lin No. 2015-066] on the website of Shanghai Stock Exchange and the designated newspapers of the Company, disclosing the details in relation to the material assets swap transactions with China Railway Erju and the subscription by the Company of the non-publicly issued shares of China Railway Erju with assets (the “**Asset Swap Transactions**”). At present, the assets appraisal results of the Asset Swap Transactions have been filed with SASAC. At the 20th meeting of the third session of the Board held on 19 April 2016, the Company considered and approved proposals in relation to the Asset Swap Transactions, and entered into the supplemental agreement to the Asset Swap Transactions with China Railway Erju, to confirm the final transaction prices of the disposed assets and the acquired assets and other matters related to the Asset Swap Transactions. Further announcement on the Asset Swap Transactions was published on the website of the Shanghai Stock Exchange and the designated newspapers of the Company on 21 April 2016.

As at the date of this announcement, the Company and China Railway Erju are actively preparing for the restructuring. The Company will follow up and go through the requisite approval procedures and fulfill its disclosure obligations in accordance with relevant laws and regulations in a timely manner. For more details on the progress, please refer to the relevant announcements published by the Company and China Railway Erju on the website of Shanghai Stock Exchange and the designated newspapers of the Company.

3.3 Fulfilment of Undertakings Made by the Company and Shareholders Holding More Than 5%

Applicable Not Applicable

Background of undertakings	Type of undertakings	The party making the undertakings	Details of undertakings	Duration and expiry of undertakings	Whether there is a deadline for performance	Whether timely and strictly performed?
IPO-related undertakings	Dealing with competition	CRECG	Upon the establishment of China Railway in accordance with the law, CRECG and its subsidiaries (other than China Railway) will not in any form, directly or indirectly, engage in or participate in or assist in the engagement or participation in any business that competes, or is likely to compete with the core businesses of China Railway and its subsidiaries. If CRECG or its subsidiaries (other than China Railway) become(s) aware of any new business opportunity which directly or indirectly competes, or is likely to compete, with the principal businesses of China Railway, it shall notify China Railway in writing of such business opportunity immediately upon becoming aware of it, and undertakes that priority and a preemptive right of first refusal in respect of the business opportunity shall be available to China Railway or its subsidiaries. If CRECG or any of its subsidiaries intends to transfer, sell, lease or license or otherwise assign to any third parties or permit them any new business opportunity, assets or interests that it may acquire in future and which may compete or is likely to compete, directly or indirectly, with the core businesses of China Railway, CRECG warrants that such business opportunity, assets or interests will first be offered to China Railway or its subsidiaries.	Long term	No	Yes

Background of undertakings	Type of undertakings	The party making the undertakings	Details of undertakings	Duration and expiry of undertakings	Whether there is a deadline for performance	Whether timely and strictly performed?
Undertakings in relation to refinancing	Other	CRECG	If the event that the Company incurred loss to the Company and investors as a result of any undisclosed administrative sanction or on-going investigations due to violations of the laws and regulations such as leaving any pieces of land idle, speculating in land, property hoarding or manipulation, the undertaking party will bear relevant indemnity obligations under relevant laws, administrative regulations and requirements by securities regulatory department.	Long term	No	Yes
Other undertakings	Restrictions on share transfer	CRECG	CRECG will not reduce its shareholding in the Company in the secondary market during the six months period commencing from 15 January 2016.	15 July 2016	Yes	Yes

Note: For details of the relevant undertakings issued by the Company during the major asset restructuring of its subsidiary China Railway Erju, please refer to the Report on Related Transactions Report (Draft) of Material Asset Swap and Share Issuance for Acquisition of Assets and Raising Supporting Funds of China Railway Erju (stock code 600528) disclosed on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 21 April 2016.

3.4 Warnings and Explanations on Loss Forecast or Significant Changes in Net Profit from the Beginning of the Year to the End of the Next Reporting Period

Applicable Not Applicable

4 APPENDIX – FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES OF THE PRC

Financial statements prepared in accordance with the Accounting Standards for Business Enterprises of the PRC are set out in the appendix to this announcement.

5 PUBLICATION OF THE FIRST QUARTERLY RESULTS ANNOUNCEMENT

This announcement is simultaneously available on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.crec.cn. The first quarterly report of 2016 prepared in accordance with the Accounting Standards for Business Enterprises of the PRC will also be available on the website of the Shanghai Stock Exchange at www.sse.com.cn and the website of the Company at www.crec.cn.

By order of the Board
China Railway Group Limited
LI Changjin
Chairman

29 April 2016

As at the date of this announcement, the executive directors of the Company are LI Changjin (Chairman), YAO Guiqing and ZHANG Zongyan; and the independent non-executive directors are GUO Peizhang, WEN Baoman, ZHENG Qingzhi and NGAI Wai Fung.

APPENDIX

I Financial Statements

Consolidated Balance Sheet

31 March 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the year
Current assets:		
Cash and cash equivalents	83,634,607	100,717,851
Financial assets measured at fair value and its changes recognised in profit or loss of current period	95,958	144,232
Bills receivables	2,075,096	1,971,146
Trade receivables	135,830,289	131,660,359
Advances to suppliers	34,435,710	32,453,080
Interests receivables	119,614	325,807
Dividends receivables	88,643	55,664
Other receivables	39,886,241	37,120,053
Inventories	256,759,629	246,758,108
Non-current assets due within one year	13,437,067	12,541,214
Other current assets	1,656,477	1,662,171
Total current assets	568,019,331	565,409,685
Non-current assets:		
Loans and advances		
Available-for-sale financial assets	8,281,212	8,350,638
Long-term receivables	11,717,066	11,671,474
Long-term equity investments	8,060,516	8,052,872
Investment properties	4,589,836	4,756,123
Fixed assets	45,571,551	44,868,569
Construction in progress	6,993,091	6,838,491
Materials held for construction of fixed assets	212,610	221,825
Fixed assets to be disposed of	34,352	1,680
Intangible assets	51,360,449	50,836,364
Goodwill	828,683	828,683
Long-term deferred expenses	863,694	848,570
Deferred income tax assets	4,132,814	4,366,553
Other non-current assets	7,132,300	6,616,178
Total non-current assets	149,778,174	148,258,020
Total assets	717,797,505	713,667,705

Consolidated Balance Sheet (Continued)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the year
Current liabilities:		
Short-term borrowings	51,759,841	55,478,008
Deposits taken and deposits from peers	940,124	2,118,230
Financial liabilities measured at fair value and its changes recognised in profit or loss of current period	158,540	185,401
Bills payables	24,440,646	22,460,054
Trade payables	239,830,665	236,419,392
Advances from customers	69,704,401	69,636,892
Accrued payroll	3,021,341	2,877,886
Taxes payables	13,614,869	14,613,185
Interests payables	857,787	1,208,001
Dividends payables	208,408	365,210
Other payables	42,386,742	40,180,440
Non-current liabilities due within one year	22,741,462	21,864,702
Other current liabilities	40,179	3,039,856
Total current liabilities	469,705,005	470,447,257
Non-current liabilities:		
Long-term borrowings	64,579,037	63,580,588
Bonds payables	30,966,780	30,167,377
Long-term payables	3,524,110	3,425,903
Long-term accrued payroll	3,621,227	3,779,130
Specific payables	49,649	47,486
Accrued liabilities	287,273	247,811
Deferred income	1,331,873	1,489,023
Deferred income tax liabilities	981,616	919,974
Other non-current liabilities	163,719	162,028
Total non-current liabilities	105,505,284	103,819,320
Total liabilities	575,210,289	574,266,577

Consolidated Balance Sheet (Continued)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the year
Equity:		
Share capital	22,844,302	22,844,302
Other equity instruments	11,940,000	11,940,000
Including: Preference shares	–	–
Perpetual notes	11,940,000	11,940,000
Capital reserve	42,004,121	41,754,319
Less: Treasury shares	–	–
Other comprehensive income	-353,890	65,894
Specific reserve	–	–
Surplus reserve	4,719,753	4,173,136
General risk reserve	1,234,969	1,200,681
Accumulated profits	50,882,818	48,608,655
Equity attributable to equity holders of the Company	133,272,073	130,586,987
Minority interests	9,315,143	8,814,141
Total equity	142,587,216	139,401,128
Total liabilities and equity	717,797,505	713,667,705

Legal representative of the Company: LI Changjin

Person in charge of accounting affairs: YANG Liang

Person in charge of the accounting department: HE Wen

Company Balance Sheet
31 March 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the year
Current assets:		
Cash and cash equivalents	18,520,150	40,286,378
Financial assets measured at fair value and its changes recognised in profit or loss of current period	885	966
Trade receivables	10,665,832	9,950,682
Advances to suppliers	2,078,309	1,098,485
Dividends receivables	73,064	73,064
Other receivables	47,051,663	46,608,943
Inventories	2,608,357	3,379,833
Non-current assets due within one year	6,511,934	6,634,275
Total current assets	87,510,194	108,032,626
Non-current assets:		
Available-for-sale financial assets	2,884,250	2,884,250
Long-term receivables	10,777,977	10,324,755
Long-term equity investments	88,494,552	84,784,346
Investment properties	138,714	139,629
Fixed assets	273,381	277,664
Construction in progress	11,552	1,605
Intangible assets	605,527	610,651
Long-term deferred expenses	2,004	257
Deferred income tax assets	21,288	21,288
Other non-current assets	9,948	9,948
Total non-current assets	103,219,193	99,054,393
Total assets	190,729,387	207,087,019

Company Balance Sheet (Continued)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the year
Current liabilities:		
Short-term borrowings	314,660	1,266,238
Trade payables	12,544,355	15,291,624
Advances from customers	2,971,839	2,891,949
Accrued payroll	10,422	13,948
Taxes payables	649,441	773,342
Interests payables	327,497	666,486
Dividends payables	56,500	207,167
Other payables	34,966,240	48,533,744
Non-current liabilities due within one year	456,158	456,158
Total current liabilities	52,297,112	70,100,656
Non-current liabilities:		
Long-term borrowings	2,195,597	1,757,345
Bonds payables	24,765,832	23,950,177
Long-term accrued payroll	11,061	10,582
Deferred income	4,310	4,310
Total non-current liabilities	26,976,800	25,722,414
Total liabilities	79,273,912	95,823,070
Equity:		
Share capital	22,844,302	22,844,302
Other equity instruments	11,940,000	11,940,000
Including: Preference shares	—	—
Perpetual notes	11,940,000	11,940,000
Capital reserve	52,081,025	52,081,025
Less: Treasury shares	—	—
Other comprehensive income	-6,598	-6,598
Specific reserve	—	—
Surplus reserve	3,501,755	3,501,755
Accumulated profits	21,094,991	20,903,465
Total equity	111,455,475	111,263,949
Total liabilities and equity	190,729,387	207,087,019

Legal representative of the Company: LI Changjin
Person in charge of accounting affairs: YANG Liang
Person in charge of the accounting department: HE Wen

Consolidated Income Statement

January – March 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting Period	Reporting period of previous year
1. Total operating revenue	128,090,225	126,287,461
Including: Revenue	127,336,899	125,667,524
Interest income	270,648	200,000
Handling fees and commission revenue	482,678	419,937
2. Total operating costs	125,163,987	123,484,998
Including: Cost of sales	113,967,628	112,600,019
Interest expenses	24,749	43,387
Business tax and surcharges	4,073,294	3,994,101
Selling and marketing expenses	589,909	533,005
Administrative expenses	5,153,480	5,007,742
Finance expenses	1,247,470	1,342,129
Impairment losses on assets	107,457	-35,385
Add: Gain on fair value adjustments (loss is marked with “-”)	8,130	-34,471
Investment income (loss is marked with “-”)	87,296	47,568
3. Profit from operations (loss is marked with “-”)	3,021,664	2,815,560
Add: Non-operating income	246,988	122,143
Less: Non-operating expenses	88,861	67,057
4. Profit before tax (loss is marked with “-”)	3,179,791	2,870,646
Less: Income tax expense	825,627	720,205
5. Net profit (net loss is marked with “-”)	2,354,164	2,150,441
Net profit attributable to equity holders of the Company	2,274,163	2,071,941
Minority interests	80,001	78,500

Consolidated Income Statement (Continued)

Item	Reporting Period	Reporting period of previous year
6. Other comprehensive income, net of tax	-421,767	127,587
Other comprehensive income, net of tax attributable to shareholders of the Company	-419,784	129,772
(1) Other comprehensive income which will not be reclassified to profit or loss in the future	768	-2,860
(i) Changes in net assets or net liabilities on remeasurement of defined benefit obligations	768	-2,860
(ii) Share of other comprehensive income, which will not be reclassified to profit or loss in the future, of the investee under the equity method	-	-
(2) Other comprehensive income which will be reclassified to profit or loss in the future	-420,552	132,632
(i) Share of other comprehensive income, which will be reclassified to profit or loss in the future, of the investee under the equity method	-	-
(ii) Profit or loss on changes in fair value of available-for-sale financial assets	-245,458	199,305
(iii) Profit or loss on reclassification from held-to-maturity investments to available-for-sale financial assets	-	-
(iv) Effective portion of profit or loss on cash flow hedge	-	-
(v) Differences on translation of financial statements prepared in foreign currencies	-175,094	-66,673
(vi) Others	-	-
Other comprehensive income, net of tax attributable to minority interests	-1,983	-2,185
7. Total comprehensive income	1,932,397	2,017,028
Total comprehensive income attributable to equity holders of the Company	1,854,379	1,956,852
Total comprehensive income attributable to minority interests	78,018	60,176
8. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.10	0.10

For business combination under common control during the Reporting Period, the net profit realized by the acquiree before combination was RMB Nil and the net profit realized by the acquiree for the reporting period of previous year was RMB Nil.

Legal representative of the Company: LI Changjin
 Person in charge of accounting affairs: YANG Liang
 Person in charge of the accounting department: HE Wen

Company Income Statement

January – March 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting Period	Reporting period of previous year
1. Revenue	5,339,416	4,771,427
Less: Cost of sales	5,069,950	4,480,703
Business tax and surcharges	40,533	10,237
Administrative expenses	63,336	48,378
Finance expenses	46,013	-150,069
Impairment losses on assets	-327	1,564
Add: Gain on fair value adjustments (loss is marked with “-”)	–	–
Investment income (loss is marked with “-”)	259,033	–
2. Profit from operations (loss is marked with “-”)	378,944	380,614
Add: Non-operating income	1,633	1,723
Less: Non-operating expenses	1	71
3. Profit before tax (loss is marked with “-”)	380,576	382,266
Less: Income tax expense	–	–
4. Net profit (net loss is marked with “-”)	380,576	382,266
5. Other comprehensive income, net of tax	–	205
(1) Other comprehensive income which will not be reclassified to profit or loss in the future	–	205
(i) Changes in net assets or net liabilities on remeasurement of defined benefit obligations	–	205
6. Total comprehensive income	380,576	382,471

Legal representative of the Company: LI Changjin

Person in charge of accounting affairs: YANG Liang

Person in charge of the accounting department: HE Wen

Consolidated Cash Flow Statement

January – March 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting Period	Reporting period of previous year
1. Cash flow from operating activities:		
Cash received from sales of goods or services rendered	155,417,691	146,059,621
Net decrease in deposits to central bank	307,532	284,304
Cash received from interests, handling fees and commission	750,861	619,937
Receipt of tax refund	73,866	101,239
Cash received relating to other operating activities	4,342,290	4,432,429
Sub-total of cash inflows from operating activities	160,892,240	151,497,530
Cash paid for goods and services received	143,381,139	138,217,514
Net decrease in deposits taking	1,178,106	–
Cash paid for interests, handling fees and commission	24,749	43,387
Cash paid to and on behalf of employees	11,479,082	10,236,384
Tax payments	5,012,127	5,440,461
Cash paid relating to other operating activities	2,250,935	2,163,442
Sub-total of cash outflows from operating activities	163,326,138	156,101,188
Net cash flow from operating activities	-2,433,898	-4,603,658
2. Cash flow from investing activities:		
Cash received from disposal of investments	1,610,680	1,251,225
Cash received from return on investments	82,414	48,239
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	13,247	16,588
Other cash receipts relating to investing activities	1,278,804	53,124
Sub-total of cash inflows from investing activities	2,985,145	1,369,176
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	4,593,159	3,873,519
Cash paid for acquisitions of investments	4,070,444	2,306,170
Net cash payments for acquisition of subsidiaries or other operating business divisions	10,000	267,371
Sub-total of cash outflows from investing activities	8,673,603	6,447,060
Net cash flow from investing activities	-5,688,458	-5,077,884

Consolidated Cash Flow Statement (Continued)

Item	Reporting Period	Reporting period of previous year
3. Cash flow from financing activities:		
Cash received from investors	275,000	4,200,436
Including: Cash received by subsidiaries for investment by minority shareholders	275,000	224,436
Cash received from borrowings	27,446,182	24,863,892
Cash received from bond issuance	4,151,235	–
Sub-total of cash inflows from financing activities	31,872,417	29,064,328
Cash paid for repayment of borrowings	39,894,793	24,618,167
Cash paid for dividends, profit distribution or interest payment	915,579	802,642
Sub-total of cash outflows from financing activities	40,810,372	25,420,809
Net cash flow from financing activities	-8,937,955	3,643,519
4. Effect of foreign exchange rate changes on cash and cash equivalents	-22,933	-46,465
5. Net increase in cash and cash equivalents	-17,083,244	-6,084,488
Add: Balances of cash and cash equivalents at the beginning of the period	93,303,739	68,678,886
6. Balances of cash and cash equivalents at the end of the period	76,220,495	62,594,398

Legal representative of the Company: LI Changjin
 Person in charge of accounting affairs: YANG Liang
 Person in charge of the accounting department: HE Wen

Company Cash Flow Statement

January – March 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting Period	Reporting period of previous year
1. Cash flow from operating activities:		
Cash received from sales of goods or services rendered	10,811,895	9,111,895
Cash received from tax refund	–	–
Cash received relating to other operating activities	10,273,552	9,299,284
Sub-total of cash inflows from operating activities	21,085,447	18,411,179
Cash paid for goods and services received	12,211,495	8,331,506
Cash paid to and on behalf of employees	55,130	28,679
Tax payments	122,445	31,095
Cash paid relating to other operating activities	24,986,337	18,236,982
Sub-total of cash outflows from operating activities	37,375,407	26,628,262
Net cash flow from operating activities	-16,289,960	-8,217,083
2. Cash flow from investing activities:		
Cash received from disposal of investments	591,637	–
Cash received from return on investments	52,840	–
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	55
Cash received relating to other investing activities	–	1,931
Sub-total of cash inflows from investing activities	644,477	1,986
Cash paid for acquisitions of fixed assets, intangible assets and other long-term assets	7,136	136
Cash paid for acquisitions of investments	4,042,292	–
Cash paid relating to other investing activities	1,330,000	1,000,003
Sub-total of cash outflows from investing activities	5,379,428	1,000,139
Net cash flow from investing activities	-4,734,951	-998,153
3. Cash flow from financing activities:		
Cash received from investors	–	3,976,000
Cash received from borrowings	4,250,000	2,115,330
Sub-total of cash inflows from financing activities	4,250,000	6,091,330
Cash paid for repayment of borrowings	4,301,000	4,017,850
Cash paid for dividends, profit distribution or interest payment	689,737	801,122
Cash paid relating to other financing activities	200	20,000
Sub-total of cash outflows from financing activities	4,990,937	4,838,972
Net cash flow from financing activities	-740,937	1,252,358

Company Cash Flow Statement (Continued)

Item	Reporting Period	Reporting period of previous year
4. Effect of foreign exchange rate changes on cash and cash equivalents	-380	8,115
5. Net increase in cash and cash equivalents	-21,766,228	-7,954,763
Add: Balances of cash and cash equivalents at the beginning of the period	40,286,378	16,488,681
6. Balance of cash and cash equivalents at the end of the period	18,520,150	8,533,918

Legal representative of the Company: LI Changjin
Person in charge of accounting affairs: YANG Liang
Person in charge of the accounting department: HE Wen

II Audit Report

Applicable Not Applicable