

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2017**

The Board of Directors (the “**Board**”) of China Railway Group Limited (the “**Company**”) announces the unaudited results (the “**First Quarterly Results**”) of the Company and its subsidiaries for the first quarter ended 31 March 2017 (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 Director(s) Absent from the Board Meeting

Name of the director(s) absent from the Board meeting	Position of the director(s) absent from the Board meeting	Reasons for being absent from the Board meeting	Proxy
LI Changjin	Chairman	On business trip	YAO Guiqing
ZHANG Zongyan	Director	On business trip	YAO Guiqing

On 28 April 2017, the Company convened the 32nd meeting of the third session of the Board, which considered and approved the first quarterly report of 2017. Due to business trip, Mr. LI Changjin, the Chairman and executive director of the Company and Mr. ZHANG Zongyan, an executive director and the President of the Company, did not attend the meeting in person. They appointed Mr. YAO Guiqing, the Vice Chairman and executive director of the Company, as a proxy to attend and vote on their behalf.

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 previous year (%)
Total assets	757,814,480	754,509,273	0.44
Net assets attributable to the equity holders of the Company	144,176,619	140,333,815	2.74

	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	-19,240,496	-2,433,898	N/A
	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	133,992,358	127,336,899	5.23
Profit attributable to the equity holders of the Company	2,622,583	2,274,163	15.32
Profit attributable to equity holders of the Company excluding non-recurring gains and losses	2,547,327	2,199,141	15.83
Weighted average net assets yield (%)	1.84	1.72	Increased by 0.12 percentage point
Basic earnings per share (RMB/share)	0.107	0.100	7.00
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	35,359
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	26,649
Debt restructuring gains or losses	3,936
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	46,215
Reversal of specific bad debt provision in the Reporting Period	14
Other non-operating income and expenses	-11,500
Impact of minority interests (after tax)	-250
Impact of income tax	-25,168
	<hr/>
Total	<u>75,255</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 767,712

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	Status of shares	Number of shares	Nature of the shareholder
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)	4,004,872,242	17.53	0	Unknown		0	Other
China Securities Finance Corporation Limited	571,179,699	2.50	0	None		0	Other
Anbang Asset Management – China Merchants Bank – Anbang Asset – No.3 Win-Win Collective Asset Management Products	468,805,172	2.05	0	None		0	Other
Ping An UOB Fund – Ping An Bank – China Universal Capital Management Co., Ltd.	438,500,643	1.92	0	None		0	Other
Central Huijin Asset Management Ltd.	235,455,300	1.03	0	None		0	Other
Hexie Health Insurance Co., Ltd. – Classic – Ordinary Insurance Products	201,448,116	0.88	0	None		0	Other
China Merchants Wealth – China Merchants Bank – No.1 Guo Xin Jin Kong Specific Asset Management Plan	100,003,037	0.44	0	None		0	Other
Hong Kong Securities Clearing Company Limited (Note 3)	69,047,041	0.30	0	None		0	Other
Anbang Pension Insurance Co., Ltd. – Group Universal Products	65,046,237	0.28	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)	4,004,872,242	Overseas listed foreign shares	4,003,498,909
China Securities Finance Corporation Limited	571,179,699	RMB-dominated ordinary shares	571,179,699
Anbang Asset Management – China Merchants Bank – Anbang Asset – No.3 Win-Win Collective Asset Management Products	468,805,172	RMB-dominated ordinary shares	468,805,172
Ping An UOB Fund – Ping An Bank – China Universal Capital Management Co., Ltd.	438,500,643	RMB-dominated ordinary shares	438,500,643
Central Huijin Asset Management Ltd.	235,455,300	RMB-dominated ordinary shares	235,455,300
Hexie Health Insurance Co., Ltd. – Classic – Ordinary Insurance Products	201,448,116	RMB-dominated ordinary shares	201,448,116
China Merchants Wealth – China Merchants Bank – No.1 Guo Xin Jin Kong Specific Asset Management Plan	100,003,037	RMB-dominated ordinary shares	100,003,037

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
Hong Kong Securities Clearing Company Limited (<i>Note 3</i>)	69,047,041	RMB-dominated ordinary shares	69,047,041
Anbang Pension Insurance Co., Ltd. – Group Universal Products	65,046,237	RMB-dominated ordinary shares	65,046,237

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 shareholders of preference shares with reinstated voting rights and their shareholdings Not applicable

Note 1: CRECG held 12,424,784,308 shares of the Company, including 12,260,390,308 A shares (including 308,880,308 shares with selling restrictions) and 164,394,000 H shares of the Company.

Note 2: H shares held by HKSCC Nominees Limited are held on behalf of its various clients, and the number of H shares held by CRECG is already deducted.

Note 3: A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of northbound investors of the Company through the Shanghai – Hong Kong Stock Connect.

Note 4: The data shown in the table is based on the register of members of the Company as at 31 March 2017.

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

Unit: '000 Currency: RMB

Item	At the end of the Reporting Period or during the Reporting Period	At the end of the previous reporting period or during the previous reporting period	Change (%)	Explanation of the change
Cash and cash equivalents	96,663,485	124,084,537	-22.10	Mainly due to the payment of construction costs and repayment of debts of the Company during the Spring Festival.
Long-term equity investments	13,198,453	11,645,053	13.34	Mainly due to the increase of external equity investments of the Company.
Bills payables	37,929,903	34,273,250	10.67	Mainly due to the repayment of parts of the Company's debts through bills by credit of the Company during the period between the New Year' Day and the Spring Festival.
Minority interests	12,532,429	8,825,387	42.00	Mainly due to the private placement of China Railway Hi-Tech Industry Corporation Limited (600528) which is the controlled listed company 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 2017

Analysis of new contracts by business segments:

Business segment	January to March 2017		Year to date		Increase/ decrease over same period last year (%)
	Number of new projects	Value of new contracts (RMB'00,000,000)	Number of new projects	Value of new contracts (RMB'00,000,000)	
Infrastructure construction	941	2,286.8	941	2,286.8	45.8
including Railway	205	279.8	205	279.8	-56.4
Highway	107	407.0	107	407.0	132.8
Municipal works and others	629	1,600.0	629	1,600.0	112.6
Among which: urban rail projects		656.2		656.2	138.1
Survey, design and consulting services		62.2		62.2	37.3
Engineering equipment and component manufacturing		66.3		66.3	24.6
Property development		80.4		80.4	86.5
Other businesses		78.9		78.9	-56.5
Total		<u>2,574.6</u>		<u>2,574.6</u>	<u>36.1</u>

Analysis of new contracts by geographical regions:

Geographical region	Value of new contracts (RMB'00,000,000)	Increase/decrease over the same period last year (%)
Domestic	2,418.8	32.5
Overseas	155.8	131.8
Total	2,574.6	36.1

Major operating information on property development:

	January to March 2017	Aggregate number for the current year	Increase/ decrease over the same period last year (%)
	Area/value	Area/value	
Newly acquired land reserve ('0,000 m ²)	0	0	N/A
Area that has commenced construction ('0,000 m ²)	63	63	20
Area that has completed construction ('0,000 m ²)	48	48	0
Contract area ('0,000 m ²)	79	79	68.1
Contract value (RMB'00,000,000)	80.4	80.4	86.5

Contract backlog

As at the end of the Reporting Period, the Company's contract backlog amounted to RMB2,149.70 billion, representing an increase of 5.49% as compared with that as at the end of last year. Among which, RMB1,771.437 billion was from infrastructure construction business segment, RMB29.655 billion was from survey, design and consulting services business segment and RMB29.138 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 (the “**Consortium**”) and General Directorate of National Roads and Motorways of Poland (“**PGDNRM**”), 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 and the subsequent periodic reports of the Company. During the Reporting Period, the progress of the above mentioned litigation is set out below:

On 25 February 2015, the Poland Warsaw District Court decided to postpone the lawsuit procedure due to the reconciliation intention of the Consortium and PGDNRM. As the extension period of the lawsuit procedure expired on 26 February 2016, PGDNRM applied to resume the lawsuit procedure. To proceed with the settlement of this case, the Consortium has made an effort to negotiate with PGDNRM and in order to avoid the negative impact of legal procedure on the process of reconciliation, the Poland Warsaw District Court again suspended the case based on the application of PGDNRM and the intention of both parties on 25 April 2016. On 25 February 2017, as the suspension of the lawsuit procedure expired, the Poland Warsaw District Court resumed the lawsuit procedure. On 24 March 2017, the Consortium, together with PGDNRM, applied to the Poland Warsaw District Court for suspension.

3.3 Unfulfilled Undertakings as Exceeding Deadlines for Performance during the Reporting Period

Applicable Not Applicable

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 2017 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

28 April 2017

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 2017

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	96,663,485	124,084,537
Financial assets measured at fair value and its changes recognised in profit or loss of current period	1,924,984	123,465
Bills receivables	7,551,501	11,771,142
Trade receivables	151,152,492	140,532,460
Advances to suppliers	46,923,313	43,531,404
Interests receivables	205,009	145,916
Dividends receivables	54,531	15,996
Other receivables	43,284,438	36,648,346
Inventories	233,270,714	224,804,401
Non-current assets due within one year	7,740,240	7,548,904
Other current assets	6,266,874	5,701,922
Total current assets	595,037,581	594,908,493
Non-current assets:		
Available-for-sale financial assets	12,886,039	12,895,809
Long-term receivables	9,759,271	9,564,799
Long-term equity investments	13,198,453	11,645,053
Investment properties	6,088,811	5,917,349
Fixed assets	49,606,289	48,765,392
Construction in progress	6,006,830	5,741,109
Materials held for construction of fixed assets	160,340	121,295
Fixed assets to be disposed of	2,873	1,633
Intangible assets	51,854,735	51,763,465
Goodwill	828,683	828,683
Long-term deferred expenses	904,290	859,277
Deferred income tax assets	5,237,620	5,257,707
Other non-current assets	6,242,665	6,239,209
Total non-current assets	162,776,899	159,600,780
Total assets	757,814,480	754,509,273

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	52,451,732	56,183,715
Deposits taken and deposits from peers	382,859	634,209
Financial liabilities measured at fair value and its changes recognised in profit or loss of current period	132,440	156,562
Bills payables	37,929,903	34,273,250
Trade payables	254,556,202	264,441,398
Advances from customers	70,623,316	67,494,240
Accrued payroll	2,456,598	2,688,403
Taxes payables	7,247,428	7,684,761
Interests payables	892,457	896,368
Dividends payables	548,675	509,648
Other payables	52,151,275	48,954,113
Non-current liabilities due within one year	18,292,809	18,212,985
Other current liabilities	4,507,965	4,474,006
Total current liabilities	502,173,659	506,603,658
Non-current liabilities:		
Long-term borrowings	58,982,321	59,038,856
Bonds payables	32,389,238	32,322,218
Long-term payables	1,493,207	1,416,490
Long-term accrued payroll	3,404,439	3,453,351
Specific payables	76,705	72,702
Accrued liabilities	330,811	334,578
Deferred income	1,026,792	1,067,604
Deferred income tax liabilities	743,511	781,940
Other non-current liabilities	484,749	258,674
Total non-current liabilities	98,931,773	98,746,413
Total liabilities	601,105,432	605,350,071

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: Perpetual notes	11,940,000	11,940,000
Capital reserve	41,449,201	41,410,961
Other comprehensive income	380,800	398,692
Specific reserve	—	—
Surplus reserve	5,434,400	5,356,153
General risk reserve	1,708,676	1,700,155
Accumulated profits	60,419,240	56,683,552
Equity attributable to equity holders of the Company	144,176,619	140,333,815
Minority interests	12,532,429	8,825,387
Total equity	156,709,048	149,159,202
Total liabilities and equity	757,814,480	754,509,273

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 2017

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	25,376,632	47,036,056
Financial assets measured at fair value and its changes recognised in profit or loss of current period	587	653
Bills receivables	2,208,253	3,878,247
Trade receivables	10,747,989	5,439,305
Advances to suppliers	1,949,909	1,087,416
Dividends receivables	908,363	960,143
Other receivables	60,268,916	51,484,969
Inventories	5,176,831	6,083,148
Non-current assets due within one year	19,682	1,327,267
Other current assets	449,202	391,182
Total current assets	107,106,364	117,688,386
Non-current assets:		
Available-for-sale financial assets	2,485,250	2,784,250
Long-term receivables	596,419	6,454,876
Long-term equity investments	98,679,739	98,084,053
Investment properties	135,054	135,969
Fixed assets	264,206	268,968
Construction in progress	21,912	1,489
Intangible assets	592,320	597,502
Long-term deferred expenses	61,227	62,213
Deferred income tax assets	10,574	10,574
Other non-current assets	–	1,457,144
Total non-current assets	102,846,701	109,857,038
Total assets	209,953,065	227,545,424

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	500,000	500,000
Bills payables	670,536	25,000
Trade payables	17,315,703	15,370,287
Advances from customers	2,249,102	3,175,593
Accrued payroll	15,848	17,862
Taxes payables	359,180	763,609
Interests payables	238,739	558,711
Dividends payables	26,655	285,167
Other payables	42,813,121	61,987,617
Non-current liabilities due within one year	–	1,549,480
Other current liabilities	156,960	91,695
Total current liabilities	64,345,844	84,325,021
Non-current liabilities:		
Long-term borrowings	2,298,860	1,767,678
Bonds payables	22,439,510	21,437,692
Long-term payables	8,154	–
Long-term accrued payroll	–	6,483
Specific payables	3,989	–
Deferred income	–	11,500
Total non-current liabilities	24,750,513	23,223,353
Total liabilities	89,096,357	107,548,374
Equity:		
Share capital	22,844,302	22,844,302
Other equity instruments	11,940,000	11,940,000
Including: Perpetual notes	11,940,000	11,940,000
Capital reserve	51,729,134	51,736,226
Other comprehensive income	–	–7,093
Specific reserve	–	–
Surplus reserve	4,684,772	4,684,772
Accumulated profits	29,658,500	28,798,843
Total equity	120,856,708	119,997,050
Total liabilities and equity	209,953,065	227,545,424

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 2017

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	134,794,785	128,090,225
Including: Revenue	133,992,358	127,336,899
Interest income	352,476	270,648
Handling fees and commission revenue	449,951	482,678
2. Total operating costs	131,125,937	125,163,987
Including: Cost of sales	122,053,559	113,967,628
Interest expenses	35,554	24,749
Business tax and surcharges	1,330,950	4,073,294
Selling expenses	719,618	589,909
Administrative expenses	5,417,712	5,153,480
Finance expenses	1,185,464	1,247,470
Impairment losses on assets	383,080	107,457
Add: Gain on fair value adjustments (loss is marked with “-”)	9,424	8,130
Investment income (loss is marked with “-”)	83,040	87,296
3. Profit from operations (loss is marked with “-”)	3,761,312	3,021,664
Add: Non-operating income	210,142	246,988
Less: Non-operating expenses	177,763	88,861
4. Profit before tax (loss is marked with “-”)	3,793,691	3,179,791
Less: Income tax expense	983,752	825,627
5. Net profit (net loss is marked with “-”)	2,809,939	2,354,164
Net profit attributable to equity holders of the Company	2,622,583	2,274,163
Minority interests	187,356	80,001

Consolidated Income Statement (Continued)

Item	Reporting Period	Reporting period of previous year
6. Other comprehensive income, net of tax	-13,840	-421,767
Other comprehensive income, net of tax attributable to shareholders of the Company	-17,892	-419,784
(1) Other comprehensive income which will not be reclassified to profit or loss in the future	-2,584	768
(i) Changes in net assets or net liabilities on remeasurement of defined benefit obligations	-2,584	768
(2) Other comprehensive income which will be reclassified to profit or loss in the future	-15,308	-420,552
(i) Profit or loss on changes in fair value of available-for-sale financial assets	35,492	-245,458
(ii) Differences on translation of financial statements prepared in foreign currencies	-50,800	-175,094
Other comprehensive income, net of tax attributable to minority interests	4,052	-1,983
7. Total comprehensive income	2,796,099	1,932,397
Total comprehensive income attributable to equity holders of the Company	2,604,691	1,854,379
Total comprehensive income attributable to minority interests	191,408	78,018
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.107	0.100
(2) Diluted earnings per share (RMB/share)	Not applicable	Not applicable

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 2017

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting Period	Reporting period of previous year
1. Revenue	8,460,015	5,339,416
Less: Cost of sales	7,890,560	5,069,950
Business tax and surcharges	1,592	40,533
Administrative expenses	59,213	63,336
Finance expenses	-252,273	46,013
Impairment losses on assets	-18,707	-327
Add: Investment income (loss is marked with “-”)	79,403	259,033
2. Profit from operations (loss is marked with “-”)	859,033	378,944
Add: Non-operating income	626	1,633
Less: Non-operating expenses	-	1
3. Profit before tax (loss is marked with “-”)	859,659	380,576
Less: Income tax expense	-	-
4. Net profit (net loss is marked with “-”)	859,659	380,576
5. Other comprehensive income, net of tax	-	-
6. Total comprehensive income	859,659	380,576

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 2017

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	161,738,456	155,417,691
Net decrease in deposits to central bank	–	307,532
Cash received from interests, handling fees and commission	802,427	750,861
Receipt of tax refund	40,647	73,866
Cash received relating to other operating activities	4,985,290	4,342,290
Sub-total of cash inflows from operating activities	167,566,820	160,892,240
Cash paid for goods and services received	162,308,061	143,381,139
Net decrease in deposits taking	251,350	1,178,106
Cash paid for interests, handling fees and commission	35,554	24,749
Cash paid to and on behalf of employees	12,458,741	11,479,082
Tax payments	7,154,865	5,012,127
Cash paid relating to other operating activities	4,598,745	2,250,935
Sub-total of cash outflows from operating activities	186,807,316	163,326,138
Net cash flow from operating activities	–19,240,496	–2,433,898

Consolidated Cash Flow Statement (Continued)

Item	Reporting Period	Reporting period of previous year
2. Cash flow from investing activities:		
Cash received from disposal of investments	2,158,976	1,610,680
Cash received from return on investments	61,523	82,414
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	45,879	13,247
Cash received relating to other investing activities	2,179,542	1,278,804
Sub-total of cash inflows from investing activities	4,445,920	2,985,145
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	4,567,254	4,593,159
Cash paid for acquisitions of investments	4,170,875	4,070,444
Net cash payments for acquisition of subsidiaries or other operating business divisions	2,710	10,000
Sub-total of cash outflows from investing activities	8,740,839	8,673,603
Net cash flow from investing activities	-4,294,919	-5,688,458
3. Cash flow from financing activities:		
Cash received from investors	6,021,758	275,000
Including: Cash received by subsidiaries for investment by minority shareholders	6,021,758	275,000
Cash received from borrowings	31,401,879	27,446,182
Cash received from bond issuance	-	4,151,235
Cash received relating to other financing activities	76,125	-
Sub-total of cash inflows from financing activities	37,499,762	31,872,417
Cash paid for repayment of borrowings	40,831,345	39,894,793
Cash paid for dividends, profit distribution or interest payment	563,925	915,579
Sub-total of cash outflows from financing activities	41,395,270	40,810,372
Net cash flow from financing activities	-3,895,508	-8,937,955
4. Effect of foreign exchange rate changes on cash and cash equivalents	9,871	-22,933

Consolidated Cash Flow Statement (Continued)

Item	Reporting Period	Reporting period of previous year
5. Net increase in cash and cash equivalents	-27,421,052	-17,083,244
Add: Balances of cash and cash equivalents at the beginning of the period	114,830,435	93,303,739
6. Balances of cash and cash equivalents at the end of the period	87,409,383	76,220,495

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 2017

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	9,808,110	10,811,895
Cash received from tax refund	1,058	–
Cash received relating to other operating activities	1,995,142	10,273,552
Sub-total of cash inflows from operating activities	11,804,310	21,085,447
Cash paid for goods and services received	10,363,597	12,211,495
Cash paid to and on behalf of employees	46,130	55,130
Tax payments	19,949	122,445
Cash paid relating to other operating activities	27,005,749	24,986,337
Sub-total of cash outflows from operating activities	37,435,425	37,375,407
Net cash flow from operating activities	–25,631,115	–16,289,960
2. Cash flow from investing activities:		
Cash received from disposal of investments	7,031,000	591,637
Cash received from return on investments	65,253	52,840
Sub-total of cash inflows from investing activities	7,096,253	644,477
Cash paid for acquisitions of fixed assets, intangible assets and other long-term assets	–	7,136
Cash paid for acquisitions of investments	2,516,000	4,042,292
Cash paid relating to other investing activities	–	1,330,000
Sub-total of cash outflows from investing activities	2,516,000	5,379,428
Net cash flow from investing activities	4,580,253	–4,734,951

Company Cash Flow Statement (Continued)

Item	Reporting Period	Reporting period of previous year
3. Cash flow from financing activities:		
Cash received from borrowings	–	4,250,000
Sub-total of cash inflows from financing activities	–	4,250,000
Cash paid for repayment of borrowings	10,000	4,301,000
Cash paid for dividends, profit distribution or interest payment	593,619	689,737
Cash paid relating to other financing activities	692	200
Sub-total of cash outflows from financing activities	604,311	4,990,937
Net cash flow from financing activities	–604,311	–740,937
4. Effect of foreign exchange rate changes on cash and cash equivalents	–4,251	–380
5. Net increase in cash and cash equivalents	–21,659,424	–21,766,228
Add: Balances of cash and cash equivalents at the beginning of the period	47,036,056	40,286,378
6. Balance of cash and cash equivalents at the end of the period	25,376,632	18,520,150

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