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)

2013 Interim Results Announcement

The Board of Directors of China Railway Group Limited (the "**Company**" or "**China Railway**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2013. The Board of Directors and the Audit Committee of the Board of Directors of the Company have reviewed and confirmed the unaudited interim results.

1 CORPORATE INFORMATION

1.1 Basic Information

Stock Name:	China Railway (A Shares)	China Railway (H Shares)
Stock Code:	601390	00390
Stock exchange on which shares are listed:	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited
Registered address:	No. 1, Xinghuo Road, Fengtai District, Beijing, People's Republic of China	
Postal Code:	100070	
Website:	www.crec.cn	
E-mail:	ir@crec.cn	

1.2 Contact Details

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2 FINANCIAL HIGHLIGHTS

2.1 Key Accounting Data Prepared in accordance with International Financial Reporting Standard ("IFRS")

2.1.1 Summary of consolidated statement of profit or loss and other comprehensive income

	For the six months ended 30 June					Change
	2013	2012 (Restated)	2011 (Restated)	2010 (Restated)	2009 (Restated)	2013 vs 2012
	RMB million					*(%)*
Revenue						
Infrastructure Construction	**204,450**	164,235	192,556	170,213	133,201	24.5
Survey, Design and Consulting Services	**4,226**	4,106	4,484	4,283	3,197	2.9
Engineering Equipment and Component Manufacturing	**6,316**	4,900	6,029	5,876	5,248	28.9
Property Development	**7,579**	4,227	4,487	4,334	1,688	79.3
Other Businesses	**30,276**	23,871	19,002	12,283	7,106	26.8
Inter-segment Eliminations and Adjustments	**(13,891)**	(10,424)	(11,987)	(8,395)	(8,092)	
Total	**238,956**	190,915	214,571	188,594	142,348	25.2
Gross Profit	**16,676**	14,103	13,041	11,980	9,030	18.2
Profit before Tax	**5,277**	3,655	3,602	4,446	4,045	44.4
Profit for the Period	**3,682**	2,540	2,727	3,463	3,196	45.0
Profit for the Period Attributable to Owners of the Company	**3,488**	2,390	2,477	3,195	3,061	45.9
Basic Earnings per Share (RMB)	**0.164**	0.112	0.117	0.152	0.146	46.4

2.1.2 Summary of consolidated statement of financial position

		As at		Change	
				30 June 2013 vs	30 June 2013 vs
	30 June 2013	31 December 2012 (Restated)	30 June 2012 (Restated)	31 December 2012	30 June 2012
		RMB million		*(%)*	*(%)*
Assets					
Current Assets	**484,383**	434,855	391,055	11.4	23.9
Non-current Assets	**121,131**	115,806	110,457	4.6	9.7
Total Assets	**605,514**	550,661	501,512	10.0	20.7
Liabilities					
Current Liabilities	**403,975**	366,119	323,920	10.3	24.7
Non-current Liabilities	**111,205**	96,552	95,570	15.2	16.4
Total Liabilities	**515,180**	462,671	419,490	11.3	22.8
Total Equity	**90,334**	87,990	82,022	2.7	10.1
Total Equity and Liabilities	**605,514**	550,661	501,512	10.0	20.7

Note: In the current interim period, the Group has applied IAS 19 Employee Benefits (as revised in 2011) for the first time and restated the comparative amounts on a retrospective basis.

2.2 Differences between Financial Statements Prepared in accordance with IFRS and Chinese Accounting Standard ("CAS")

	Net assets attributable to owners of the Company as at 30 June 2013 *RMB million*	**Profit for the period attributable to owners of the Company for the six months ended 30 June 2013** *RMB million*
Amount stated in the financial statements prepared in accordance with CAS		
Adjustments as required by IFRS:	80,056	3,488
– Recognition of loss on shares conversion scheme of a subsidiary	(170)	–
Amount started in the financial statements prepared in accordance with the IFRS	79,886	3,488

3 CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

3.1 Changes in Share Capital

During the reporting period, there was no change in share capital and shareholding structure of the Company.

	Before movement		Increase/decrease (+/–)					After movement	
	Number of Shares	Percentage (%)	New issue	Bonus issue	Conversion from reserves	Others	Sub-total	Number of Shares	Percentage (%)
(1) Shares with selling restrictions	467,500,000	2.20	0	0	0	0	0	467,500,000	2.20
1. State-owned shares	0	0	0	0	0	0	0	0	0
2. Shares held by state-owned legal persons	0	0	0	0	0	0	0	0	0
3. Shares held by other domestic investors	467,500,000	2.20	0	0	0	0	0	467,500,000	2.20
Of which:									
Shares held by domestic non-state-owned legal person	467,500,000	2.20	0	0	0	0	0	467,500,000	2.20
Shares held by domestic natural persons	0	0	0	0	0	0	0	0	0
4. Shares held by foreign investors	0	0	0	0	0	0	0	0	0
Of which:									
Shares held by foreign legal persons	0	0	0	0	0	0	0	0	0
Shares held by foreign natural persons	0	0	0	0	0	0	0	0	0
(2) Tradable shares without selling restrictions	20,832,400,000	97.80	0	0	0	0	0	20,832,400,000	97.80
1. RMB-denominated ordinary shares	16,625,010,000	78.05	0	0	0	0	0	16,625,010,000	78.05
2. Domestic listed foreign shares	0	0	0	0	0	0	0	0	0
3. Overseas listed foreign shares	4,207,390,000	19.75	0	0	0	0	0	4,207,390,000	19.75
4. Others	0	0	0	0	0	0	0	0	0
(3) Total	21,299,900,000	100	0	0	0	0	0	21,299,900,000	100

3.2 Information on Shareholders and the Ultimate Controller

3.2.1 Number of shareholders and their shareholdings

As at 30 June 2013, the Company had a total of 695,783 shareholders. Based on the information that is available to the Company and within the knowledge of the directors of the Company, the Company has maintained sufficient public float which is in compliance with the requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

3.2.2 Shareholdings of the top ten shareholders

Unit: Shares

No	Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total number of shares held	Increase/ decrease during the reporting period	Number of shares with selling restrictions	Number of pledged or frozen shares State of shares	Number of pledged or frozen shares Quantity
1	China Railway Engineering Corporation ("**CRECG**")	State-owned	56.10%	11,950,010,000	0	0	Nil	0
2	HKSCC Nominees Limited *(Note 1)*	Other	19.45%	4,141,923,949	+1,545,393	0	Unknown	0
3	No.3 Transfer Account of National Council for Social Security Fund	Other	2.19%	467,500,000	0	467,500,000	Nil	0
4	Bank of China – Harvest SSE-SZSE 300 Index Securities Investment Fund	Other	0.15%	31,130,671	−9,509,829	0	Pledged/Frozen	27,600
5	China Construction Bank Co., Ltd. – Boshi Yufu CSI 300 Index Securities Investment Fund	Other	0.12%	26,294,456	−10,627,799	0	Nil	0
6	Bill & Melinda Gates Foundation Trust	Other	0.12%	25,000,090	0	0	Nil	0
7	Chongqing International Trust Co., Ltd – Series Rongxintong Stand-Alone Trust No.10	Other	0.12%	24,786,643	+24,786,643	0	Nil	0
8	Dalian Huaxin Trust Co., Ltd.	Other	0.11%	24,325,586	+24,325,586	0	Nil	0
9	ICBC – ChinaAMC SSE-SZSE 300 Index Securities Investment Fund	Other	0.10%	22,301,938	+1,591,688	0	Nil	0
10	Taikang Life Insurance Co. – Dividend – Individual Dividend – 019L – FH002 Shanghai	Other	0.10%	22,265,870	−35,228,933	0	Nil	0

Statement on the connected relations and concerted actions between the shareholders above	CRECG, the controlling shareholder, does not have connected relations or perform concerted actions with the above other 9 shareholders. The Company is not aware of any connected relationships or concerted action relationships between the above shareholders.

Note 1: H Shares held by HKSCC Nominees Limited are held on behalf of its various clients.

Note 2: The numbers shown in the table are based on the register of members of the Company as at 30 June 2013.

3.2.3 Shareholdings of the top ten shareholders without selling restrictions

Unit: Shares

No.	Name of shareholder	Number of shares held without selling restrictions	Type and quantity of shares Type	Quantity
1	CRECG	11,950,010,000	RMB-denominated ordinary shares	11,950,010,000
2	HKSCC Nominees Limited *(Note 1)*	4,141,923,949	Overseas listed foreign shares	4,141,923,949
3	Bank of China – Harvest SSE-SZSE 300 Index Securities Investment Fund	31,130,671	RMB-denominated ordinary shares	31,130,671
4	China Construction Bank Co., Ltd. – Boshi Yufu CSI 300 Index Securities Investment Fund	26,294,456	RMB-denominated ordinary shares	26,294,456
5	Bill & Melinda Gates Foundation Trust	25,000,090	RMB-denominated ordinary shares	25,000,090
6	Chongqing International Trust Co., Ltd – Series Rongxintong Stand-Alone Trust No.10	24,786,643	RMB-denominated ordinary shares	24,786,643
7	Dalian Huaxin Trust Co., Ltd.	24,325,586	RMB-denominated ordinary shares	24,325,586
8	ICBC – ChinaAMC SSE-SZSE 300 Index Securities Investment Fund	22,301,938	RMB-denominated ordinary shares	22,301,938
9	Taikang Life Insurance Co. – Dividend – Individual Dividend – 019L – FH002 Shanghai	22,265,870	RMB-denominated ordinary shares	22,265,870
10	ICBC – ChinaAMC SSE-SZSE 300 Index Securities Investment Fund	20,337,500	RMB-denominated ordinary shares	20,337,500

Statement on the connected relations and concerted actions between the shareholders above	CRECG, the controlling shareholder, does not have connected relations or perform concerted actions with the above other 9 shareholders. The Company is not aware of any connected relationships or concerted action relationships between the above shareholders.

Note 1: H Shares held by HKSCC Nominees Limited are held on behalf of its various clients.

Note 2: The numbers shown in the table are based on the register of members of the Company as at 30 June 2013.

3.2.4 Number of shares held by and selling restrictions of the top ten shareholders with selling restrictions

Unit: Shares

No.	Name of shareholder with selling restrictions	Number of shares held with selling restrictions	Details of approved tradable shares with selling restrictions: Trading commencement date	Details of approved tradable shares with selling restrictions: Additional number of approved tradable shares	Selling restrictions
1	No.3 Transfer Account of National Council for Social Security Fund	467,500,000	3 December 2013	–	Extend the lock-up period for a further three years from the expiry of the statutory and voluntarily promised lock-up periods of the previous state-owned shareholder that it takes over

Statement on the connected relations and concerted actions between the shareholders above	Nil

3.2.5 Strategic investors or general legal persons becoming the top ten shareholders by placing of new shares

No strategic investor or general legal person becomes the top ten shareholders by placing of new shares during the reporting period.

3.2.6 Changes in the controlling shareholder and the ultimate controller

There was no change in the controlling shareholder and the ultimate controller during the reporting period.

3.3 Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

3.4 Directors', Chief Executive's and Supervisors' Interest and Short Positions in Shares, Underlying Shares and Debentures

Save as disclosed below, as at 30 June 2013, none of the directors, chief executive and supervisors of the Company had any interests and short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which will have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"):

Name of Director/ Supervisor	Capacity	Number of A Shares held (long position) *(Share)*	Approximate percentage of issued A Shares *(%)*	Approximate percentage of total issued Shares *(%)*
Directors				
Mr. LI Changjin	Beneficial owner	105,700	0.0006	0.0005
Mr. BAI Zhongren	Beneficial owner	100,000	0.0006	0.0005
Mr. YAO Guiqing	Beneficial owner	100,112	0.0006	0.0005
Supervisors				
Mr. WANG Qiuming	Beneficial owner	50,000	0.0003	0.0002
Ms. LIU Jianyuan	Beneficial owner	1,200	0.000007	0.000006

3.5 Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

The Company has been notified of the following interests or short positions in the shares or underlying shares of the Company as at 30 June 2013 as recorded in the register required to be maintained under Section 336 of the SFO:

Holders of A Shares

Name of substantial shareholder	Capacity	Number of A Shares held *(Share)*	Nature of interest	Approximate percentage of issued A Shares *(%)*	Approximate percentage of total issued Shares *(%)*
CRECG	Beneficial owner	11,950,010,000	Long position	69.91	56.10

Holders of H Shares

Name of substantial shareholder	Capacity	Number of H Shares held *(Share)*	Nature of interest	Approximate percentage of issued H Shares *(%)*	Approximate percentage of total issued Shares *(%)*
National Council for Social Security Fund of the PRC	Beneficial owner	382,490,000	Long position	9.09	1.80
Blackrock, Inc. *(Note 1)*	Interest of controlled corporations	214,304,970	Long position	5.09	1.01
	Interest of controlled corporations	5,653,000	Short position	0.13	0.03
Lehman Brothers Holdings Inc. *(Note 2)*	Interest of controlled corporations	210,186,560	Long position	5.00	0.99
	Interest of controlled corporations	94,560,550	Short position	2.25	0.44

Notes:

1. According to the Corporate Substantial Shareholder Notice filed by Blackrock, Inc. with the Hong Kong Stock Exchange dated 17 May 2013, Blackrock, Inc. indirectly wholly owns BlackRock Investment Management, LLC. (which held 2,592,283 H Shares of the Company), BlackRock Institutional Trust Company, N.A. (which held 79,960,000 H Shares of the Company and 5,653,000 short position in H Shares of the Company) and BlackRock Fund Advisors (which held 56,271,000 H Shares of the Company). BlackRock, Inc. indirectly wholly owns BlackRock Advisors, LLC (which held 343,000 H Shares of the Company) and BR Jersey International LP which in turn wholly owns BlackRock Japan Co. Ltd. (which held 57,000 H Shares of the Company), BlackRock Asset Management Canada Limited (which held 1,084,000 H Shares of the Company), BlackRock Asset Management Australia Limited (which held 256,000 H Shares of the Company), BlackRock Asset Management North Asia Limited (which held 13,446,158 H Shares of the Company), BlackRock (Netherlands) B.V. (which held 55,000 H Shares of the Company), Black Advisors (UK) Limited (which held 24,818,907 H Shares of the Company), BlackRock International Limited (which held 4,014,595 H Shares of the Company), BlackRock Asset Management Ireland Limited (which held 17,257,000 H Shares of the Company), BlackRock (Luxembourg) S.A. (which held 2,281,000 H Shares of the Company) and BlackRock Fund Managers Ltd (which held 712,000 H Shares of the Company). Accordingly, Blackrock, Inc. is deemed interested in the long positions and short positions held by each of the entities as set out above.

2. According to the Corporate Substantial Shareholder Notice filed by Lehman Brothers Holdings Inc. with the Hong Kong Stock Exchange dated 18 September 2008, Lehman Brothers Holdings Inc. wholly owns Lehman Brothers Holdings Plc. which in turn wholly owns Lehman Brothers International (Europe) (which held 59,870,550 H Shares of the Company and 67,870,550 short position in H Shares of the Company); Lehman Brothers Holdings Inc. wholly owns Lehman Brothers Inc (which held 26,551,000 H Shares of the Company and 26,551,000 short position in H Shares of the Company) and Lehman Brothers Finance S.A. (which held 123,652,010 H Shares of the Company and 60,000 short position in H Shares of the Company) as well. Lehman Brothers Holdings Inc. also controls LBCCA Holdings I LLC. and LBCCA Holdings II LLC, both of which in turn jointly wholly own Lehman Brothers Commercial Corporation Asia Limited (which held 113,000 H Shares of the Company and 79,000 short position in H Shares of the Company). Accordingly, Lehman Brothers Holdings Inc. is deemed interested in the long positions and short positions held by each of the entities as set out above.

Apart from the foregoing, as at 30 June 2013, no person or corporation had any interest in the share capital of the Company as recorded in the register required to be kept under section 336 of the SFO as having an interest of or any short position in the issued share capital of the Company that would fall to be disclosed by the Company under Divisions 2 and 3 of Part XV of the SFO.

3.6 Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules, as amended, as the code of conduct regarding securities transactions by directors and supervisors. Having made specific enquiries to all directors and supervisors, each director and supervisor confirmed that he or she has complied with the required standard set out in the Model Code throughout the period from 1 January 2013 to 30 June 2013.

4 MANAGEMENT DISCUSSION AND ANALYSIS

4.1 Business Review and Prospect

Since the beginning of this year, China and global macro-economies have been in a critical stage of adjustment. The Group has calmly, proactively and bravely weathered the difficulties and challenges arising from the economic situation, demonstrating great momentum in the steady improvement in its operations. Major economic indicators such as the value of new contracts secured by the Group, revenue and profit all made new breakthroughs in the first half of the year, laying a solid foundation for steady development for the second half of the year and fulfilling the Company's operational targets for the year. The Company was recently ranked 102nd in the Fortune Global 500 for 2013.

In the first half of the year, the Group focused on the main goal it set early in the year to "stress on six focuses and achieve six breakthroughs", centred on transformational upgrade and improving management. On one hand, proactively taking advantage of the adjustments in national macro policies and reforms in the railway management mechanism, the Group has continued to boost marketing efforts to expand its market share. On the other hand, the Group has continued to enhance comprehensive budget management and risk control and further promoted standardized projects and streamlined management. The Group also strengthened site management, allocated resources in a rational manner and fully explored the potential production yield in an attempt to improving profitability. A number of the Group's newly contracted key projects such as the Baoji–Lanzhou Railway, Lanzhou–Xinjiang Railway, Guiyang–Guangzhou Railway, Shenzhen Metro, Chengdu Metro and Hong Kong–Zhuhai–Macau Bridge progressed smoothly, while newly developed businesses such as property development, expressway operations and finance trust maintained their upward momentum.

In the first half of the year, in strict accordance with the requirements of the relevant laws and regulations such as the Company Law and the Securities Law, as well as those of regulatory authorities in Hong Kong and the PRC, the Company brought about continual improvement in its governance. The Company proactively adapted to the new changes in information disclosure requirements of the regulatory authorities, acting in strict compliance with the new requirements by further strengthening its communications with investors to uphold the good corporate image of the Company with integrity and transparency. It received awards such as "Excellent Board of Directors" and was recognised by regulatory authorities, the capital market and public investors.

In the second half of the year, though downward pressure on the national economy persists, China's economy will continue to maintain steady growth momentum. Recently, on several occasions, Premier of the State Council Li Keqiang has stressed the vital importance of maintaining the scale of investment in railway infrastructure, accelerating railway construction in central and western China and poverty-stricken areas, further pushing the investment and financing reforms in the railway sector and strengthening urban infrastructure construction. Therefore, there is still tremendous growth potential for the Group. The management of the Company will be resolute in the face of challenges and will not retreat. By further enhancing our sense of responsibility, sense of urgency and sense of crisis, we will capture opportunities and overcome difficulties with the aim of achieving our target for the year, creating greater value for the shareholders of the Company and making a greater contribution to the realization of the "Chinese dream" with a more proactive attitude and more solid and effective measures.

4.2 Overview

The Group's principal business activities are infrastructure construction, survey, design and consulting services, engineering equipment and components manufacturing, property development and other businesses. In the first half of 2013, the Group's revenue increased by 25.2% from the corresponding period of 2012 to RMB238.956 billion. The Group realized profit for the period of RMB3.682 billion, representing an increase of 45.0% compared to the same period last year. For the six months ended 30 June 2013, profit for the period attributable to owners of the Company was RMB3.488 billion, representing an increase of 45.9% compared to the same period last year, while the basic earnings per share of the Company were RMB0.164, representing an increase of 46.4% compared to the same period last year. A comparison of the financial results for the six months ended 30 June 2013 and the corresponding period of 2012 is set forth below.

4.3 Consolidated Results of Operations

Revenue

In the first half of 2013, due to the promising growth of railway and municipal works business, the Group's total revenue increased by 25.2% to RMB238.956 billion for the six months ended 30 June 2013 from RMB190.915 billion in the corresponding period of 2012. In the first half of 2013, new contracts increased by 26.6% from the corresponding period of 2012 to RMB367.65 billion. New contracts for infrastructure construction business amounted to RMB289.01 billion, comprises of RMB105.33 billion of railway (representing a year-on-year increase of 501%), RMB40.86 billion of highway (representing a year-on-year increase of 24.1%) and RMB142.82 billion of municipal and other works (representing a year-on-year decrease of 5%). New contracts for survey, design and consulting services business increased by 11% to RMB6.0 billion and that for engineering equipment and component manufacturing business decreased by 18.9% to RMB7.66 billion. At 30 June 2013, contract backlog increased by 8.5% to RMB1,411.539 billion compared to the end of 2012. Among which, RMB1,148.309 billion is from infrastructure construction business, RMB18.292 billion is from survey, design and consulting services business and RMB16.045 billion is from engineering equipment and component manufacturing business.

Cost of sales and gross profit

The Group's cost of sales primarily includes cost of raw materials and consumables, subcontracting cost, equipment usage cost (consisting of maintenance, rental and fuel), employee compensation and benefits and depreciation and amortization expenses. For the six months ended 30 June 2013, our cost of sales increased by 25.7% to RMB222.280 billion from RMB176.812 billion for the first half of 2012. In the first half of 2013, gross profit of the Group increased by RMB2.573 billion or 18.2% to RMB16.676 billion from RMB14.103 billion for the corresponding period of 2012. The gross profit margin for the first half of 2013 was 7.0%, representing a decrease from 7.4% for the first half of 2012. The decrease in gross profit margin for the first half of 2013 compared to same period of last year was primarily due to (1) the comparative lower gross profit margin for certain railway projects acquired in the first half of the year which are under initial construction stage; (2) delay in compensation claim for changes in railway construction projects resulted from the newly establishment of China Railway Corporation.

Other income

The Group's other income primarily consists of income from sundry operations supplemental to our principal revenue-generating activities (such as sales of materials, rental, transportation and hotel operation), dividend income, relocation compensation, subsidies from government and other revenues. For the six months ended 30 June 2013, the Group's other income increased by 6.5% to RMB0.824 billion from RMB0.774 billion for the corresponding period of last year. The increase of other income was due to the increase of income from relocation compensation and subsidies from government.

Other expenses

The Group's other expenses primarily includes expenditures on research and development. For the six months ended 30 June 2013, other expenses increased by 50.6% from RMB1.408 billion of the same period of last year to RMB2.120 billion, mainly due to the fact that the Group further improved its technological self-development and innovation capacities and enhanced energy saving and emission reduction efforts.

Other gains and losses

The Group's other gains and losses mainly include impairment loss on trade and other receivables, foreign exchange gains/losses, increase/decrease in the fair value of held-for-trading financial assets, gains/losses on disposal of fixed assets, available-for-sale financial assets and interest in a subsidiary. The other gains of RMB0.115 billion for the first half of 2013 (six months ended 30 June 2012: other losses of RMB0.161 billion) included gain on disposal of a subsidiary of RMB0.188 billion, foreign exchange gains of RMB0.087 billion and an impairment loss on trade and other receivables of RMB0.168 billion.

Selling and marketing expenses

The Group's selling and marketing expenses primarily consist of employee compensation and benefits, distribution and logistic costs and advertising costs. For the six months ended 30 June 2013, the Group's selling and marketing expenses was RMB1.010 billion, representing an increase of 48.3% from RMB0.681 billion for the same period of last year. Selling and marketing expenses as a percentage of total revenue was 0.4% for the first half of 2013, same as that for the first half of 2012.

Administrative expenses

The Group's administrative expenses mainly consist of employee compensation and benefits and depreciation and amortization of its assets related to administration. For the six months ended 30 June 2013, the Group's administrative expenses increased by 5.8% to RMB7.604 billion from RMB7.188 billion for the corresponding period of 2012. Administrative expenses as a percentage of total revenue was 3.2%, a decrease from 3.8% for the first half of 2012. It was mainly due to the effective control on expenses resulted from the Group's strengthened management.

Interest income

For the six months ended 30 June 2013, the interest income increased by 37.3% to RMB1.487 billion from RMB1.083 billion for the corresponding period of 2012. The increase of interest income was primarily due to the optimization of deposit mix through the Group's continuous effort on centralization of fund management.

Interest expenses

For the six months ended 30 June 2013, the interest expenses increased by 8.1% to RMB3.076 billion from RMB2.845 billion for the first half of 2012. The increase in interest expense was primary due to the Group's deepened adjustment in business mix resulting into the expansion of BT, property development and mining development businesses. The increase in funding requirements caused the increase in interest-bearing liabilities to RMB190.429 billion as at 30 June 2013, a 16.8% increase from the end of last year.

Profit before tax

As a result of the foregoing factors, the profit before tax for the six months ended 30 June 2013 increased by 44.4% to RMB5.277 billion from RMB3.655 billion for the corresponding period of 2012.

Income tax expense

For the six months ended 30 June 2013, the income tax expense increased by 43.0% to RMB1.595 billion from RMB1.115 billion for the corresponding period of 2012. The effective tax rate of the Group was 30.2% for the first half of 2013, basically the same as 30.5% for the corresponding period of 2012.

Profit for the period attributable to owners of the company

As a result of the foregoing factors, the profit for the period attributable to owners of the Company for the six months ended 30 June 2013 increased by 45.9% to RMB3.488 billion from RMB2.390 billion for the corresponding period of 2012. The profit margin of the profit for the period attributable to owners of the Company for the first half of 2013 increased to 1.5% from 1.3% for the corresponding period of 2012.

4.4 Segment Results

The revenue, results and profit before tax margin of each segment of the Group's business for the six months ended 30 June 2013 are set forth in the table below.

Business segments	Segment revenue	Growth rate	Profit before tax	Growth rate	Profit before tax margin[1]	Segment revenue as a percentage of total[2]	Profit before tax as a percentage of total[2]
	RMB million	*(%)*	*RMB million*	*(%)*	*(%)*	*(%)*	*(%)*
Infrastructure Construction	204,450	24.5	4,039	27.4	2.0	80.8	61.6
Survey, Design and Consulting Services	4,226	2.9	366	33.6	8.7	1.7	5.6
Engineering Equipment and Component Manufacturing	6,316	28.9	316	35.0	5.0	2.5	4.8
Property Development	7,579	79.3	1,157	107.0	15.3	3.0	17.6
Other Businesses	30,276	26.8	679	26.4	2.2	12.0	10.4
Inter-segment Eliminations and Adjustments	(13,891)		(1,280)				
Total	238,956	25.2	5,277	44.4	2.2	100.0	100.0

1 Profit before tax margin is the profit before tax divided by the segment revenue.

2 Amount before inter-segment eliminations and adjustments.

Infrastructure construction business

Revenue from the operation of the Group's infrastructure construction business is mainly derived from railway, highway and municipal works construction. Revenue from the operation of the infrastructure construction business continues to account for a high percentage of total revenue of the Group. In the first half of 2013, the revenue from the infrastructure construction business accounted for 80.8% of the total revenue of the Group (first half of 2012: 81.6%). Segment revenue of the infrastructure construction business for the six months ended 30 June 2013 was RMB204.450 billion, representing an increase of 24.5% as compared to the same period of last year. Profit before tax margin of the infrastructure construction segment for the first half of 2013 was 2.0%, basically the same as 1.9% for the first half of 2012.

Survey, design and consulting services business

Revenue from the operation of the survey, design and consulting services business primarily derives from providing a full range of survey, design and consulting services, research and development, feasibility studies and compliance certification services on infrastructure construction projects. Segment revenue of survey, design and consulting services business increased by 2.9% year on year to RMB4.226 billion for the six months ended 30 June 2013 from RMB4.106 billion for the corresponding period of last year. For the first half of 2013, profit before tax margin for the segment was 8.7%, an increase from 6.7% for the first half of 2012. It was mainly due to (1) increase in number of survey and design projects at completion stage where less investment is required; (2) increase in number of survey and design projects of urban railways in the current period, which have a comparative higher gross profit margin.

Engineering equipment and component manufacturing business

Revenue from the operation of the engineering equipment and component manufacturing business primarily derives from the design, research and development, manufacture and sale of turnouts and other railway related equipment, bridge steel structures and engineering machinery. Segment revenue of the engineering equipment and component manufacturing business of the Group increased by 28.9% to RMB6.316 billion for the six months ended 30 June 2013 from RMB4.900 billion for the corresponding period of 2012. Profit before tax margin increased from 4.8% for the first half of 2012 to 5.0% for the corresponding period of 2013. This is because the rate of growth in cost and expenses is lower than that of revenue brought by the active measures implemented for strengthened management.

Property development business

Revenue from our property development business primarily derives from the development, sale and management of a wide range of residential properties and commercial properties in the PRC. In the first half of 2013, the Group optimized the construction and sales plan of its property development projects and obtained satisfactory sales record for residential flats in second and third tier cities such as Dalian, Sanya and Xian. For the six months ended 30 June 2013, segment revenue from property development business increased by 79.3% to RMB7.579 billion from RMB4.227 billion for the corresponding period of 2012. Profit before tax margin increased from 13.2% for the first half of 2012 to 15.3% for corresponding period of 2013. Such increase was mainly due to economies of scale brought by the significant increase in revenue; and effective control on administrative expenses, selling expenses and interest expenses resulted from reinforcement in management. At 30 June 2013, the Group's gross site and construction area under development was 19.96 million square metres and 39.58 million square metres respectively.

Other businesses

The Group's operating scale has expanded continuously by progressive implementation of the "limited and interrelated" diversification strategy. Segment revenue from other businesses increased by 26.8% from RMB23.871 billion for the first half of 2012 to RMB30.276 billion for the same period of 2013. Profit before tax margin was 2.2% for the first half of 2013, same as that for the corresponding period of 2012. In the first half of 2013, the Group's expressway operation business recorded revenue of RMB0.997 billion, an increase of 7.4% from same period of last year; due to the changes in market condition and reduction in demand of coal, the revenue of mining development business recorded RMB0.209 billion, representing a 64.3% decrease from same period of last year; the revenue of merchandise trading business reached RMB24.045 billion, an increase of 23.5% from same period of last year; the revenue of financial trust business recorded RMB0.863 billion, increased by 21.2% as compared to same period of last year.

4.5 Cash Flow

For the six months ended 30 June 2013, the net cash outflow from operating activities of the Group amounted to RMB7.091 billion, a decrease from net cash outflow from operating activities of RMB15.747 billion for the corresponding period of 2012. It was mainly due to better recoverability of construction projects in the current period. However, due to the total net investments of RMB9.8 billion in BT, property development and mining development businesses, there was still a net cash outflow from operating activities. For the six months ended 30 June 2013, the net cash outflow from investing activities of the Group amounted to RMB6.816 billion, an increase from RMB5.444 billion for the corresponding period of 2012. It was mainly due to increase in investment of production equipment and equity investment. For the six months ended 30 June 2013, the net cash inflow from financing activities of the Group amounted to RMB22.054 billion, an increase from RMB15.358 billion for the same period in 2012. The increase in net cash inflow from financing activities was primarily due to the increase in funding requirements resulted from the Group's active adjustment in business mix and implementation of diversification strategy.

Capital expenditure

The capital expenditure of the Group primarily comprises expenditure on purchases of equipment and upgrading of the Group's production facilities. The Group's capital expenditure for the first half of 2013 was RMB3.662 billion (among which, RMB1.705 billion is for construction in progress, RMB1.931 billion is for purchase of fixed assets, RMB0.087 billion is for purchase of intangible assets and RMB0.022 billion is for purchase of investment properties), remained similar to RMB3.635 billion for the corresponding period of 2012.

Working capital

	As at	
	30 June 2013	31 December 2012
	RMB million	*RMB million*
Inventories	**44,009**	41,906
Properties under development for sale	**74,143**	65,287
Trade and bills receivables	**119,671**	107,234
Trade and bills payables	**189,321**	180,058
Turnover of inventory (days)	**35**	33
Turnover of trade and bills receivables (days)	**85**	80
Turnover of trade and bills payables (days)	**150**	142

In line with the Group's continuous development, inventories slightly increased by 5.0% to RMB44.009 billion as at 30 June 2013 from RMB41.906 billion as at the end of 2012 while the inventory turnover days for the first half of 2013 increased to 35 days from 33 days for 2012.

As at 30 June 2013, properties under development for sale increased by 13.6% from RMB65.287 billion as at the end of 2012 to RMB74.143 billion. It was primarily due to increase in investment for the development of the Group's property development business.

As at 30 June 2013, trade and bills receivables was RMB119.671 billion, an increase of 11.6% from RMB107.234 billion as at the end of 2012. The turnover days of trade and bills receivables increased from 80 days for 2012 to 85 days for the first half of 2013. It was mainly due to (1) increase in retention receivables which are not yet due; and (2) increase in receivables from BT projects which are not yet entered into the buy-back period. According to the ageing analysis of the trade and bills receivables, most of the Group's trade and bills receivables were of less than 6 months and the trade and bills receivables of more than one year accounted for 30.2% (31 December 2012: 34.9%) of the total amount, reflecting the sound receivables management capability of the Group.

Trade and bills receivables	**As at 30 June 2013**	31 December 2012
	RMB million	*RMB million*
Less than six months	**52,120**	47,076
Six months to one year	**31,425**	22,737
One year to two years	**19,104**	22,284
Two years to three years	**9,163**	9,684
More than three years	**7,859**	5,453
Total	**119,671**	107,234

The Group's trade and bills payables primarily consist of amounts owed to the Group's suppliers of raw materials, machinery and equipment. As at 30 June 2013, the Group's trade and bills payables was RMB189.321 billion, an increase of 5.1% from RMB180.058 billion as at the end of 2012. The turnover days of trade and bills payables for the first half of 2013 was 150 days, representing an increase from 142 days for 2012. According to the ageing analysis of the trade and bills payables, most of the Group's trade and bills payables were of less than one year and the trade and bills payables of more than one year accounted for 11.2% (31 December 2012: 12.2%) of the total amount.

Trade and bills payables	**As at 30 June 2013**	31 December 2012
	RMB million	*RMB million*
Less than one year	**168,114**	158,072
One year to two years	**11,919**	13,884
Two years to three years	**5,449**	5,252
More than three years	**3,839**	2,850
Total	**189,321**	180,058

4.6 Borrowings

The following table sets forth the Group's total borrowings as at 30 June 2013 and 31 December 2012. As at 30 June 2013, 45.7% (31 December 2012: 45.6%) of our borrowings were short-term borrowings. The Group is generally capable of making timely repayments.

	As at	
	30 June 2013	31 December 2012
	RMB million	*RMB million*
Bank borrowings		
Secured	**37,790**	36,587
Unsecured	**106,005**	90,199
	143,795	126,786
Short-term debentures, unsecured	**–**	539
Long-term debentures, unsecured	**35,211**	27,049
Other short-term borrowings, unsecured	**3,681**	4,157
Other short-term borrowings, secured	**303**	1,007
Other long-term borrowings, unsecured	**4,172**	710
Other long-term borrowings, secured	**2,154**	1,413
Total	**189,316**	161,661
Long-term borrowings	**102,867**	87,899
Short-term borrowings	**86,449**	73,762
Total	**189,316**	161,661

Bank borrowings carry interest rates ranging from 1.97% to 9.66% (31 December 2012: 2.24% to 13.6%) per annum. Long-term debentures carry fixed interest rates ranging from 3.85% to 6.65% (31 December 2012: 4.34% to 6.65%) per annum. Other short-term borrowings carry interest rates ranging from 5.9% to 11.8% (31 December 2012: 6% to 13.5%) per annum. Other long-term borrowings carry interest rates ranging from 4.39% to 13.5% (31 December 2012: 4.39% to 13.6%) per annum.

As at 30 June 2013 and 31 December 2012, the Group's borrowings comprised of fixed-rate borrowings amounting to RMB39.869 billion and RMB29.082 billion and floating-rate borrowings amounting to RMB149.447 billion and RMB132.579 billion, respectively.

The following table sets forth the carrying amounts of the Group's borrowings by currencies as at 30 June 2013 and 31 December 2012. The Group's borrowings are primarily denominated in Renminbi and the Group's foreign currency borrowings are primarily denominated in U.S. dollars and Euros.

	Borrowings in U.S. dollars *RMB million*	**Borrowings in Euros** *RMB million*	**Borrowings in other currencies** *RMB million*
As at 30 June 2013	**4,773**	**214**	**124**
As at 31 December 2012	4,528	236	10

As at 30 June 2013, approximately RMB36.013 billion (31 December 2012: RMB35.57 billion) of total bank loans were pledged by assets of the Group with an aggregate value of RMB63.926 billion (31 December 2012: RMB67.903 billion). The Group also pledged its rights to collect cash flows in relation to certain backlog construction projects with contract value of RMB4.228 billion (31 December 2012: RMB1.502 billion) to secure bank borrowings and other long-term borrowings amounting to RMB1.698 billion (31 December 2012: RMB1.017 billion) as well as pledged its rights of return on equity investment in two subsidiaries with an aggregate investment cost of RMB510 million (31 December 2012: Nil) to secure bank borrowings amounting to RMB250 million (31 December 2012: Nil). As at 30 June 2013, the Group had unutilized banking credit facilities in the amount of RMB214.115 billion (31 December 2012: RMB118.770 billion).

As at 30 June 2013, the Group's gearing ratio (total liabilities/total assets) was 85.1%, an increase of 1.1 percentage points as compared with 84.0% as at 31 December 2012. Such increase was primarily attributable to the fact that the Group has been primarily financing its working capital and other capital requirements through internal funds generated from operations, and through borrowings in case of any deficiencies. In the first half year of 2013, the Group has completed the issue of a note amounting to USD500 million and six medium term notes and private placement notes amounting to RMB5.1 billion.

4.7 Contingent Liabilities

The contingent liabilities related to legal claims in the Group's ordinary course of business are set forth in the table below:

	As at **30 June 2013** *RMB million*	As at 31 December 2012 *RMB million*
Pending lawsuits		
– arising in the ordinary course of business *(Note 1)*	**694**	761
– overseas lawsuit *(Notes 2 and 3)*	**1,106**	1,121
Total	**1,800**	1,882

Notes:

1 The Group has been named in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account of the legal advice.

No provision has been made for these pending lawsuits where the management considered that the claims will not be successful. The aggregate sum of these unprovided claims is disclosed in the table above.

2 Two subsidiaries of the Group, China Overseas Engineering Group Co., Ltd. ("**COVEC**") and China Railway Tunnel Group Co., Ltd., established a consortium (the "**Consortium**") with two independent parties in 2009 for the design and construction of certain sections of the A2 motorway Stryków–Konotopa, which is owned by the Polish General Directorate for National Roads and Motorways in Poland ("**PGDNRM**"). The Group's share of the total contract amount and performance bond are approximately Polish Zloty ("**PLN**") 1,160 million (approximately USD402 million or RMB2,741 million) and PLN116 million (approximately USD40 million or RMB274 million), respectively. During the construction work, the construction contract incurred losses due to various factors. The Consortium sent termination notice dated 3 June 2011 to PGDNRM and PGDNRM sent termination notice dated 13 June 2011 to the Consortium.

On 29 September 2011, PGDNRM applied to the Poland Warsaw District Court for a payment order demanding COVEC, Poland branch of COVEC and another independent party in the Consortium collectively or individually for penalties and statutory interests of an aggregate amount of PLN129 million (approximately USD42 million or RMB263 million), whereas all parties in the Consortium bear jointly liabilities. The lawyer of the Consortium then raised an objection to the payment order and the payment order became void under Polish law. The relevant parties commenced to resolve the matter in dispute under litigation procedures. On 8 February 2012, the Poland Warsaw District Court commenced proceedings for this lawsuit according to the civil procedures, currently there is no significant progress. At this stage, the Directors of the Company consider it premature to assess the outcome of this case.

3 Exploitations Artisanales Au Congo ("**EXACO**") was a former shareholder of La Miniere De Kalumbwe Myunga sprl ("**MKM**"), an indirectly owned subsidiary of the Company. As at 30 August 2011, EXACO had disposed its entire interests in MKM. In November 2012, EXACO was of the view that MKM and China Railway Resources Global Holding Limited ("**CRRG**") (which is also an indirectly owned subsidiary of the Company and the controlling shareholder of MKM) breached relevant terms and other relevant obligations pursuant to the undertakings under the initial agreement signed before the share transfer agreement. EXACO applied to the Congo district court for a compensation of their losses amounting to USD136 million (equivalent to approximately RMB843 million). Currently, it is pending the court's ruling on the jurisdictional dispute. The Group considers that it is premature to assess the outcome of this case.

In addition to the above, the Group has provided guarantees to banks in respect of banking facilities utilized by certain related companies and third parties resulting in certain contingent liabilities. The following table sets forth the maximum exposure of these guarantees of the Group.

	As at 30 June 2013		As at 31 December 2012	
	Amount *RMB million*	**Expiry period**	Amount *RMB million*	Expiry period
Guarantees given to banks in respect of banking facilities utilized by:				
Associates	**2,342**	**2013-2025**	1,838	2013-2025
Other government-related enterprises	**55**	**2013**	55	2013
Property purchasers	**10,443**	**2013-2017**	8,622	2013-2017
Investees of the Group	**13**	**2016**	13	2016
Total	**12,853**		10,528	

In addition to the above, as at 30 June 2013, Yichang Hongming Real Estate Co., Ltd., a subsidiary acquired by the Group in 2010, undertook to settle certain liabilities of Yichang Sanxia Hongming Tourism Property Development Co., Ltd ("**Yichang Sanxia**") to the extent of RMB50 million (31 December 2012: RMB50 million) (being the amount of liabilities of Yichang Sanxia on the date it was spun off from Yichang Hongming Real Estate Co., Ltd.) if Yichang Sanxia failed to repay those liabilities in future.

4.8 Business Risks

The Group is exposed to a variety of business risks, including market risk, operation risk, management risk, policy risk, financial risk, investment risk and interest rate risk in the ordinary course of business.

Market risk: Various expectations from the government could have adverse impact on the market where the Group operates, such as expectation on growth level of both national and regional economy, usage of infrastructure and expectation on future expansion of demand and expectation on the overall growth level of related industries. In addition, the instability of political and economic environment of overseas market could bring uncertainties to the Group's overseas market development, which may affect the normal project implementation.

Operation risk: For infrastructure construction business, the bidding prices of construction contracting projects are largely affected by market competition. Meanwhile, there are also certain operation risks for the Group to control the cost and to engage labour subcontractors.

Management risk: With the Group's incapability to fully control all the actions of its non-wholly owned subsidiaries, plus high risk of the construction industry, and the rapid growth in the business scale of the Group in recent years as well as the gradually wider span of its operation, project management becomes more and more difficult, posing a severe challenge to the safety and quality management for the projects, which could result in management risks.

Policy risk: Changes in the foreign exchange administration system, preferential taxation policies and policies for real estates industry in the PRC could have certain adverse impacts on the Group.

Financial risk: Delay in payment by its customers could affect the Group's working capital and cash flow, and the failure to obtain sufficient funding could also affect the expansion plan and development prospects of the Group.

Investment risk: Investment risk mainly includes relevant advance payments for projects, decrease in investment of infrastructural projects by non-governmental investment institutions resulted from changes in policies, and significant outlay of working capital over extended periods.

Interest rate risk: Currently, the Group's size of financing is relatively large, changes in interest rate policies therefore will have an impact on the Group's financial costs and economic benefits.

To guard against the occurrence of various types of risks, the Group makes various types of risks correspond to the business process through the establishment and operation of the internal control system, pursuant to which the Group can decompose and identify the critical control point of business processes, develop specific control measures, establish procedures critical control documents, implement the responsibilities of the various types of risks and critical control point, work closely with the day-to-day management and control, and control risk factors and elements. In addition, the Group strictly supervises the important control aspects of earlier stage of research, planning, reviewing, auditing, approval and decision-making; enhances process control and post-assessment work; and makes measures to deal with risks and contingency plans, aiming to guarantee overall controllability of the Group's various types of risk.

5 SIGNIFICANT EVENTS

5.1 Material Litigation, Arbitration and Matters Generally Concerned by Media

5.1.1 Litigation, arbitration or matters generally concerned by media which were disclosed in an announcement without subsequent progress

Summary and Nature	Information link
Poland A2 Highway construction disputes: The consortium, comprising China Overseas Engineering Group Co., Ltd. (a subsidiary of the Company), China Railway Tunnel Group Co., Ltd., and two third party companies, terminated the contact and had dispute with GDDKiA (Highway Authority of Poland), the project owner, in respect of the bid won for sections of A and C of Poland A2 Highway.	2011 Interim Report and subsequent periodic reports of China Railway Group Limited is available at Shanghai Stock Exchange. http://www.sse.com.cn

5.1.2 Litigation and arbitration which were not disclosed in an announcement and might have subsequent progress

Not applicable

5.1.3 Matters generally concerned by media which were not disclosed in an announcement and might have subsequent progress

Not applicable

5.2 Events Regarding Bankruptcy and Restructuring

Not applicable

5.3 Assets Transactions and Merger

5.3.1 Acquisition, assets disposal and merger by the Company which were disclosed in an announcement without subsequent progress

Not applicable

5.3.2 Matters which were not disclosed in an announcement and might have subsequent progress

(1) Acquisition of assets

During the reporting period, there was no acquisition of assets by the Company.

(2) Disposal of assets

Unit: Thousand Currency: RMB

Counterparty	Assets sold	Date of sale	Selling Price	Contribution to the net profit of the listed company from the beginning of the year to the date of sale	Gains and losses arising from the sales	Related party transaction? (if yes, specify pricing method)	Pricing principle of assets sold	Are all the property rights of concerning assets transferred to the other party?	Are all the claims and liabilities of concerning assets transferred to the other party?	Contribution of the net profit arising from sale of concerning assets as a percentage of the net profit of the listed company (%)	Related party relationship
Xiamen Townowner Real Estate Development Co., Ltd. Xiamen Longbang Real Estate Investment Co., Ltd.	Chengdu Tongji Real Estate Co. Ltd.	2013-6–23	276,980	0	187,953	No	Asset Valuation	Yes	Yes	5.39	N/A

(3) Asset swap

During the reporting period, there was no swap of assets by the Company.

(4) Merger

During the reporting period, there was no merger by the Company.

5.4 Implementation of Share Incentive Scheme of the Company and its Effects

Not applicable

5.5 Significant Related Party Transactions

5.5.1 Related party transactions in ordinary course of business

(1) Matters which were disclosed in an announcement without subsequent progress or changes

Not applicable

(2) Matters which were disclosed in an announcement with subsequent progress or changes

Unit: Thousand Currency: RMB

Related parties	Related party relationship	Type of related party transaction	Particulars of the related party transaction	Pricing method of related party transaction	Price of the related party transaction	Amount of related party transaction	Percentage of transaction value to the same type of transactions (%)
China Railway Hongda Asset Management Center	Wholly-owned subsidiary of parent company	Receipt of labor services	Lease office Premises etc.	Contract price	7,955	7,955	Less than 1
China Railway Hongda Asset Management Center	Wholly-owned subsidiary of parent company	Receipt of labor services	Receipt of comprehensive services	Contract price	17,842	17,842	Less than 1
	Total				25,797	25,797	

Description of related party transactions	The implementation of the comprehensive services agreement and premises leasing agreement entered into by the Company and CRECG on 28 March 2013 were set out above. The terms of both agreements are three years. The total transaction amount involved was within the decision-making limit of the Board and was approved in the 19th meeting of the second session of the Board, which complied with the relevant requirements of "The Rules Governing the Listing of Stock on Shanghai Stock Exchange". Meanwhile, these two transactions were exempt from the requirements of reporting, annual review, announcement and independent shareholders' approval as the annual caps of these two transactions are within the de minimis exemption under the Hong Kong Listing Rules.

(3) Matters which were not disclosed in a provisional announcement

Not applicable

5.5.2 Related party transactions in relation to acquisition and disposal of asset

Not applicable

5.5.3 Significant related party transactions in relation to joint external investment

Not applicable

5.5.4 Amounts due from/to related parties

(1) Matters which were disclosed in an announcement with no subsequent progress or changes

Not applicable

(2) Matters which were disclosed in an announcement with subsequent progress or changes

Not applicable

(3) Matters which were not disclosed in an announcement

Unit: Thousand Currency: RMB

Related parties	Related party relationship	Funds provided to related party: Balance at the beginning of the period	Funds provided to related party: Balance at the end of the period	Funds provided to listed company by related party: Balance at the beginning of the period	Funds provided to listed company by related party: Balance at the end of the period
CRECG	Controlling shareholder			3,378	5,672
China Railway Hongda Asset Management Center	Wholly-owned subsidiary of parent company			83,672	72,146
Total				87,050	77,818

Reason for amounts due from/to related parties	Amounts due from/to related parties between the Company and related parties are operational in nature.

5.5.5 Other related party transactions

(1) Related party guarantees

Unit: Thousand Currency: RMB

Guarantor	Guarantee	Guaranteed amount	Commencement date of guarantee	Expiry date of guarantee	Guarantee fully fulfilled?
China Railway *(Note 1)*	Lince Railway Co.,Ltd.	783,000	June 2008	June 2025	No
CRECG *(Note 2)*	China Railway	1,000,000	January 2010	January 2015	No
CRECG *(Note 2)*	China Railway	5,000,000	January 2010	January 2020	No
CRECG *(Note 2)*	China Railway	2,500,000	October 2010	October 2020	No
CRECG *(Note 2)*	China Railway	3,500,000	October 2010	October 2025	No

Note 1: At the 2007 annual general meeting of the shareholders of the Company held on 25 June 2008, the Proposal for Provision of a Guarantee with Respect to the Loans for Linhai-Ceke Railway Co.,Ltd and China Railway Engineering Sunite Railway Co., Ltd. considered and approved, thereby it was agreed that a guarantee should be provided with respect to the bank loan for Linhai-Ceke Railway Co.,Ltd in the amount of RMB820.7 million for a guarantee period of 17 years. In June 2008, the Company and Huhhot Xincheng Dongjie Sub-branch of the Industrial and Commercial Bank of China Limited entered into a Guarantee Contract agreeing that a guarantee in the total amount of RMB783 million (resulted from the total loan amount of RMB2.7 billion multiplied by the shareholding percentage of 29%) with a joint and several liability and a guarantee period commencing on 30 June 2008 and ending on 20 June 2025 should be provided to Linhai-Ceke Railway Co.,Ltd. The relevant lending to Linhai-Ceke Railway Co.,Ltd was fully drawn and used up in 2009 and the successor company ceased to provide the guarantee for Linhai-Ceke Railway Co.,Ltd.

Note 2: These are the unconditional and irrevocable joint and several liability guarantees provided by CRECG for the entire amount of the 5-year and 10-year corporate bonds issued by the Company in January 2010 and the 10-year and 15-year corporate bonds issued by the Company in October 2010. As at 30 June 2013, the total balance of the above-mentioned bonds payable was RMB11,948.343 million (31 December 2012: RMB11,945.267 million).

(2) Fund Borrowing by Related Party

Unit: Thousand Currency: RMB

Related Party	Related Party relationship	Particulars of transaction	Accounting category	Borrowing amount	Commencement date	Due date	Interest rate (%)	Balance at year end
CRECG	Controlling shareholder	Fund borrowing	Short-term borrowing	626,160	December 2012	December 2013	4.20	626,160

Note: The resolution of "China Railway Group Limited applied for entrusted loan in the amount not exceeding RMB2 billion from China Railway Engineering Corporation" was resolved in the 16th meeting of the second session of the Board of Directors of the Company, and was exempted from disclosure by the Shanghai Stock Exchange. According to this resolution, by the end of 30 June 2013, the Company applied to CRECG for entrusted loan amounted to RMB626.16 million based on its operational needs.

(3) Dividends payable

Unit: Thousand Currency: RMB

Item	**Related party**	**30 June 2013**	**31 December 2012**
Dividends payable	CRECG	**621,401**	**–**
Total		**621,401**	**–**

Note: These are the dividends attributable to shareholders arising from the Company's profit distribution of 2012, which have been fully paid to CRECG on 9 August 2013.

5.6 Material Contracts and Their Performance

5.6.1 Trusteeship, contracting and leasing

Not applicable

5.6.2 Guarantees

Unit: Yuan Currency: RMB

Guarantee granted by the Company (excluding those to subsidiaries)													
Guarantor	**Relationship between guarantor and listed company**	**Guarantee**	**Guaranteed amount**	**Commencement date of guarantee (Agreement execution date)**	**Commencement date of guarantee**	**Expiry date of guarantee**	**Type of guarantee**	**Guarantee fully fulfilled?**	**Overdue?**	**Overdue amount**	**Counter guarantee available?**	**Guarantee provided to the related parties?**	**Related party relationship**
China Railway	The same entity	Lince Railway Co., Ltd.	783,000,000.00	2008–6–30	2008–6–30	2025–6–20	Suretyship of joint and several liability	No	No	–	No	Yes	associate
China Railway No.2 Engineering Group Co. Ltd.	Wholly-owned subsidiary	China Railway Bohai Train Ferry Co., Ltd.	12,683,100.00	2004–12–24	2004–12–24	2016–12–23	Suretyship of joint and several liability	No	No	–	No	No	
Daxin Cuiping Mountain Real Estate Development Company	Wholly-owned subsidiary	Property owners of Dazhou Longjun Project	141,430,900.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu China Railway Badeng Badeng Hot Spring Investment Co., Ltd.	Wholly-owned subsidiary	Property owners of Yueli Bay Phase I Project	12,670,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu China Railway Badeng Badeng Hot Spring Investment Co., Ltd.	Wholly-owned subsidiary	Property owners of Xiangxueling Phase I Project	1,350,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu Xinchuanzang Road Construction Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Ruicheng Xinjie Project	158,580,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu China Railway No.2 Hongyuan Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Ruicheng Shujun Project	11,470,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway Ruicheng Real Estate Co., Ltd. Zigong Tanmulin Branch	Wholly-owned subsidiary	Property owners of Tanmulin Guobinfun Project	218,297,200.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu China Railway Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Xijun Yinghua Project	319,569,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu Yingting Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Yueying Long Beach Project	195,553,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu Huaxintianyu Industrial Co., Ltd.	Wholly-owned subsidiary	Property owners of Dongshan International New City District H Project	170,008,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	

Guarantee granted by the Company (excluding those to subsidiaries)

Guarantor	Relationship between guarantor and listed company	Guarantee	Guaranteed amount	Commencement date of guarantee (Agreement execution date)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Guarantee fully fulfilled?	Overdue?	Overdue amount	Counter guarantee available?	Guarantee provided to the related parties?	Related party relationship
Dujiangyan City Qingcheng Tourism Development Co. Ltd.	Wholly-owned subsidiary	Property owners of Qingcheng 365 Zhaiyuan Project	12,340,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.2 Engineering Real Estate Group Co., Ltd.	Wholly-owned subsidiary	Property owners of Shanghe New Town Project	32,800,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Huainan Yangguangcheng Construction Co., Ltd	Wholly-owned subsidiary	Property owners of Huainan Yangguangcheng Project	17,896,939.46	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.4 Engineering Group Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Rainbow New City Project	12,922,996.77	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.4 Engineering Group Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Binhumingdi Project	12,067,312.69	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Guiyang Tiewujian Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Xinlong Phase II Project	1,369,118.80	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Wuhai City Bolin Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Bolin Community Project	45,050,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu Tongxin Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Xizi Xianghe Project	17,000,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu Lifang Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Qishigongguan Project	391,490,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu Guochuang Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Tamiya Project	425,961,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu Tongxin Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Aonceier Project	41,565,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.8 Engineering Chengdu Zhongtai Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Ruijing Mingcheng Phase I Project	207,229,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.8 Engineering Chengdu Zhongtai Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Ruijing Mingcheng Phase II Project	251,901,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.8 Engineering Chengdu Zhongtai Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Ruijing Lanting Project	210,734,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.8 Engineering Chengdu Zhongtai Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Ruijingyicheng Project	124,784,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu Tongxin Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Lijing Shuxiang Phase I Project	228,002,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu Liujiang Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Lijing Shuxiang Phase II & III Project	82,492,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Sichuan jiansheng Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Yanlanshan Project	24,559,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No					
China Railway No.10 Engineering Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Jinan Hua Yang Nian Hua Project	1,154,234.08	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.10 Engineering Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Dongying Sheng Shi Long Cheng Project	128,416,566.72	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.10 Engineering Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Jinan China Railway Hui Zhan International Project	91,703,212.81	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	

Guarantee granted by the Company (excluding those to subsidiaries)

Guarantor	Relationship between guarantor and listed company	Guarantee	Guaranteed amount	Commencement date of guarantee (Agreement execution date)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Guarantee fully fulfilled?	Overdue?	Overdue amount	Counter guarantee available?	Guarantee provided to the related parties?	Related party relationship
China Railway No.10 Engineering Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Zibo Dong Hai Chuan Cheng Project	8,370,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.10 Engineering Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Huiyuan Project	48,339,080.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway Major Bridge Engineering Group Co., Ltd.	Wholly-owned subsidiary	Wuhan Yingwuzhou Bridge Co., Ltd.	1,558,500,000.00	2012–2–13	2012–7–24	2018–4–22	Suretyship of joint and several liability	No	No	–	No	No	Associate
China Railway Tunnel Group Co., Ltd.	Wholly-owned subsidiary	China Shanghai (Group) Corporation for Foreign Economic Technological Cooperation	55,312,400.00	2011–12–29	2011–12–29	2013–9–30	Suretyship of joint and several liability	No	No	–	No	No	
China Railway Construction Engineering Group Shenzhen Investment Co., Ltd.	Wholly-owned subsidiary	Property owners of Guangzhou Nobel Mingdu Project City	913,266,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Beijing Noble Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Beijing Nobel Center Project	409,930,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Baotou China Railway Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Baotou Nobel International Garden Project	96,640,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Qingdao Jingxi Real Estate Co.,Ltd	Wholly-owned subsidiary	Property owners of Qingdao Nobel Plaze Project	63,730,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Shandong China Railway Nobel Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Shandong Nobel Mingcheng Project	98,308,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Beijing China Railway Huasheng Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Beijing Nobel Plaze Project	56,210,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Beijing Jingxu Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Zhongjing Siji Huacheng Project	277,926,585.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Beijing Jingxu Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Zhongjing Jiangshanfu Project	260,127,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Beijing Jingxu Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Weishanfu Project	227,516,516.12	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Hengshui Jingxu Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Tianxi Xiangyuan Project	66,536,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Xi'an China Railway Changfeng Real Estate Co., Ltd.	Non-wholly owned subsidiary	Property owners of Xi'an Binfen South County Project	830,043,500.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Hunan Qingzhuhu Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Changsha Lakeshore Jiazhou Project	176,164,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Guiyang China Railway Real Estate Co., Ltd.	Non-wholly owned subsidiary	Property owners of China Railway Guiyang • Yidu International Project	730,395,700.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Shenyang China Railway Shengfeng Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Shenyang Renjie Lakeshore Project	266,995,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Shenyang China Railway Shengfeng Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Shenyang Dingxiang Lakeshore Project	205,160,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Chengdu China Railway Rongfeng Real Estate Co., Ltd.	Non-wholly owned subsidiary	Property owners of China Railway West City Project	447,952,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Qingdao China Railway Xiangfeng Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Huaxu Meibang Project	4,000,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Shanghai China Railway City North Investment Development Co., Ltd.	Non-wholly owned subsidiary	Property owners of Shanghai China Railway Yidu Project	6,186,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Beijing China Railway Runfeng Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Huaxidu Project	113,590,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	

Guarantee granted by the Company (excluding those to subsidiaries)													
Guarantor	Relationship between guarantor and listed company	Guarantee	Guaranteed amount	Commencement date of guarantee (Agreement execution date)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Guarantee fully fulfilled?	Overdue?	Overdue amount	Counter guarantee available?	Guarantee provided to the related parties?	Related party relationship
Jinan China Railway Real Estate Co., Ltd.	Non-wholly owned subsidiary	Property owners of Jinan China Railway Shanhe City Project	243,642,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Qinghuangdao China Railway Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Qinghuangdao Guitizhai Project	95,720,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Qingdao Zhongjin Yuneng Property Co., Ltd.	Non-wholly owned subsidiary	Property owners of Qingdao International Trade Centre Project	322,330,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Zunyi Yuanfeng Real Estate Co., Ltd.	Wholly-owned subsidiary	Zunyi China Railway GongqinghuProject	48,881,692.57	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Sanya China Railway Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Sanya Ziyuetai Project	45,750,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Xiamen City China Railway Yuanchang Real Estate Co., Ltd.	Non-wholly owned subsidiary	Property owners of Xiamen China Railway • Yuanwan Project	31,846.90	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Yantai China Railway Real Estate Co., Ltd.	Non-wholly owned subsidiary	Property owners of Yantai China Railway Yidu Project	153,922,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
Sichuan Xinrui Industrial Investment Co., Ltd.	Non-wholly owned subsidiary	Property owners of Shuiyingqingcheng Project	4,290,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	
China Railway No.2 (Chengdu) Real Estate Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Isabella Project	155,697,000.00	Release date of bank mortgage	Release date of bank mortgage	Completion date of household ownership certificate application	Suretyship of joint and several liability	No	No	–	No	No	

Total guarantee incurred during the reporting period (excluding those provided to subsidiaries)	2,335,911,006.41
Total balance of guarantee as at the end of the reporting period (A) (excluding those provided to subsidiaries)	12,377,510,901.92
Guarantee provided by the Company to its subsidiaries	
Total guarantee to subsidiaries incurred during the reporting period	4,940,012,500.00
Total balance of guarantee to subsidiaries as at the end of the reporting period (B)	16,543,844,200.00
Aggregate guarantee of the Company (including those provided to subsidiaries)	
Aggregate guarantee (A+B)	28,921,355,101.92
Percentage of aggregate guarantee to net assets of the Company (%)	32.02
Representing:	
Amount of guarantee provided for shareholders, ultimate controller and their related parties (C)	–
Amount of debts guarantee directly or indirectly provided to guaranteed parties with gearing ratios over 70% (D)	14,611,213,900.00
Excess amount of aggregate guarantee over 50% of net assets (E)	–
Aggregate amount of the above three categories (C+D+E)	14,611,213,900.00
Statement on the contingent joint and several liability in connection with unexpired guarantee	–
Statement on guarantee	–

5.6.3 Other material contracts or transactions

Material contracts executed before the reporting period but remained effective during the reporting period:

(1) Infrastructure construction business

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum *(RMB'0,000)*	Construction period
Railway						
1	China Railway	Cambodia Iron and Steel Mining Industry Group	Cambodia Preah Vihear Mine Railway and Shamir Port Project	2012-12-31	6,024,126	72 months
2	China Railway No.4 Engineering	Lanzhou-Xinjiang Railway Co., Ltd.	Section LXTJ4 of Lanzhou-Xinjiang Railway	2010-03	868,769	36 months
3	China Railway No.2 Engineering	Datong-Xi'an Passenger Railway Line Co., Ltd.	Line Section 9 of Datong-Xi'an Passenger Railway	2010-03	636,953	42 months
Highway						
1	China Railway Major Bridge Engineering	Hong Kong-Zhuhai-Macao Bridge Authority	Section CB05 of the Main Project, Bridge Engineering, Civil Engineering and Construction of Composite Beams of Hong Kong-Zhuhai-Macao Bridge	2012-06	373,885	36 months
2	China Railway No.1 Engineering	Xinjiang Uygur Autonomous Region Communications Construction Administrative Bureau	Section SS-3 of Xinjiang S215 Line Sanchakou – Shache Expressway	2011-06	208,669	29 months
3	China Railway Major Bridge Engineering	Hubei Exi Highway Co., Ltd	Section TJ-6 of the First Phase Civil Engineering Construction of Xuanen-Xianfeng (boundary between Hubei and Chongqing) Hubei Enshi-Xianfeng Expressway and Hubei Enshi-Chongqing Qianjiang Expressway	2011-06	190,775	33 months

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum *(RMB'0,000)*	Construction period
Municipal works						
1	China Railway	Shenzhen Metro Group Co., Ltd.	BT Project of Shenzhen City Railway Line 11	2012-06	2,555,000	48 months
2	China Railway	Shenyang Department of Transportation	Construction of Shenyang Fourth Ring Highway-BT Project	2011-05	770,000	23 months
3	China Railway Major Bridge Engineering	Wuhan Construction and Investment Development Group Co., Ltd.	Construction of Yangtze River Bridge of Wuhan Yingwuzhou-BT Project	2011-04	247,500	44 months

(2) Survey, design and consulting services business

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum *(RMB'0,000)*	Construction period
1	China Railway Eryuan Engineering	Ethiopian Railway Corporation	Turnkey Contract of Sebeta-Adama-Mieso EPC for Addis Ababa-Djibouti Railway Project (Sections 1 and 2)	2011-10	208,153	48 months
2	China Railway Eryuan Engineering	Bangladesh Railway Administration	Construction of the second railway line project of Dongji-Paibuluobazhaer Bengal, including the main track signal project EPC of Dhaka-Chittagong	2011-07	130,597	36 months
3	China Railway Eryuan Engineering	Yunnan-Guizhou Railway Yunnan Co., Ltd.	The new Yunnan-Guizhou Railway (Yunnan section) Project Survey and Design	2011-05	81,000	72 months

(3) Engineering equipment and component manufacturing business

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum *(RMB'0,000)*	Construction period
Steel structure						
1	China Railway Shanhaiguan Bridge	Hong Kong-Zhuhai-Macao Bridge Authority	Purchasing and Manufacturing Contract CB01 of steel box girder for the Bridge Project of Main Project of Hong Kong-Zhuhai-Macao Bridge	2012-04	283,912	36 months
2	China Railway Turnout & Bridge	Dalian Southern Binhai Avenue Development Construction Investment Co., Ltd.	Processing of steel truss girder and bridge deck of Bin Hai Da Dao construction in south of Dalian city	2012-05	45,998	15.5 months
3	China Railway Shanhaiguan Bridge	Liaoning Province Communications Department of the Highway Bureau	China-Korea Yalu River Border Highway Bridge	2011-12	36,340	31 months
Turnout						
1	China Railway Shanhaiguan Bridge	Datong-Xian Passenger Railway Line Co., Ltd.	Purchasing contract of turnouts for the Daxi Line Railway Project	2012-05	42,774	17 months
2	China Railway Turnout & Bridge	Lanzhou-Xinjiang Railway Ganqing Co., Ltd.	Lanzhou-Xinjiang Railway 2nd double line (Gan Qing section) turnout purchase contract	2012-11	38,964	36 months
3	China Railway Shanhaiguan Bridge	Xiamen-Shenzhen Railway Guangdong Co., Ltd.	Xiamen-Shenzhen Railway	2010-04	34,288	42 months
Construction machinery						
1	China Railway Tunneling Equipment Co., Ltd.	MMC-GAMUDA Company	Malaysia CTE6630 model shield production contract	2012-07	10,280	7 months
2	China Railway Tunneling Equipment	Taiwan New Taipei City Qiang Quan Co., Ltd.	Manufacturing Contract of Steel Fiber	2012-03	5,800	36 months
3	China Railway Turnout & Bridge	The contract of the manufacturing, transportation and installation of Tongling Jinghu Sightseeing Line railway and overpass	Tongling Jinghu Property Development Co., Ltd.	2012-09	3,125	6 months

(4) Property development business

No.	Project name	Project location	Project type	Planning area ('0,000 sq.m.)
1	China Railway • Yidu International	Guiyang, Guizhou	Residential	230.6
2	Bairuijing Central Living Area	Wuhan, Hupei	Residential	105.5
3	Nobel Mingdu	Jinan, Shandong	Residential	89.34
4	China Railway • Huaxu Meibang	Qingdao, Shandong	Residential	53.45
5	Dalian Nobel Seashore Garden	Dalian, Liaoning	Residential	52.09

(5) Other businesses

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum (RMB'0,000)	Operation (Repurchase) term
1	China Railway No.2 Engineering	Yulin Bureau of communications	BOT Project of Yulin (Shaanxi)–Shenmu Expressway	2007-10	517,000	30 years
2	China Railway	Guangxi Department of communications	BOT Project of the Guangxi Cenxi–Xingye Expressway	2005-08	516,361	28 years
3	China Railway	Yunan Department of communications	BOT Project of the Yunan Funing–Guangnan, Guangnan–Yanshan Expressway	2005-12	644,000	27 years

Material contracts signed during the reporting period:

(1) Infrastructure construction business

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum (RMB'0,000)	Construction period
Railway						
1	China Railway No. 1 Engineering	Zhengxi Passengers Railway Co., Ltd.	New Zhengzhou-Xuzhou passenger railway line ZXZQ-6 Section	2013-01	367,356	48 months
2	China Railway Electrification Bureau	Shanghai-Kunming passengers Railway Jiangxi Co., Ltd.	Jiangxi & Hunan section E&M system integration, disaster prevention & safety monitoring, information & related works of new Hangzhou–Changsha passenger railway line HCGXSD section	2013-02	321,801	14 months

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum *(RMB'0,000)*	Construction period
3	China Railway No. 9 Engineering China Railway Construction Engineering	Shenyang Railway Bureau	Part of the new Shenyang South Station works house (SYNS-3) section	2013-03	281,213	35 months
Highway						
1	China Railway No. 8 Engineering	Sichuang Xinfu Expressway Investment Co., Ltd.	J2-1 section of Suining–Ziyang–Meishan highway Meishan section	2013-05	93,085	24 months
2	China Railway No. 7 Engineering	Hunan Construction & Development General Co.	Hunan Yongji highway project civil works section 15 and section 16	2013-03	68,339	30 months
3	China Railway & Airport	Ningdeshenhai Complex Line Expressway Co., Ltd.	A1 section of Haixi highway network Shenyang–Haikou Double-track Ningde Zhangwan–Lianjiang Fukou highway Ningde section roadbed civil works	2013-02	60,818	27 months
Municipal works						
1	China Railway Tunnel	Wuhan Metro Group Co., Ltd.	Wuhan rail transit line 6 first-stage project section 11 (The Second Installment)	2013-05	96,500	25 months
2	China Railway Major Bridge Engineering	Taiyuan city Infrastructure Construction Preliminary Office	Taiyuan City northern central bridge construction works	2013-05	83,677	7 months
3	China Railway No.3 Engineering	Tianjing Subway Construction Development Co., Ltd.	Section R1 contract of civil works to Tianjin Metro line 5 project	2013-02	83,233	32 months

(2) Survey, design and consulting services business

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum *(RMB'0,000)*	Construction period
1	China Railway Consultancy	Shaanxi Yulin Coal Transportation and Sale (Group) Co., Ltd.	Jingbian–Shenmu railway integration distributing channel	2013-04	11,316	Till the completion of the project
2	China Railway Consultancy	Inner Mongolia Xinghu Railway Co., Ltd.	New local railway of line Zhalantun–Arxan	2013-01	10,000	Till the completion of the project
3	China Railway Eryuan Engineering	China Railway Addis Ababa – Project Manager of Meiso Railway	Supplemantal contract of EPC project for Addis Ababa–Djibouti Railway (Sections 1 and 2): SEBETA-ADAMA-MIESO survey and design subcontract	2013-03	5,331	48 months

(3) Engineering equipment and component manufacturing business

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum *(RMB'0,000)*	Construction period
Steel structure						
1	China Railway Science and Technology Engineering	No.2 Engineering Co.,Ltd of China Railway No.18 Engineering	Contract of Nanning Wuxiang Bridge steel box girder manufacturing and installation	2013-01	14,877	20 months
2	China Railway Turnout & Bridge	Headquarters of Major Road and Bridge Construction in Nanjing	Ancillary facilities for channel across the river of Nanjing Jiangshan Street (footbridge project)	2013-01	14,871	17 months
Turnout						
1	China Railway Shanhaiguan Bridge	Chengyu Passenger Railway Line Co., Ltd	New Chengdu-Chongqing Passenger Railway Line project	2013-06	27,891	16 months
2	China Railway Turnout & Bridge	Beijing-Fuzhou & Fujian-Jiangxi Passenger Railway Co., Ltd.	Railway A of Beijing-Fuzhou & Fujian-Jiangxi railway materials purchase contracts	2013-01	19,399	22 months

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum *(RMB'0,000)*	Construction period
Construction machinery						
1	China Railway Tunnel Equipment	China Construction Civil and Civil Engineering Group	China Railway No.103 and 104 Shenzhen Metro	2013-06	8,670	8 months
2	China Railway Tunnel Equipment	China Construction Fifth Engineering Division Co., Ltd.	China Railway No.107 and 108 Shenzhen Metro	2013-02	8,376	8 months

(4) Property business

No.	Project name	Project location	Project type	Planning area *('0,000 sq.m.)*
1	China Railway Tixiangjun	Xi'an, Shaanxi	Residential	38
2	Land parcel of Tianjin Nobel Mingyuan	Tianjin	Residential	21
3	Block No.4 of Panyu Wanbo City, Guangzhou.	Guangzhou, Guangdong	Office building, commercial	10.8

5.6.4 Particulars of material properties

(1) Property held for investment

Building name	Location	Use	Tenure	Interest of the Company and subsidiaries
Tanmulin Hotel	No. 2, Xinhua Neighbourhood, Dongxing Temple Road, Ziliujing District, Zigong, Sichuan	Hotel	Medium term lease	100%
Floor 1–2 Building A1, Huaxi Changan Center	No. 69, Fuxing Road, Haidian District, Beijing	Commercial	Medium term lease	100%
Section 2, 3/F, Workers Stadium Building	Restaurant No. 3, Section 2, 3/F, Workers Stadium Building, Chaoyang District, Beijing	Commercial	Medium term lease	100%
Huilong Bay Lotus Mall	No.1, Shawan Road, Jinniu District, Chengdu, Sichuan	Commercial	Medium term lease	100%

Building name	Location	Use	Tenure	Interest of the Company and subsidiaries
Beijing Chaowai Research Building and Anciliary Space	No. 227, Chaowai Road, Chaoyang District, Beijing	Commercial	Medium term lease	100%
Tianyu Shopping Center	No. 1, North Part of Yanta Road, Xi'an	Commercial	Medium term lease	100%
Huashuiwan Celebrity Resort	Hot Springs Community, Huashui Bay, Dayi County, Chengdu, Sichuan	Hotel	Medium term lease	100%
15–17/F, Jingxin Building	A2 Dongsanhuanbei Road, Chaoyang District, Beijing	Commercial	Medium term lease	100%
China Railway Consultation Mansion	No. 15, Guang'an Road, Fengtai District, Beijing	Commercial	Medium term lease	100%

(2) Property held for development and/or for selling

Name of building or project	Location	Existing land use	Site area *(sq. m.)*	Floor area *(sq. m.)*	Stage of completion	Expected completion date	Interest of the Company and subsidiaries
China Railway Ziyuetai	No. 165, Yingbin Road, Sanya	Residential, Commercial	74,670	237,700	Under construction (already sold)	2015	100%
China Railway West City	Guanghuadongsan Road, Qing Yang District, Chengdu	Residential	192,010	526,119	Under construction (already sold)	2015	80%
Bridge Living Capital	No.586, Wu Luo Road, Wuchang District, Wuhan City	Residential	528,000	1,060,000	Under construction (already sold)	2015	67%
China Railway Yidu International	No.1, North Section, Jinyang Avenue, Jinyang District, Guiyang	Residential	1,060,000	2,306,000	Under construction (already sold)	2015	80%
Jinan Hanyu	East of Fenghuang Road, Dahanyu Neigbourhood, Gaoxin District, Jinan	Residential	192,517	960,800	Under construction (already sold)	2015	100%

5.7 Performance Status of Undertakings

5.7.1 Undertakings by the listed company or shareholders with more than 5% of the Company's shares, controlling shareholders and ultimate controller given or subsisting in the reporting period or continuing during the report period

Undertaking	Details of undertaking	Performance status
Undertaking made by CRECG upon the issuance of shares	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 procure the engagement or participation in any businesses that compete, or are 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 warrants 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.	CRECG has strictly complied with the above undertaking

5.8 Appointment and Removal of Auditors

During the reporting period, the Company had not changed the auditors.

5.9 Penalty and Rectification Order Against Listed Companies and its Directors, Supervisors, Senior Management, the Company's Shareholders with 5% or Above Shares Held, Ultimate Controller and Acquirer

Not applicable

5.10 Convertible Corporate Bonds

Not applicable

5.11 Corporate Governance

During the reporting period, the Group continued operating its business in compliance with relevant laws and regulations such as the Company Law and the Securities Law, as well as the regulations of relevant authorities in Hong Kong and the PRC. Its corporate governance standard also continued to improve. Shareholders' general meetings, meetings of the board of directors and supervisory committee of the Company were carried out in accordance with relevant laws and regulations, in which protected the interest of the company and shareholders. The operation of the Company is in compliance with the requirements of the Company Law and the relevant regulations of the relevant authority in Hong Kong and the PRC.

5.12 Other Significant Events

5.12.1 Analysis and explanation of the Board on the reasons for and impacts of the changes in accounting policies, accounting estimates and auditing methods

Substances of and reasons for the changes in accounting policies	Procedures for approval	Affected items and amounts in the statements	
Before 1 January 2013, actuarial evaluation on the defined retirement benefit plan was conducted on each balance sheet date by the Group to determine the benefit cost by estimated accumulative benefit unit method. 10% of the amount by which the actuarial profit and loss exceed the higher of present value of defined benefit liabilities and planned asset fair value shall be amortized over the expected average remaining life of the participating employees. The cost for past service are recognized immediately upon receipt of the benefit by employees, otherwise, such cost for past service shall be amortized with equal installments by straight-line method within the period before the employee's benefit become vested.	As required by the Accounting Standards for Business Enterprises Interpretation No.2, the Group has applied the relevant regulations.	**Retrospective adjustment basis**	
		Consolidated Financial Statements:	
		31 December 2012	*RMB'000*
		Deferred tax assets	Increase 104,846
		Long-term payable	Increase 508,029
		Undistributed profit	Increase 230,558
		Capital reserve	Decrease 631,912
		Minority interests	Decrease 1,829
		From January to June 2013	
		Administrative expenses	Decrease 16,000
		Income tax expenses	Increase 4,000
		Other comprehensive incomes	Increase 1,000

Substances of and reasons for the changes in accounting policies	Procedures for approval	Affected items and amounts in the statements
International Financial Reporting Standards 19 – Employee Benefits was revised in 2011. It required all the actuarial profits and losses to be included in the other comprehensive income immediately, such that liabilities of the employee's retirement benefit recognized in the balance sheet reflects the full amount of the defined benefit scheme. Pursuant to the Notice on the Roadmap of Continuous Convergence between Accounting Standard for Business Enterprises of China and International Financial Reporting Standards issued by the Department of Finance in 2010 and the 1st requirement in Accounting Standard Interpretation for Business Enterprises No.2, in respect of the above same issue, the Group shall ensure the consistency of manner in processing between Accounting Standard for Business Enterprises of China and International Financial Reporting Standards. The Group has accounted for the aforesaid accounting policies on a retrospective adjustment basis.		

5.12.2 Analysis and explanation of the Board on the reasons for and impacts of correcting material mistakes of the prior periods

Not applicable

5.13 Corporate Governance

The Company complied with all code provisions of the Corporate Governance Code and Corporate Governance Report (the "**Code**") set out in Appendix 14 to the Hong Kong Listing Rules throughout the six months ended 30 June 2013.

5.14 Review of Interim Financial Report

The 2013 interim financial report of the Company prepared in accordance with Chinese Accounting Standard and International Financial Reporting Standard has not been audited. The 2013 interim financial report has been reviewed by the Audit Committee of the Board.

6 FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months Ended 30 June 2013

		Six months ended	
		30/6/2013	30/6/2012
	Notes	***RMB million***	*RMB million*
		(Unaudited)	(Unaudited/ restated)
Revenue	*3*	**238,956**	190,915
Cost of sales		**(222,280)**	(176,812)
Gross profit		**16,676**	14,103
Other income	*4*	**824**	774
Other expenses	*4*	**(2,120)**	(1,408)
Other gains and losses	*5*	**115**	(161)
Selling and marketing expenses		**(1,010)**	(681)
Administrative expenses		**(7,604)**	(7,188)
Interest income		**1,487**	1,083
Interest expenses		**(3,076)**	(2,845)
Share of profits of joint ventures		**24**	20
Share of losses of associates		**(39)**	(42)
Profit before tax		**5,277**	3,655
Income tax expense	*6*	**(1,595)**	(1,115)
Profit for the period		**3,682**	2,540
Other comprehensive income (expense):			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligation		**2**	–
Income tax relating to remeasurement of defined benefit obligation that will not be reclassified to profit or loss		**(1)**	–
		1	–

	Notes	Six months ended 30/6/2013 RMB million (Unaudited)	30/6/2012 RMB million (Unaudited/ restated)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(198)**	(43)
Net fair value (loss) gain on available-for-sale financial assets		**(65)**	211
Reclassification adjustments for the cumulative gain included in profit or loss upon disposal of available-for-sale financial assets		**(12)**	(10)
Share of other comprehensive (expense) income of joint ventures and associates		**(7)**	1
Income tax relating to fair value change on available-for-sale financial assets		**15**	(38)
		(267)	121
Other comprehensive (expense) income for the period, net of income tax		**(266)**	121
Total comprehensive income for the period		**3,416**	2,661
Profit for the period attributable to:			
Owners of the Company		**3,488**	2,390
Non-controlling interests		**194**	150
		3,682	2,540
Total comprehensive income for the period attributable to:			
Owners of the Company		**3,241**	2,512
Non-controlling interests		**175**	149
		3,416	2,661
		RMB	*RMB*
Earnings per share (Basic)	*7*	**0.164**	0.112

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013

	Notes	30/6/2013 RMB million (Unaudited)	31/12/2012 RMB million (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**42,385**	41,513
Deposits for acquisition of property, plant and equipment		**868**	458
Lease prepayments		**8,034**	8,062
Deposits for land use rights		**216**	235
Deposits for investment		**–**	–
Investment properties		**1,407**	1,410
Intangible assets		**32,935**	33,189
Mining assets		**4,304**	4,361
Interests in joint ventures		**983**	870
Interests in associates		**3,872**	3,618
Goodwill		**852**	857
Available-for-sale financial assets		**7,356**	5,897
Other loans and receivables		**4,891**	4,701
Deferred tax assets		**3,944**	3,901
Other prepayments		**64**	56
Trade and other receivables	*9*	**9,020**	6,678
		121,131	115,806
Current assets			
Lease prepayments		**194**	191
Properties held for sale		**10,709**	12,313
Properties under development for sale		**74,143**	65,287
Inventories		**44,009**	41,906
Trade and other receivables	*9*	**179,904**	159,649
Amounts due from customers for contract work		**88,008**	78,522
Current income tax recoverable		**510**	408
Other loans and receivables		**2,439**	2,012
Held-for-trading financial assets		**216**	205
Restricted cash		**6,514**	4,753
Cash and cash equivalents		**75,814**	67,738
		482,460	432,984
Assets classified as held for sale		**1,923**	1,871
		484,383	434,855
Total assets		**605,514**	550,661

	Notes	**30/6/2013**	31/12/2012
		RMB million	*RMB million*
		(Unaudited)	(Restated)
EQUITY			
Share capital		**21,300**	21,300
Share premium and reserves		**58,586**	56,493
Equity attributable to owners of the Company		**79,886**	77,793
Non-controlling interests		**10,448**	10,197
Total equity		**90,334**	87,990
LIABILITIES			
Non-current liabilities			
Other payables	*10*	**511**	450
Borrowings		**102,867**	87,899
Obligations under finance lease		**484**	733
Financial guarantee contracts		**1**	1
Retirement and other supplemental benefit obligations		**5,353**	5,619
Provisions		**237**	206
Deferred government grant		**747**	655
Deferred tax liabilities		**1,005**	989
		111,205	96,552
Current liabilities			
Trade and other payables	*10*	**296,813**	272,534
Amounts due to customers for contract work		**16,853**	15,028
Current income tax liabilities		**1,077**	1,988
Borrowings		**86,449**	73,762
Obligations under finance lease		**629**	632
Financial guarantee contracts		**–**	1
Retirement and other supplemental benefit obligations		**629**	701
Provisions		**37**	37
Held-for-trading financial liabilities		**203**	203
		402,690	364,886
Liabilities associated with assets classified as held for sale		**1,285**	1,233
		403,975	366,119
Total liabilities		**515,180**	462,671
Total equity and liabilities		**605,514**	550,661
Net current assets		**80,408**	68,736
Total assets less current liabilities		**201,539**	184,542

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Company and its subsidiaries (collectively referred to as the "Group") has applied, for the first time, the following new and revised International Financial Reporting Standards, amendments and interpretation ("new and revised IFRSs") that are mandatorily effective for an accounting period that begins on or after 1 January 2013.

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 13	Fair Value Measurement
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate financial statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IFRSs	Annual Improvements to IFRSs 2009–2011 Cycle
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income for the first time in the current interim period. The amendments to IAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to IAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current interim period, the Group has applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as revised in 2011) together with the amendments to IFRS 10, IFRS 11 and IFRS12 regarding the transitional guidance. IAS 27 (as revised in 2011) is not applicable to these condensed consolidated financial statements as it deals only with separate financial statements.

The impact of the application of these standards that is relevant to the Group is set out below.

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC 12 Consolidation - Special Purpose Entities. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

IFRS 11 replaces IAS 31 Interests in Joint Ventures, and the guidance contained in a related interpretation, SIC 13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers, has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are only two types of joint arrangements - joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 had three types of joint arrangements - jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive.

In June 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the application of these IFRSs for the first time.

The application of these standards has no material impact on the Group's profit or loss, other comprehensive income and financial position in the current and prior periods. However, the directors of the Company (the "Directors") consider that the application of IFRS 12 will affect the Group's disclosures in the annual consolidated financial statements for the year ending 31 December 2013.

IFRS 13 Fair Value Measurement

The Group has applied IFRS 13 for the first time in the current interim period. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various IFRSs. Consequential amendments have been made to IAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of IFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. IFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively.

IAS 19 Employee Benefits (as revised in 2011)

In the current interim period, the Group has applied IAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset.

These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years. The Group has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis (see below for details).

Impact on profit or loss and other comprehensive income for the period:

	Six months ended	
	30/6/2013	30/6/2012
	RMB million	*RMB million*
Impact on profit for the period		
Decrease in administrative expenses	**16**	–
Increase in income tax expense	**(4)**	–
Increase in profit for the period	**12**	–
Impact on other comprehensive income for the period		
Increase in gain arising from remeasurement of defined benefit obligations	**2**	–
Increase in income tax relating to remeasurement of defined benefit obligations	**(1)**	–
Increase in other comprehensive income for the period	**1**	–
Increase in total comprehensive income for the period	**13**	–
Increase in profit for the period attributable to:		
Owners of the Company	**12**	–
Non-controlling interests	**–**	–
	12	–
Increase in total comprehensive income for the period attributable to:		
Owners of the Company	**13**	–
Non-controlling interests	**–**	–
	13	–

Impact on assets, liabilities and equity as at 1 January 2012:

	As at 1/1/2012 *RMB million* (as previously reported)	**Adjustments** *RMB million*	**As at 1/1/2012** *RMB million* (as restated)
Deferred tax assets	3,284	141	3,425
Retirement and other supplemental benefit obligations	5,522	789	6,311
Total effect on net assets	(2,238)	(648)	(2,886)
Share premium and reserves	50,549	(646)	49,903
Non-controlling interests	9,330	(2)	9,328
Total effect on equity	59,879	(648)	59,231

Impact on assets, liabilities and equity as at 31 December 2012:

	As at 31/12/2012 *RMB million* (as previously reported)	**Adjustments** *RMB million*	**As at 31/12/2012** *RMB million* (as restated)
Deferred tax assets	3,796	105	3,901
Retirement and other supplemental benefit obligations	5,111	508	5,619
Total effect on net assets	(1,315)	(403)	(1,718)
Share premium and reserves	56,894	(401)	56,493
Non-controlling interests	10,199	(2)	10,197
Total effect on equity	67,093	(403)	66,690

Impact on assets, liabilities and equity as at 30 June 2013:

	30/6/2013 *RMB million*
Increase in deferred tax assets	**100**
Increase in retirement and other supplemental benefit obligations	**490**
Decrease in net assets	**(390)**
Decrease in share premium and reserves	**(388)**
Decrease in non-controlling interests	**(2)**
Decrease in equity	**(390)**

Impact on basic earnings per share for the period:

	Six months ended	
	30/6/2013	30/6/2012
	RMB	*RMB*
Basic earnings per share before adjustments	**0.163**	0.112
Adjustments arising from change in accounting policy in relation to application of IAS 19 (as revised in 2011)	**0.001**	–
Reported basic earnings per share	**0.164**	0.112

The application of IAS 19 (as reviesed in 2011) has no impact on cash flows for both periods.

The application of the other new and revised IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group's reportable and operating segments are as follows:

(i) Construction of railways, highways, bridges, tunnels, metropolitan railways (including subways and light railways), buildings, irrigation works, hydroelectricity projects, ports, docks, airports and other municipal works ("Infrastructure construction");

(ii) Survey, design, consulting, research and development, feasibility study and compliance certification services with respect to infrastructure construction projects ("Survey, design and consulting services");

(iii) Design, research and development, manufacture and sale of turnouts and other railway related equipment and materials, steel structures and engineering machinery ("Engineering equipment and component manufacturing");

(iv) Development, sale and management of residential and commercial properties ("Property development"); and

(v) Mining, merchandise trading and other ancillary business ("Other businesses").

Inter-segment revenue is charged at cost plus a percentage of mark up.

The segment information regarding the Group's operating segments is presented below. The application of IAS 19 (as revised in 2011) in the current interim period has had no material effect on the segment information of the Group.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment for the period under review:

	Infrastructure construction *RMB million*	**Survey, design and consulting services** *RMB million*	**Engineering equipment and component manufacturing** *RMB million*	**Property development** *RMB million*	**Other businesses** *RMB million*	**Total segments** *RMB million*
Six months ended 30 June 2013						
External revenue	**200,721**	**4,118**	**5,487**	**7,480**	**28,472**	**246,278**
Inter-segment revenue	**2,734**	**78**	**733**	**9**	**1,604**	**5,158**
Other operating income	**995**	**30**	**96**	**90**	**161**	**1,372**
Inter-segment other operating income	**–**	**–**	**–**	**–**	**39**	**39**
Segment revenue	**204,450**	**4,226**	**6,316**	**7,579**	**30,276**	**252,847**
Segment results						
Profit before tax	**4,039**	**366**	**316**	**1,157**	**679**	**6,557**
Segment results included:						
Share of profits (losses) of joint ventures	**27**	**(4)**	**1**	**–**	**–**	**24**
Share of losses of associates	**(37)**	**–**	**–**	**–**	**(2)**	**(39)**
Interest income	**1,679**	**26**	**6**	**360**	**142**	**2,213**
Interest expenses	**(1,937)**	**(73)**	**(90)**	**(367)**	**(1,238)**	**(3,705)**

	Infrastructure construction *RMB million*	Survey, design and consulting services *RMB million*	Engineering equipment and component manufacturing *RMB million*	Property development *RMB million*	Other businesses *RMB million*	Total segments *RMB million*
Six months ended 30 June 2012						
External revenue	161,845	4,030	4,001	4,170	22,739	196,785
Inter-segment revenue	1,213	56	842	–	824	2,935
Other operating income	1,177	20	57	57	219	1,530
Inter-segment other operating income	–	–	–	–	89	89
Segment revenue	164,235	4,106	4,900	4,227	23,871	201,339
Segment results						
Profit before tax	3,171	274	234	559	537	4,775
Segment results included:						
Share of profits (losses) of joint ventures	30	(5)	(5)	–	–	20
Share of losses of associates	(42)	–	–	–	–	(42)
Interest income	1,368	30	5	167	233	1,803
Interest expenses	(1,933)	(89)	(80)	(154)	(1,259)	(3,515)

A reconciliation of the amounts presented for reportable and operating segments to the condensed consolidated financial statements is as follows:

	Six months ended	
	30/6/2013	30/6/2012
	RMB million	*RMB million*
Segment revenue	**252,847**	201,339
Inter-segment elimination	**(5,197)**	(3,024)
Reconciling items:		
Reclassification of sales tax *(note (a))*	**(7,322)**	(5,870)
Reclassification of other operating income *(note (b))*	**(1,372)**	(1,530)
Total consolidated revenue, as reported	**238,956**	190,915
Segment interest income	**2,213**	1,803
Inter-segment elimination	**(726)**	(720)
Total consolidated interest income, as reported	**1,487**	1,083
Segment interest expenses	**3,705**	3,515
Inter-segment elimination	**(629)**	(670)
Total consolidated interest expenses, as reported	**3,076**	2,845
Segment results	**6,557**	4,775
Inter-segment elimination	**(1,419)**	(1,216)
Reconciling item:		
Land appreciation tax *(note (c))*	**139**	96
Total consolidated profit before tax, as reported	**5,277**	3,655

Notes:

(a) Sales tax is included in operating expenses under segment reporting and is classified as a reduction against revenue in the condensed consolidated statement of profit or loss and other comprehensive income.

(b) Other operating income is included in revenue under segment reporting and is classified as other income in the condensed consolidated statement of profit or loss and other comprehensive income.

(c) Land appreciation tax is included in operating expenses under segment reporting and is classified as income tax expense in the condensed consolidated statement of profit or loss and other comprehensive income.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	30/6/2013	31/12/2012
	RMB million	*RMB million*
Infrastructure construction	**401,340**	377,779
Survey, design and consulting services	**9,836**	10,460
Engineering equipment and component manufacturing	**22,253**	21,079
Property development	**113,997**	108,994
Other businesses	**117,301**	90,321
Total segment assets	**664,727**	608,633

Segment liabilities

	30/6/2013	31/12/2012
	RMB million	*RMB million*
		(restated)
Infrastructure construction	**355,939**	338,098
Survey, design and consulting services	**5,833**	6,328
Engineering equipment and component manufacturing	**15,573**	14,401
Property development	**105,744**	93,275
Other businesses	**92,797**	66,420
Total segment liabilities	**575,886**	518,522

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets and current income tax recoverable excluding prepaid land appreciation tax which is allocated to operating segments; and

- all liabilities are allocated to operating segments other than deferred tax liabilities and current income tax liabilities excluding land appreciation tax payable which is allocated to operating segments.

A reconciliation of the amounts presented for reportable and operating segments to the condensed consolidated financial statements is as follows:

	30/6/2013	31/12/2012
	RMB million	*RMB million*
		(restated)
Segment assets	**664,727**	608,633
Inter-segment elimination	**(63,440)**	(62,072)
Reconciling items:		
Deferred tax assets	**3,944**	3,901
Shares conversion scheme of subsidiaries *(note (d))*	**(170)**	(170)
Current income tax recoverable	**510**	408
Prepaid land appreciation tax included in current income tax recoverable	**(57)**	(39)
Total consolidated assets, as reported	**605,514**	550,661
Segment liabilities	**575,886**	518,522
Inter-segment elimination	**(63,052)**	(58,783)
Reconciling items:		
Deferred tax liabilities	**1,005**	989
Current income tax liabilities	**1,077**	1,988
Prepaid land appreciation tax (Land appreciation tax payable) included in current income tax liabilities	**264**	(45)
Total consolidated liabilities, as reported	**515,180**	462,671

Note:

(d) Loss on shares conversion scheme of subsidiaries is recorded in segment assets in segment reporting and is adjusted to other gains and losses in the consolidated statement of profit or loss and other comprehensive income in prior years.

4. OTHER INCOME AND EXPENSES

	Six months ended	
	30/6/2013	30/6/2012
	RMB million	*RMB million*
Other income from:		
Dividend income	**50**	16
Government subsidies *(note (a))*	**135**	108
Compensation income	**7**	13
Relocation compensation	**105**	10
Amortisation of financial guarantee contracts	**1**	1
Income from sundry operations *(note (b))*	**466**	589
Others	**60**	37
	824	774
Other expenses on:		
Research and development expenditure	**2,120**	1,408

Notes:

(a) Government subsidies relating to expenses include various government subsidies received by the group entities from relevant government bodies in connection with enterprise expansion, technology advancement, environmental protection measures enhancement and product development etc. All subsidies were recognised at the time the Group fulfilled the relevant criteria and when the related expenses incurred.

Government subsidies relating to assets include government subsidies obtained by the group entities in relation to the acquisition of property, plant and equipment, which were included in the condensed consolidated statement of financial position as deferred government grant and credited to profit or loss on a straight-line basis over the expected useful lives of the relevant assets.

(b) The balances comprise profits from sundry operations incidental to the main revenue-generating activities of the Group including sales of materials, rental income, transportation income and hotel operation income etc.

5. OTHER GAINS AND LOSSES

	Six months ended	
	30/6/2013	30/6/2012
	RMB million	*RMB million*
Gain (loss) on disposal and/or write-off of:		
Property, plant and equipment	**27**	(3)
Lease prepayments	**3**	–
Investment properties	**(1)**	–
Available-for-sale financial assets	**4**	–
Cumulative gain reclassified from equity to profit or loss on disposal of investments calssified as available-for-sale	**12**	10
Impairment loss (recognised) reversed on:		
Goodwill	**(5)**	–
Available-for-sale financial assets	**–**	(1)
Trade and other receivables	**(168)**	(85)
Other loans and receivables	**(1)**	2
Gain on disposal of a subsidiary	**188**	–
Gain on disposal of interest in an associate	**2**	–
Loss on disposal of interest in a joint venture	**(1)**	–
Loss from changes in fair value of financial assets/liabilities classified as held-for-trading	**(32)**	(39)
Foreign exchange gains (losses), net	**87**	(45)
	115	(161)

6. INCOME TAX EXPENSE

	Six months ended	
	30/6/2013	30/6/2012
	RMB million	*RMB million*
		(Restated)
Current tax		
Enterprise Income Tax ("EIT")	**1,440**	1,154
Land Appreciation Tax ("LAT")	**139**	96
Underprovision in prior years	**23**	16
Deferred tax	**(7)**	(151)
	1,595	1,115

The majority of the entities in the Group are located in Mainland China. Pursuant to the relevant laws and regulations, the statutory EIT rate of 25% (six months ended 30 June 2012: 25%) is applied to the Group except for certain subsidiaries which were either exempted from EIT or entitled to the preferential tax rate of 12.5%, 15%, or 20% (six months ended 30 June 2012: 12.5% or 15%) during the current interim period.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

7. EARNINGS PER SHARE

Basic earnings per share for the six months ended 30 June 2013 is calculated by dividing the profit attributable to owners of the Company of RMB3,488 million (six months ended 30 June 2012: RMB2,390 million) by 21,299,900,000 shares (six months ended 30 June 2012: 21,299,900,000 shares) in issue during the period.

No diluted earnings per share are presented as there are no potential ordinary shares outstanding during both periods.

8. DIVIDEND

On 26 June 2013, final dividend of RMB0.052 per share in respect of the year ended 31 December 2012, amounting to RMB1,108 million in aggregate, was declared and subsequently paid in August 2013.

The final dividend of RMB0.048 per share in respect of the year ended 31 December 2011, amounting to RMB1,022 million in aggregate, was declared on 26 June 2012 and subsequently paid in August 2012.

The Directors do not recommend the payment of an interim dividend for the current interim period (six months ended 30 June 2012: nil).

9. TRADE AND OTHER RECEIVABLES

The majority of the Group's revenue is generated through construction projects and settlement is made in accordance with the terms specified in the contracts governing the relevant transactions. For sales of products, a credit period of 180 days is normally granted to large or long-established customers with good repayment history. Receivables from small, new or short-term customers are normally expected to be settled shortly after provision of services or delivery of goods.

	30/6/2013	31/12/2012
	RMB million	*RMB million*
Trade and bills receivables	**121,620**	109,128
Less: impairment	**(1,949)**	(1,894)
	119,671	107,234
Other receivables (net of impairment)	**34,574**	30,517
Advance to suppliers	**34,679**	28,576
	188,924	166,327
Less: Amount due after one year included in non-current assets	**(9,020)**	(6,678)
Amount due within one year included in current assets	**179,904**	159,649

Included in trade and bills receivables are retention receivables of RMB47,157 million (31 December 2012: RMB44,447 million). Retention receivables are interest-free and recoverable at the end of the retention period of individual construction contract, the Group's normal operating cycle, which is usually more than one year.

The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts at the reporting date, presented based on the date of delivery of goods or services or the billing date of contract works:

	30/6/2013	31/12/2012
	RMB million	*RMB million*
Less than six months	**52,120**	47,076
Six months to one year	**31,425**	22,737
One year to two years	**19,104**	22,284
Two years to three years	**9,163**	9,684
More than three years	**7,859**	5,453
	119,671	107,234

Included in trade and bills receivables are bills discounted with recourse amounting to RMB166 million (31 December 2012: RMB489 million) to secure bank borrowings amounting to RMB161 million (31 December 2012: RMB483 million). The Group continues to recognise the full carrying amount of the bills receivables and has recognised the cash received as secured bank borrowings. In addition, bills receivable issued among subsidiaries of the Group for intra-group transactions amounting to RMB311 million (31 December 2012: RMB307 million) have been discounted with recourse to secure short-term bank borrowings amounting to RMB309 million (31 December 2012: RMB307 million) and these bills receivable have been eliminated in the condensed consolidated financial statements.

Trade receivables of RMB2,970 million (31 December 2012: RMB2,647 million), RMB1,682 million (31 December 2012: RMB1,413 million) and RMB339 million (31 December 2012: RMB1,007 million) were pledged or factored to secure bank borrowings amounting to RMB2,316 million (31 December 2012: RMB1,810 million), other long-term borrowings amounting to RMB1,583 million (31 December 2012: RMB1,413 million) and other short-term borrowings amounting to RMB303 million (31 December 2012: RMB1,007 million).

10. TRADE AND OTHER PAYABLES

	30/6/2013	31/12/2012
	RMB million	*RMB million*
Trade and bills payables	**189,321**	180,058
Advance from customers	**62,035**	49,685
Accrued payroll and welfare	**2,452**	2,629
Other taxes	**8,673**	8,444
Deposit received in advance	**152**	157
Dividend payables	**1,294**	184
Other payables	**33,397**	31,827
	297,324	272,984
Analysed for reporting purposes as:		
Non-current	**511**	450
Current	**296,813**	272,534
	297,324	272,984

The credit period on purchases of goods ranges from 180 days to 360 days. Included in trade and bills payables are retention payables of RMB4,877 million (31 December 2012: RMB4,639 million). Retention payables are interest-free and payable at the end of the retention period of individual construction contract, the Group's normal operating cycle, which is usually more than one year.

The balances of other payables mainly include payments made by the third parties on behalf of the Group, guarantee money payables and others.

The following is an aged analysis of trade and bills payables at the end of the reporting period, based on the date of goods or services received or the billing date of contract works:

	30/6/2013	31/12/2012
	RMB million	*RMB million*
Less than one year	**168,114**	158,072
One year to two years	**11,919**	13,884
Two years to three years	**5,449**	5,252
More than three years	**3,839**	2,850
	189,321	180,058

7 ISSUE OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be released on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.crec.cn). The 2013 Interim Report prepared in accordance with IFRS will be released on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.crec.cn). The 2013 Interim Report and its Summary prepared in accordance with CAS will be released on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Company (www.crec.cn).

The Board of Directors of
China Railway Group Limited

30 August 2013

As at the date of this announcement, the executive directors of the Company are LI Changjin (Chairman), BAI Zhongren and YAO Guiqing; the non-executive director is HAN Xiuguo; and the independent non-executive directors are HE Gong, GONG Huazhang, WANG Taiwen and SUN Patrick.