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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 THIRD QUARTER ENDED 30 SEPTEMBER 2016**

The Board of Directors of China Railway Group Limited (the “**Company**”) announces the unaudited results (the “**Third Quarterly Results**”) of the Company and its subsidiaries for the third quarter ended 30 September 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 and have reviewed the 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 third 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

Unit: '000 Currency: RMB

	At the end of the Reporting Period	At the end of the previous year	Change compared with previous year (%)
Total assets	735,583,727	713,667,705	3.07
Net assets attributable to the equity holders of the Company	137,516,184	130,586,987	5.31
	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the previous reporting period (January to September)	Change compared with the same period of previous year (%)
Net cash generated from operating activities	148,632	-9,716,985	N/A

	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the previous reporting period (January to September)	Change compared with the same period of previous year (%)
Revenue	441,755,675	430,183,900	2.69
Net profit attributable to the equity holders of the Company	9,245,403	7,908,431	16.91
Net profit attributable to equity holders of the Company excluding non-recurring gains and losses	8,845,179	7,407,255	19.41
Weighted average net assets yield (%)	7.56	7.15	Increased by 0.41 percentage point
Basic earnings per share (RMB/share)	0.390	0.344	13.37
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 (July to September)	From the beginning of the year to the end of the Reporting Period (January to September)
Gains or losses from the disposal of non-current assets	27,805	7,458
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	40,541	300,602
Fund usage fees received from non-financial enterprises as included in profit and loss of current period	6,109	83,256
Debt restructuring gains or losses	0	73,491
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	-6,940	47,381
Other net non-operating income and expenditure	23,295	-131,463
Other non-recurring profit and loss items	137,178	153,284
Impact of income tax	-76,031	-133,502
Impact of minority interests (after tax)	2,444	-283
Total	154,401	400,224

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 781,521

Shareholdings of top ten shareholders

Name of shareholder (full name)	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)	4,003,632,909	17.53	0	Unknown	0	Other
China Securities Finance Corporation Limited	699,388,268	3.06	0	None	0	Other
Ping An UOB Fund – Ping An Bank – China Universal Asset Management Co., Ltd.	643,500,643	2.82	0	None	0	Other
Central Huijin Asset Management Ltd.	235,455,300	1.03	0	None	0	Other
Beijing Zhong Shang Rong Sheng Trading Company Limited	141,570,141	0.62	0	None	0	Other
Xinyu City Zhongqing Brothers Investment Institution (LP) (Note 3)	141,570,141	0.62	0	None	0	Other
China Merchants Wealth – China Merchant Bank – Guo Xin Financial Holding No.1 Specific Asset Management Plan	137,323,037	0.60	0	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)	65,074,225	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	4,003,632,909	Overseas listed foreign shares	4,003,632,909
China Securities Finance Corporation Limited	699,388,268	RMB-dominated ordinary shares	699,388,268
Ping An UOB Fund – Ping An Bank – China Universal Asset Management Co., Ltd.	643,500,643	RMB-dominated ordinary shares	643,500,643
Central Huijin Asset Management Ltd.	235,455,300	RMB-dominated ordinary shares	235,455,300
Beijing Zhong Shang Rong Sheng Trading Company Limited	141,570,141	RMB-dominated ordinary shares	141,570,141
Xinyu City Zhongqing Brothers Investment Institution (LP)	141,570,141	RMB-dominated ordinary shares	141,570,141
China Merchants Wealth – China Merchant Bank – Guo Xin Financial Holding No.1 Specific Asset	137,323,037	RMB-dominated ordinary shares	137,323,037
Huaxia Life Insurance Co., Limited – Universal Insurance Products	124,721,939	RMB-dominated ordinary shares	124,721,939
Hong Kong Securities Clearing Company Limited	65,074,225	RMB-dominated ordinary shares	65,074,225

**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 restored voting rights
and respective shareholdings**

Not applicable

Note 1: 12,424,784,308 shares of the Company held by CRECG include 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, deducted by the number of H Shares held by CRECG, 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 as at 30 September 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	88,467,954	100,717,851	-12.16	Mainly due to the net cash outflow from investing activities and financing activities.
Trade receivables	160,435,150	131,660,359	21.86	Mainly due to the increase of receivables from construction projects and undue retention money.
Advances from customers	76,235,992	69,636,892	9.48	Mainly due to the increase of advances from sale of properties, projects and material procurement.
Selling expenses	1,803,832	1,503,780	19.95	Mainly due to the increase of marketing effort on real estate business.

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

✓ Applicable □ Not Applicable

3.2.1 Analysis of the Company's Operating Information for the First Three Quarters of 2016

New Contracts:

Business segment	July to September 2016		Aggregate for the current year (January to September)		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	1,017	2,762.8	2,616	6,348.8	42.7%
including Railway	345	1,310.1	840	2,321.7	54.2%
Highway	92	316.9	236	763.3	13.3%
Municipal works and others	580	1,135.8	1,540	3,263.8	43.8%
Among which: urban railway projects	–	–	–	1,504.5	120.3%
Survey, design and consulting services	N/A	49.5	N/A	119.6	2.5%
Engineering equipment and component manufacturing	N/A	71.3	N/A	185	–1.8%
Property development	N/A	61.3	N/A	195.5	3%
Other businesses	N/A	<u>139.9</u>	N/A	<u>413.4</u>	–27.8%
Total		<u>3,084.8</u>		<u>7,262.3</u>	<u>31.7%</u>

Divided by region, the value of new domestic contracts is RMB647 billion, representing an increase of 29.5% over the same period last year, and the value of new overseas contracts is RMB79.23 billion, representing an increase 118.7% over the same period last year.

Contract backlog:

As at the end of the Reporting Period, the Company's contract backlog amounted to RMB1,890.4 billion, representing an increase of 4.9% as compared with that as at the end of last year, among which RMB1,582.7 billion was from infrastructure construction business, which represents an increase of 8.9% as compared with that as at the end of last year; RMB26.93 billion was from survey, design and consulting services business, which represents an increase of 12.2% as compared with that as at the end of last year and RMB29.29 billion was from engineering equipment and component manufacturing business, which represents an increase of 18.5% as compared with that as at the end of last year.

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. 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. During the Reporting Period, 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.

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	Contents of undertakings	Date and duration of undertakings	Whether there is a deadline for performance	Whether timely and strictly performed?
IPO-related undertakings	Resolution to horizontal 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	Contents of undertakings	Date and duration of undertakings	Whether there is a deadline for performance	Whether timely and strictly performed?
Undertakings relevant 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 CSRC.	Long term	No	Yes
Other undertakings	Restrictions on share transfer	CRECG	The 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 reconstructing of its subsidiary China Railway Erju, please refer to the Report on Connected Transactions of Material Asset Swap and Issuance of Shares to Purchase Assets and Raise Supporting Funds (Draft) 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. At present, the Company strictly performed the relevant undertakings.

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 THIRD 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 third 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

28 October 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

30 September 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	88,467,954	100,717,851
Financial assets measured at fair value and its changes recognised in profit and loss of current period	63,297	144,232
Bills receivables	1,886,947	1,971,146
Trade receivables	160,435,150	131,660,359
Advances to suppliers	32,853,521	32,453,080
Interests receivables	147,021	325,807
Dividends receivables	87,594	55,664
Other receivables	40,907,838	37,120,053
Inventories	244,545,762	246,758,108
Non-current assets due within one year	7,676,748	12,541,214
Other current assets	1,875,447	1,662,171
Total current assets	578,947,279	565,409,685
Non-current assets:		
Available-for-sale financial assets	9,325,369	8,350,638
Long-term receivables	13,482,579	11,671,474
Long-term equity investments	8,996,523	8,052,872
Investment properties	4,501,533	4,756,123
Fixed assets	47,136,929	44,868,569
Construction in progress	5,626,005	6,838,491
Materials held for construction of fixed assets	138,512	221,825
Fixed assets to be disposed of	4,491	1,680
Intangible assets	51,907,176	50,836,364
Goodwill	828,683	828,683
Long-term deferred expenses	846,740	848,570
Deferred income tax assets	4,921,436	4,366,553
Other non-current assets	8,920,472	6,616,178
Total non-current assets	156,636,448	148,258,020
Total assets	735,583,727	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	55,169,848	55,478,008
Deposits taking and deposits from peers	2,112,153	2,118,230
Financial liabilities measured at fair value and its changes recognised in profit and loss of current period	117,364	185,401
Bills payables	26,254,793	22,460,054
Trade payables	250,636,748	236,419,392
Advances from customers	76,235,992	69,636,892
Accrued payroll	2,614,105	2,877,886
Taxes payables	4,768,092	14,613,185
Interests payables	1,038,359	1,208,001
Dividends payables	297,573	365,210
Other payables	42,341,110	40,180,440
Non-current liabilities due within one year	19,214,381	21,864,702
Other current liabilities	962,692	3,039,856
Total current liabilities	481,763,210	470,447,257
Non-current liabilities:		
Long-term borrowings	59,952,499	63,580,588
Bonds payables	34,397,288	30,167,377
Long-term payables	6,227,036	3,425,903
Long-term accrued payroll	3,596,532	3,779,130
Specific accounts payable	47,486	47,486
Accrued liabilities	544,775	247,811
Deferred income	1,355,208	1,489,023
Deferred income tax liabilities	841,647	919,974
Other non-current liabilities	548,492	162,028
Total non-current liabilities	107,510,963	103,819,320
Total liabilities	589,274,173	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	41,754,319	41,754,319
Less: Treasury shares		
Other comprehensive income	244,381	65,894
Specific reserve	0	0
Surplus reserve	4,173,136	4,173,136
General risk reserve	1,224,588	1,200,681
Accumulated profits	55,335,458	48,608,655
Equity attributable to equity holders of the Company	137,516,184	130,586,987
Minority interests	8,793,370	8,814,141
Total equity	146,309,554	139,401,128
Total liabilities and equity	735,583,727	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
30 September 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	25,870,028	40,286,378
Financial assets measured at fair value and its changes recognised in profit and loss of current period	726	966
Trade receivables	11,802,992	9,950,682
Advances to suppliers	2,136,274	1,098,485
Dividends receivables	355,284	73,064
Other receivables	46,689,822	46,608,943
Inventories	2,628,503	3,379,833
Non-current assets due within one year	3,079,315	6,634,275
Total current assets	92,562,944	108,032,626
Non-current assets:		
Available-for-sale financial assets	2,784,250	2,884,250
Long-term receivables	9,423,774	10,324,755
Long-term equity investments	96,756,344	84,784,346
Investment properties	136,884	139,629
Fixed assets	262,961	277,664
Construction in progress	18,003	1,605
Intangible assets	595,289	610,651
Long-term deferred expenses	5,541	257
Deferred income tax assets	19,313	21,288
Other non-current assets	3,594,942	9,948
Total non-current assets	113,597,301	99,054,393
Total assets	206,160,245	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		1,266,238
Trade payables	14,446,774	15,291,624
Advances from customers	3,758,052	2,891,949
Accrued payroll	10,453	13,948
Taxes payables	605,147	773,342
Interests payables	828,279	666,486
Dividends payables	94,167	207,167
Other payables	39,447,754	48,533,744
Classified as held-for-trading liabilities		
Non-current liabilities due within one year	526,968	456,158
Other current liabilities	1,000,000	
Total current liabilities	60,717,594	70,100,656
Non-current liabilities:		
Long-term borrowings	1,756,944	1,757,345
Bonds payables	24,773,728	23,950,177
Long-term accrued payroll	7,454	10,582
Deferred income	4,310	4,310
Total non-current liabilities	26,542,436	25,722,414
Total liabilities	87,260,030	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	-6,583	-6,598
Specific reserve	0	0
Surplus reserve	3,501,755	3,501,755
Accumulated profits	28,539,716	20,903,465
Total equity	118,900,215	111,263,949
Total liabilities and equity	206,160,245	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-September 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting Period (July- September)	Reporting period of previous year (July- September)	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
1. Total operating revenue	170,702,306	157,370,869	444,286,428	432,152,756
Including: Revenue	170,033,558	156,810,445	441,755,675	430,183,900
Interest income	298,037	71,060	695,809	376,647
Handling fees and commission revenue	370,711	489,364	1,834,944	1,592,209
2. Total operating costs	165,325,188	153,395,986	431,686,253	422,120,604
Including: Cost of sales	154,320,448	140,248,503	401,913,174	384,477,158
Interest expenses	29,390	23,899	77,186	45,728
Business tax and surcharges	1,505,897	4,683,990	5,390,767	13,121,658
Selling expenses	662,564	533,192	1,803,832	1,503,780
Administrative expenses	7,305,011	6,220,685	18,441,163	17,134,479
Finance expenses	1,249,780	1,208,225	2,455,278	3,453,350
Impairment losses on assets	252,098	477,492	1,604,853	2,384,451
Add: Gain on fair value adjustments (loss is marked with “-”)	-71,313	-55,732	-24,642	-48,205
Investment income (loss is marked with “-”)	135,559	228,128	303,520	590,067
3. Profit from operations (loss is marked with “-”)	5,441,364	4,147,279	12,879,053	10,574,014
Add: Non-operating income	113,312	261,763	729,651	592,593
Less: Non-operating expenses	51,114	52,053	509,006	311,094
4. Profit before tax (loss is marked with “-”)	5,503,562	4,356,989	13,099,698	10,855,513
Less: Income tax	1,572,229	1,189,693	3,774,067	3,283,196

Consolidated Income Statement (Continued)

Item	Reporting Period (July- September)	Reporting period of previous year (July- September)	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
5. Net profit (net loss is marked with “-”)	3,931,333	3,167,296	9,325,631	7,572,317
Net profit attributable to equity holders of the Company	3,782,790	3,104,082	9,245,403	7,908,431
Minority interests	148,543	63,214	80,228	-336,114
6. Other comprehensive income, net of tax	195,976	-306,258	186,827	-355,809
Other comprehensive income, net of tax attributable to shareholders of the Company	194,751	-319,738	178,487	-371,706
(1) Other comprehensive income which will not be reclassified to profit or loss in the future	48	3,379	158	-57,006
(i) Changes in net assets or net liabilities on remeasurement of defined benefit obligations	48	3,379	158	-57,006
(2) Other comprehensive income which will be reclassified to profit or loss in the future	194,703	-323,117	178,329	-314,700
(i) Share of other comprehensive income, which will be reclassified to profit or loss in the future, of the investee under the equity method	0	0	0	3,242
(ii) Profit or loss on changes in fair value of available-for-sale financial assets	27,918	-332,250	-155,656	-177,649
(iii) Profit or loss on reclassification from held-to-maturity investment to available-for-sale financial asset	0	0	0	0
(iv) Effective portion of profit or loss on cash flow hedge	0	0	0	0

Consolidated Income Statement (Continued)

Item	Reporting Period (July- September)	Reporting period of previous year (July- September)	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
(v) Differences on translation of financial statements prepared in foreign currencies	166,785	9,305	328,995	-137,506
(vi) Others	0	-172	4,990	-2,787
Other comprehensive income, net of tax attributable to minority interests	1,225	13,480	8,340	15,897
7. Total comprehensive income	4,127,309	2,861,038	9,512,458	7,216,508
Total comprehensive income attributable to equity holders of the Company	3,977,541	2,784,344	9,423,890	7,536,725
Total comprehensive income attributable to minority interests	149,768	76,694	88,568	-320,217
8. Earnings per share:				
(1) Basic earnings per share (RMB/ share)	0.166	0.129	0.390	0.344

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-September 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting Period (July- September)	Reporting period of previous year (July- September)	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
1. Revenue	9,104,985	14,241,278	25,690,955	28,599,624
Less: Cost of sales	8,526,304	13,367,547	24,076,993	26,614,069
Business tax and surcharges	13,540	34,497	103,434	75,431
Selling expenses	0	0		
Administrative expenses	62,220	67,146	205,326	197,532
Finance expenses	11,862	10,206	-109,637	-434,110
Impairment losses on assets	-25,841	85	-26,798	3,027
Add: Gain on fair value adjustments (loss is marked with “-”)	0	-17,700		
Investment income (loss is marked with “-”)	8,180,707	23,583	9,255,752	6,394,048
Including: Shares of results of jointly controlled entities and associates	2,300	4,000	80,062	67,711
2. Profit from operations (loss is marked with “-”)	8,697,607	767,680	10,697,389	8,537,723
Add: Non-operating income	6,660	3,002	31,105	11,319
Including: Gain on disposal of non-current assets	0	0	7	0
Less: Non-operating expenses	93	30	96	106
Including: Loss on disposal of non-current assets	6	0	7	68
3. Profit before tax (loss is marked with “-”)	8,704,174	770,652	10,728,398	8,548,936
Less: Income tax	190,916	172,903	564,232	538,722
4. Net profit (net loss is marked with “-”)	8,513,258	597,749	10,164,166	8,010,214

Company Income Statement (Continued)

Item	Reporting Period (July- September)	Reporting period of previous year (July- September)	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
5. Other comprehensive income, net of tax	0	-90	15	-270
(1) Other comprehensive income which will not be reclassified to profit or loss in the future	0	-90	15	-270
(i) Changes in net assets or net liabilities on remeasurement of defined benefit obligations	0	-90	15	-270
(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	0	0		
(2) Other comprehensive income which will be reclassified to profit or loss in the future	0	0		
(i) Share of other comprehensive income, which will be reclassified to profit or loss in the future, of the investee under the equity method	0	0		
(ii) Profit or loss on changes in fair value of available-for-sale financial assets	0	0		
(iii) Profit or loss on reclassification from held-to-maturity investment to available- for-sale financial asset	0	0		

Company Income Statement (Continued)

Item	Reporting Period (July- September)	Reporting period of previous year (July- September)	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
(iv) Effective portion of profit or loss on cash flow hedge	0	0		
(v) Differences on translation of financial statements prepared in foreign currencies	0	0		
(vi) Others	0	0		
6. Total comprehensive income	8,513,258	597,659	10,164,181	8,009,944

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 – September 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
1. Cash flow from operating activities:		
Cash received from sales of goods and services rendered	444,337,193	421,708,818
Net increase in deposits taking and deposits from peers	0	723,528
Net increase in deposits from central bank	218,558	403,818
Net decrease in advances and loans from customers	500,000	0
Cash received from interests, handling fees and commission	2,231,861	2,468,856
Receipt of tax refund	261,646	320,765
Cash received relating to other operating activities	5,024,556	19,972,808
Sub-total of cash inflows from operating activities	452,573,814	445,598,593
Cash paid for purchase of goods and services received	388,498,624	398,755,257
Net decrease in deposits taking	6,077	0
Net increase in advances and loans from customers	0	387,554
Cash paid for interests, handling fees and commission	50,374	49,728
Cash paid to and on behalf of employees	32,094,551	28,575,540
Tax payments	21,877,091	18,445,166
Cash paid relating to other operating activities	9,898,465	9,102,333
Sub-total of cash outflows from operating activities	452,425,182	455,315,578
Net cash flow from operating activities	148,632	-9,716,985

Consolidated Cash Flow Statement (Continued)

Item	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
2. Cash flow from investing activities:		
Cash received from disposal of investments	14,604,036	11,984,013
Cash received from return on investments	986,722	942,729
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	410,584	203,558
Net cash received from disposal of subsidiaries or other operating business divisions		14,442
Cash received relating to other investing activities	50,901	120,560
Sub-total of cash inflows from investing activities	16,052,243	13,265,302
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	5,395,643	5,141,879
Cash paid for acquisition of investments	13,233,114	10,698,279
Net increase in secured loans		
Net cash payments for acquisition of subsidiaries or other operating business divisions	659	112,757
Net cash paid for disposal of subsidiaries	90,063	0
Cash paid relating to other investing activities		
Sub-total of cash outflows from investing activities	18,719,479	15,952,915
Net cash flow from investing activities	-2,667,236	-2,687,613

Consolidated Cash Flow Statement (Continued)

Item	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
3. Cash flow from financing activities:		
Cash received from investors	228,625	21,002,409
Including: Cash received by subsidiaries for investment by minority shareholders	228,625	91,068
Cash received from borrowings	62,909,716	98,843,496
Cash received from bond issuance	8,452,318	3,391,000
Cash received relating to other financing activities	0	1,016,303
Sub-total of cash inflows from financing activities	71,590,659	124,253,208
Cash paid for repayment of borrowings	72,547,400	88,116,524
Cash paid for dividends, profit distribution or interest payment	7,919,007	10,117,180
Including: Dividends and profits paid to minority shareholders by subsidiaries	192,333	149,700
Cash paid relating to other financing activities	547,563	506,554
Sub-total of cash outflows from financing activities	81,013,970	98,740,258
Net cash flow from financing activities	-9,423,311	25,512,950
4. Effect of foreign exchange rate changes on cash and cash equivalents	53,522	119,797
5. Net increase in cash and cash equivalents	-11,888,393	13,228,149
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	81,415,346	81,907,035

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 – September 2016

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
1. Cash flow from operating activities:		
Cash received from sales of goods and services rendered	24,051,183	27,944,362
Receipt of tax refund		623
Cash received relating to other operating activities	196,390	833,988
Sub-total of cash inflows from operating activities	24,247,573	28,778,973
Cash paid for purchase of goods and services received	24,032,607	25,258,378
Cash paid to and on behalf of employees	166,040	162,044
Tax payments	1,488,161	745,575
Cash paid relating to other operating activities	598,513	2,999,119
Sub-total of cash outflows from operating activities	26,285,321	29,165,116
Net cash flow from operating activities	-2,037,748	-386,143

Company Cash Flow Statement (Continued)

Item	From the beginning of the current year to the end of the Reporting Period (January- September)	From the beginning to the end of the reporting period of previous year (January- September)
2. Cash flow from investing activities:		
Cash received from disposal of investments	17,725,326	8,495,127
Cash received from return on investments	8,837,674	8,742,882
Net cash received from disposal of fixed assets, intangible assets and other long- term assets	60	115
Net cash received from disposal of subsidiaries or other operating business divisions	0	0
Cash received relating to other investing activities	0	0
Sub-total of cash inflows from investing activities	26,563,060	17,238,124
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	18,200	7,569
Cash paid for acquisition of investments	20,907,803	17,419,804
Net cash paid for acquisition of subsidiaries or other operating business divisions	0	0
Cash paid relating to other investing activities	150,887	4,903,712
Sub-total of cash outflows from investing activities	21,076,890	22,331,085
Net cash flow from investing activities	5,486,170	-5,092,961

Company Cash Flow Statement (Continued)

Item	From the beginning of the current year to the end of the Reporting Period (January-September)	From the beginning to the end of the reporting period of previous year (January-September)
3. Cash flow from financing activities:		
Cash received from investors	0	20,849,400
Cash received from borrowings	5,750,000	9,205,880
Cash received relating to other financing activities	5,144,712	0
Sub-total of cash inflows from financing activities	10,894,712	30,055,280
Cash paid for repayment of borrowings	26,217,274	17,536,480
Cash paid for dividends, profit distribution or interest payment	2,527,915	2,690,283
Cash paid relating to other financing activities	7,676	20,000
Sub-total of cash outflows from financing activities	28,752,865	20,246,763
Net cash flow from financing activities	-17,858,153	9,808,517
4. Effect of foreign exchange rate changes on cash and cash equivalents	-6,619	16,569
5. Net increase in cash and cash equivalents	-14,416,350	4,345,982
Add: Balances of cash and cash equivalents at the beginning of the period	40,286,378	16,476,455
6. Balance of cash and cash equivalents at the end of the period	25,870,028	20,822,437

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