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中國中鐵股份有限公司
CHINA RAILWAY GROUP LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 390)

RESULTS ANNOUNCEMENT FOR THE YEAR OF 2013

The board of directors of China Railway Group Limited (the “**Company**” or “**China Railway**”) is pleased to announce the annual audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2013.

1. CORPORATE INFORMATION

Basic Information

Stock Name:	China Railway (A Share)	China Railway (H Share)
Stock Code:	601390	390
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	

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2. SUMMARY OF ACCOUNTING DATA

2.1. Key Accounting Data Prepared under International Financial Reporting Standard (“IFRS”)

2.1.1. Summary of statement of comprehensive income

	For the year ended 31 December					Change
	2013	2012 (Restated)	2011 (Restated)	2010	2009	2013 vs 2012 (%)
			RMB million			
Revenue						
Infrastructure Construction	456,272	396,906	392,540	416,513	314,136	15.0
Survey, Design and Consulting Services	9,180	9,069	8,926	9,279	7,007	1.2
Engineering Equipment and Component Manufacturing	13,711	11,464	11,147	12,210	9,236	19.6
Property Development	27,566	20,175	17,135	11,945	5,535	36.6
Other Businesses	68,958	56,432	42,211	32,535	17,676	22.2
Inter-segment Eliminations and Adjustments	(35,293)	(28,421)	(29,743)	(26,320)	(19,515)	
Total	540,394	465,625	442,216	456,162	334,075	16.1
Gross Profit	40,340	35,561	32,253	27,143	20,446	13.4
Profit before Tax	14,819	11,130	10,086	10,548	8,608	33.1
Profit for the Year	10,075	8,069	7,310	8,211	7,322	24.9
Profit for the Year Attributable to Owners of the Company	9,374	7,390	6,760	7,398	6,809	26.8
Basic Earnings per Share (RMB)	0.440	0.347	0.317	0.347	0.320	26.8

2.1.2. Summary of statement of financial position

	As at 31 December					Change
	2013	2012	2011	2010	2009	2013 vs
		(Restated)	(Restated)			2012
	RMB million					(%)
Assets						
Current Assets	503,090	434,855	360,099	298,732	238,066	15.7
Non-current Assets	124,940	115,806	108,602	92,867	76,768	7.9
Total Assets	628,030	550,661	468,701	391,599	314,834	14.1
Liabilities						
Current Liabilities	420,242	366,119	305,572	264,980	211,469	14.8
Non-current Liabilities	111,158	96,552	82,598	52,501	36,400	15.1
Total Liabilities	531,400	462,671	388,170	317,481	247,869	14.9
Total Equity	96,630	87,990	80,531	74,118	66,965	9.8
Total Equity and Liabilities	628,030	550,661	468,701	391,599	314,834	14.1

2.2. Differences between Chinese Accounting Standard (“CAS”) and IFRS

	Net assets attributable to owners of the Company as at 31 December 2013 RMB million	Profit for the year attributable to owners of the Company for the year ended 31 December 2013 RMB million
Amount stated in the financial statements prepared in accordance with CAS	86,633	9,374
Adjustments as required by IFRS:		
– Recognition of loss on shares conversion scheme of a subsidiary	(170)	–
Amount stated in the financial statements prepared in accordance with IFRS	86,463	9,374

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. The lock-up period for the 467.5 million A shares of the Company with selling restrictions held by No. 3 Transfer Account of National Council for Social Security Fund expired on 4 December 2013, please refer to the announcement of the Company dated 29 November 2013 “Notification announcement in relation to the release of lock-up of shares of China Railway Group Limited with selling restrictions” published on the website of Shanghai Stock Exchange (www.sse.com.cn). After the release of lock-up, there is no selling restriction on all 21,299.9 million shares of the Company.

Unit: Shares

		Before movement		Increase/decrease (+/-)					After movement	
		Number of Shares	Percentage (%)	Conversion					Number of Shares	Percentage (%)
				New Issue	Bonus Issue	from Reserves	Other	Sub-total		
(1)	Shares with selling restrictions	467,500,000	2.20	0	0	0	0	-467,500,000	0	0
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	-467,500,000	-467,500,000	0	0
	Of which:									
	Shares held by domestic non-state-owned legal persons	467,500,000	2.20	0	0	0	-467,500,000	-467,500,000	0	0
	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	+467,500,000	+467,500,000	212,990,000	100
1.	RMB-denominated ordinary shares	16,625,010,000	78.05	0	0	0	+467,500,000	+467,500,000	170,925,100	80.52
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	19.72
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. Number of Shareholders and Their Shareholdings

As at the end of the reporting period, the Company had a total of 671,195 shareholders. The total number of shareholders at the end of the fifth day prior to this announcement was 639,215.

3.2.1. 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	Condition of shares	Number of pledged or frozen shares Quantity
1	China Railway Engineering Corporation (“CRECG”)	State-owned	56.1	11,950,010,000	0	0	Nil	0
2	HKSCC Nominees Limited (<i>Note 1</i>)	Other	19.45	4,142,515,509	+2,136,953	0	Unknown	0
3	No. 3 Transfer Account of National Council for Social Security Fund	Other	2.19	467,500,000	0	0	Nil	0
4	Morgan Stanley & Co. International Plc.	Other	0.14	29,201,991	+18,714,528	0	Nil	0
5	Bank of China – Harvest SSE-SZSE 300 Index Securities Investment Fund	Other	0.13	27,588,250	-13,052,250	0	Pledged/ Frozen	58,800
6	Bill & Melinda Gates Foundation Trust	Other	0.12	25,000,090	0	0	Nil	0
7	Huaxin Trust Company Limited	Other	0.11	24,325,586	+24,325,586	0	Nil	0
8	Gaohua – HSBC – Goldman, Sachs & Co.	Other	0.1	21,716,490	+11,460,719	0	Nil	0
9	Industrial and Commercial Bank of China – South Selective Stock Investment Fund	Other	0.1	21,123,698	+21,123,698	0	Nil	0
10	Hu Weijin Statement on the connected relations and concerted actions between the shareholders above:	Other 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.	0.09	20,212,103	+1,212,100	0	Nil	0

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 31 December 2013.

3.2.2. Shareholding of the top ten shareholders without selling restrictions

No.	Name of shareholder	Number of shares held without selling restrictions	Type	Type and quantity of shares Quantity
1	CRECG	11,950,010,000	RMB-denominated ordinary shares	11,950,010,000
2	HKSCC Nominees Limited (<i>Note 1</i>)	4,142,515,509	Overseas listed foreign shares	4,142,515,509
3	No. 3 Transfer Account of National Council for Social Security Fund	467,500,000	RMB-denominated ordinary shares	467,500,000
4	Morgan Stanley & Co. International Plc.	29,201,991	RMB-denominated ordinary shares	29,201,991
5	Bank of China – Harvest SSE-SZSE 300 Index Securities Investment Fund	27,588,250	RMB-denominated ordinary shares	27,588,250
6	Bill & Melinda Gates Foundation Trust	25,000,090	RMB-denominated ordinary shares	25,000,090
7	Huaxin Trust Company Limited	24,325,586	RMB-denominated ordinary shares	24,325,586
8	Gaohua – HSBC – Goldman, Sachs & Co.	21,716,490	RMB-denominated ordinary shares	21,716,490
9	Industrial and Commercial Bank of China – South Selective Stock Investment Fund	21,123,698	RMB-denominated ordinary shares	21,123,698
10	Hu Weijin	20,212,103	RMB-denominated ordinary shares	20,212,103
	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 31 December 2013.

3.3. Substantial Shareholders and Holders of Interests or Short Positions Required to be Disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance

As at 31 December 2013, the Company had been informed by the following persons that they had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be maintained under Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”):

Holdings of A Shares

Name of substantial shareholders	Capacity	Number of A Shares held (Shares)	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

Holdings of H Shares

Name of substantial shareholders	Capacity	Number of H Shares held (Shares)	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	332,600,000	Long position	7.91	1.56
BlackRock, Inc.	Interest of controlled corporations	359,253,312	Long position	8.53	1.69
		1,951,000	Short position	0.04	0.01
Deutsche Bank Aktiengesellschaft	Interest of controlled corporations (Note 1)	308,318,087	Long position	7.33	1.45
		199,440,778	Short position	4.74	0.94
		10,406,000	Lending pool	0.25	0.05
JPMorgan Chase & Co.	(Note 2)	251,068,855	Long position	5.97	1.18
		874,678	Short position	0.02	0.00
		220,218,846	Lending pool	5.23	1.03
Lehman Brothers Holdings Inc.	Interest of controlled corporations	210,186,560	Long position	5.00	0.99
		94,560,550	Short position	2.25	0.44

Notes:

- 1 According to the Corporate Substantial Shareholder Notice filed by Deutsche Bank Aktiengesellschaft with The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) dated 24 December 2013, the interests held by Deutsche Bank Aktiengesellschaft were held in the following capacities:

Capacity	Number of H Shares (Long position)	Number of H Shares (Short position)
Beneficial owner	120,151,126	106,864,778
Investment manager	110,025,361	92,576,000
Interest of controlled corporations	57,967,600	–
Custodian corporation	10,406,000	–
Others	9,768,000	–

- 2 According to the Corporate Substantial Shareholder Notice filed by JPMorgan Chase & Co. with the Hong Kong Stock Exchange dated 13 December 2013, the interests held by JPMorgan Chase & Co. were held in the following capacities:

Capacity	Number of H Shares (Long position)	Number of H Shares (Short position)
Beneficial owner	24,864,009	874,678
Investment manager	5,986,000	–
Custodian corporation	220,218,846	–

- 3 The interests or short positions include the underlying shares as follows:

Name of substantial shareholders	Long Position				Short Position			
	Listed equity	Listed equity	Non-listed equity	Non-listed equity	Listed equity	Listed equity	Non-listed equity	Non-listed equity
	derivatives payment in kind	derivatives settled in cash	derivatives payment in kind	derivatives settled in cash	derivatives payment in kind	derivatives settled in cash	derivatives payment in kind	derivatives settled in cash
BlackRock, Inc.	–	5,481,000	–	–	–	264,000	–	–
Deutsche Bank Aktiengesellschaft	–	–	–	18,005,000	–	–	–	9,564,000
JPMorgan Chase & Co.	1,036,000	–	1,906	–	670,000	200,000	4,678	–
Lehman Brothers Holdings Inc.	–	–	10,000,000	–	–	–	60,000	–

Apart from the foregoing, as at 31 December 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.

3.4. Information on Controlling Shareholder and the Ultimate Controller

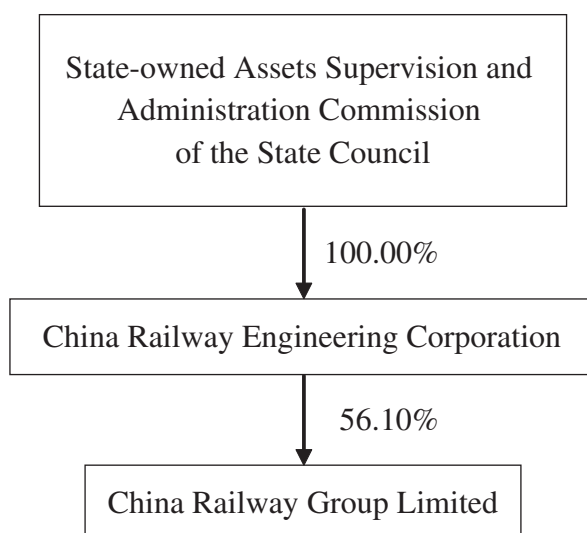
3.4.1. Details of controlling shareholder

Name of controlling shareholder:	China Railway Engineering Corporation
Legal representative:	LI Changjin
Date of establishment:	7 March 1990
Organization code:	10201654-8
Registered capital:	RMB10,814,925,000
Principal business:	Construction works, related engineering technological research, survey, design, services, manufacturing of specialized equipment and development and operation of real estate.
Operating results:	In 2012, CRECG realized an operating revenue and consolidated profit of RMB483,317,054,000 and RMB10,658,804,000, respectively.
Financial position:	As at 31 December 2012, the total assets, total liabilities and net assets of CRECG amounted to RMB555,564,864,000, RMB462,503,920,000 and RMB930,609,440,000, respectively.
Cash flow and future development strategy:	In 2012, net cash outflow from operating activities of CRECG was RMB-4,180,176,000, net cash outflow from investing activities was RMB-13,276,411,000, and net cash inflow from financing activities was RMB23,343,618,000. CRECG will conscientiously perform its obligations as an investor, and complete various tasks including equity management and asset management.
Details of controlling interests and investments in other domestic and foreign-listed companies during the reporting period:	Nil

3.4.2. Details of ultimate controller

Ultimate controller – State-owned Assets Supervision and Administration Commission of the State Council, which is the ministry level institution directly under the State Council, and was set up in accordance with the Institutional Reform Plan of the State Council and the Notice of the State Council on Establishment of Institutions passed at the First Session of the 10th National People’s Congress. The State-owned Assets Supervision and Administration Commission is authorised by the State Council to perform its duties as an investor on behalf of the State. The scope of supervision of the State-owned Assets Supervision and Administration Commission extends to the state-owned assets of central government owned enterprises (excluding financial enterprises). Currently, the State-owned Assets Supervision and Administration Commission is holding 100% of the shares of CRECG.

3.4.3. The interests and controlling relationships between the Company and the ultimate controller



4. MANAGEMENT DISCUSSION AND ANALYSIS

4.1. Review and Outlook

The Group faced a complex and volatile economic environment on the domestic and global front in 2013, and met its challenges in a responsible and committed manner by focusing on its core mission to “Maintain Growth and Stability”. This made a series of notable achievements possible, including record-breaking operating results, steady and cost-effective operations, improved production safety, enhanced capabilities, and harmonious and stable business conditions, marking our second phase of development. In 2013, we rank 102 in Fortune Global 500.

In retrospect, we were proud of what we had achieved despite the challenges and ups and downs we faced. The Group exemplified its corporate philosophy of “strive to challenge limits and achieve excellence” by constantly enhancing its governance mechanism, improving internal control and management, establishing an innovative business model for infrastructure investment, and optimising our operational structure and market planning. At the same time, we strengthened our security and quality management and project control, achieving stable growth as a result. In 2013, railway projects in which the Group had undertaken construction work commenced services. These included the Yuxi-Mengzi railway, Nanjing-Hangzhou railway, Hangzhou-Ningbo railway, Tianjin-Qinhuangdao railway, Xiamen-Shenzhen railway and Xi'an-Baoji railway. The Sino-Myanmar natural gas pipelines and Middle Route Project for South-to-North Water Transfer were also completed. The Group saw the successful completion of 17 subway lines it was contracted to build in cities including Beijing, Shanghai and Guangzhou. The fourth ring road of Shenyang and Liuzhou Guangya bridge, which the Group had invested in, marked their successful completion. The 2,000-tonne gantry crane with the largest lifting weight in the country, which the Group had invented and produced, was put into operation. The Group also finished assembly of the world's largest rectangle shield it built. These achievements reflect the success of our efforts in technological innovation. Our businesses such as property development, mining development and finance achieved stable growth, which promoted synergy across business segments. These have made a positive contribution to the country's “stable growth” trajectory and underscored the Group's corporate commitment to “Establish Excellence and Improve Livelihoods”, reflecting our goal of becoming a world-class company.

For the Group, 2014 represents the beginning year it deepens its reforms in an all-round way, and is a key period for changing its mode of development to raise the development quality and efficiency. Standing on a new start line, and in spite of the complex economic trend, the market environment filled with opportunities and challenges, and the increasingly strict regulatory capital market, the Group will firmly follow the paradigm of “emphasising reforms while changing the mechanism, focusing on management while enhancing efficiency, making refinements to facilitate the implementation, and controlling risks while maintaining stability”. This will help the Group deepen its reforms and improve its management, accelerate its transformation and innovation capabilities, manage

developmental risks and increase the quality and efficiency of its operations. The Group will leverage a number of positive developments, such as a stable national economy and relevant national infrastructure plans and urbanization making steady progress, to let it achieve success in infrastructure sectors including railway, highway, rail transit and building construction, and emerging industries such as property development, mining development and finance. The Group will continue to step up these efforts to accelerate its development.

We will accumulate vast reserves of knowledge and experience, and apply that across our entire business operations to achieve positive results. China Railway will embrace the nation's ethos of reforms to drive its growth momentum. Looking ahead, we will never forget the trust that our shareholders have placed in us, and will enter the second phase of our development with passion and a commitment to innovation, along with a zeal to achieve, so as to maximise returns for shareholders.

4.2. Business Overview

The Group is one of the largest multi-functional integrated construction groups both in the PRC and in Asia, which enables us to offer a full range of construction, design and industrial products related services to our customers. The Group holds a leading position in fields such as infrastructure construction, survey, design and consulting services and engineering equipment and component manufacturing both in the PRC and in Asia. Leveraging on our traditional platform in infrastructure construction, the Group further integrated and expanded into other businesses such as property development and mining development in order to increase our profitability.

In 2013, the Group recorded revenue of RMB540.394 billion, representing a year-on-year increase of 16.1%; the value of new contracts amounted to RMB929.65 billion, representing a year-on-year increase of 27.2%. The significant increase in value of new contracts of the Group for the year was mainly due to the further improvement of the infrastructure market. The value of new contracts for infrastructure business recorded a year-on-year increase of RMB194.58 billion or 36.3%, with the railway segment recording a significant year-on-year increase of 91.26 billion or 72.6%. Municipal works, building construction, and urban rail businesses also achieved a remarkable growth. As of 31 December 2013, the Group's contract backlog reached RMB1,715.25 billion, representing a year-on-year increase of 31.8%.

4.2.1. Industry Development Overview

(1) Infrastructure Construction Business

In 2013, China's fixed asset investment (excluding agricultural houses) amounted to RMB43,652.8 billion, representing a year-on-year increase of 19.6% (actual increase of 19.2%, net of price factor), among which the fixed asset investment in railway amounted to RMB663.8 billion, with a year-on-year growth of 5.2%.

(2) Survey, Design and Consulting Services Business

The increase of China's infrastructure construction investment in 2013 also contributed to the development of survey, design and consulting services industry, which remains in strong development momentum.

(3) Engineering Equipment and Component Manufacturing Business

The value-added of large-scale industries recorded a year-on-year increase of 9.7% in 2013 whereas the value-added of railway, ship, aerospace and other transportation equipment manufacturers increased by 4.8% (2012: 4.6%).

(4) Property Development Business

China's investment in property development in 2013 was RMB8,601.3 billion, representing an increase of 19.8% over the previous year, among which investment in residential buildings increased by 19.4% to RMB5,895.1 billion, investment in commercial buildings increased by 28.3% to RMB1,194.5 billion and investment in office towers increased by 38.2% to RMB456.2 billion. 6.60 million social security housing units in urban areas commenced construction this year, with 5.40 million units completed.

4.2.2. Business Development Overview

In 2013, the Group embraced the opportunity to expand and develop and stuck to the core notion of "maintain growth and stability". We abided by a comprehensive operation plan in order to penetrate into the railway infrastructure market, proactively expand into highway, municipal works and urban rail construction, building construction and overseas markets. We improved our development quality, carried out additional economic activities analysis, enhanced economy operation supervision and project construction organization and management as well as the control over procedures through our effort in advocating overall budget management and all-round management improvement. As a result, we achieved innovation in both technology and management with further improvement in corporate management and core competitiveness, over fulfilling various operation targets for the year.

(1) *Infrastructure Construction Business*

The revenue of infrastructure construction business of the Group was RMB456.272 billion in 2013, representing a year-on-year growth of 15.0%. The value of new contracts amounted to RMB731.27 billion, representing a year-on-year growth of 36.3%. As of 31 December 2013, the Group's contract backlog of infrastructure construction business was RMB1,385.79 billion, representing a year-on-year increase of 31.6%.

(i) *Railway*

The value of new contracts of railway construction of the Group amounted to RMB216.9 billion in 2013, representing a year-on-year growth of 72.6%. The market shares of tier-one railway market reached 48%. As at 31 December 2013, the Group's contract backlog of railway construction was RMB505.06 billion. The Group completed track laying of 4,843 kilometers of main railway line (new tracks and double-track) and 6,126 kilometers of the main line of the electrified railway network in total. A number of key railway projects such as Yuxi-Mengzi railway, Xiangtang-Putian railway, Xi'an-Pingliang railway, Ning-Hang railway, Tianjin-Qinhuangdao railway, Xiamen-Shenzhen railway and Xi'an-Baoji railway completed and commissioned, contributing an operating mileage of over 100,000 kilometers for railway and over 10,000 kilometers for high speed railway for our country.

(ii) *Highway*

The value of new contracts of highway construction of the Group amounted to RMB107.8 billion in 2013, representing a year-on-year growth of 41.4%. As at 31 December 2013, the Group's contract backlog of highway construction was RMB195.9 billion. The Group completed 1,008 kilometers of highway construction, of which 682 kilometers was construction of expressway. A number of railways, such as Phoenix-Daxing freeway, Chengde-Chifeng freeway, Dali-Lijiang freeway, Fengjie-Wuxi freeway, 118-kilometers Ethiopia and Kunming-Bangkok international highway commissioned successively. Jiujiang Yangtze River Bridge project undertaken by our Group completed and commissioned. The world's first stay cables of Akaishi Bridge, the high pier multi-tower cable-stayed bridge, completed successfully. The main tower of Bristol Grieg Cable-stayed Bridge, the first cable-stayed bridge in Africa, completed the joint construction.

(iii) Municipal Works and Other Construction

The value of new contracts of municipal works and other construction amounted to RMB406.57 billion in 2013, representing a year-on-year growth of 21.4%, among which the value of new contracts for urban rail construction amounted to RMB113.59 billion, representing a year-on-year growth of 13.4% and a market share of approximately 50%. As at 31 December 2013, the Group's backlog of municipal works and other construction reached RMB684.83 billion, among which the backlog for urban rail construction amounted to RMB216.98 billion. The Group involved in the construction of urban light rail and metro lines, among which civil engineering and laying works accounted for 178 kilometers and 199 kilometers respectively. The 17 metros in cities such as Beijing, Shanghai and Guangzhou undertaken by the Group as well as Shenyang Fourth Ring and Liuzhou Guangya Bridge invested and constructed by the Group commissioned successively. A number of key and difficult projects, such as Shenzhen Metro, Zhengzhou Metro, Chengdu Metro, Guangdong and Jiangsu Shun Bridge, invested and constructed by the Group was in smooth progress.

(2) *Survey, Design and Consulting Services Business*

In 2013, the Group's revenue on survey, design and consulting services business was RMB9.180 billion, representing a year-on-year increase of 1.2%; the value of new contracts amounted to RMB13.53 billion, representing a year-on-year growth of 27.5%. As at 31 December 2013, the Group's contract backlog of the survey, design and consulting services business was RMB20.97 billion, representing a growth of 25.3%. In 2013, the Group mainly participated in the completion of high speed railway, passenger railway and complex mountainous areas railway projects such as Guiyang – Guangzhou, Yun-Gui, Lanzhou – Chongqing, Changsha-Kunming; urban rail projects in cities such as Beijing, Shanghai, Shenzhen, Guangzhou, Chengdu, Zhengzhou and Changsha; the material bridge construction projects of Hong Kong – Zhuhai-Macao Bridge, Wuhan Ergi Yangtze River Bridge, Tongling highway and railway Yangtze River Bridge, Wuhan Yingwuzhou Yangtze River Bridge; international construction projects of Ethiopia Addis-Ababa railway and Georgia Tbilisi ring railway.

(3) *Engineering Equipment and Component Manufacturing Business*

In 2013, revenue from the Group's engineering equipment and component manufacturing business was RMB13.711 billion, representing a year-on-year increase of 19.6%; the value of new contracts amounted to RMB18.57 billion, representing a year-on-year growth of 9.6%. As at 31 December 2013, the Group's contract backlog of the engineering equipment and component manufacturing business

was RMB19.37 billion, representing a year-on-year growth of 24%. The respective market share of large bridge steel structures and passenger railway and high-speed turnouts was more than 70% with operations mainly in domestic regions. The production capacity and sales of shields grew substantially. As the country's greatest and the world's second shield developer and manufacturer, the Group was equipped with an annual production capacity of 60 units of shields. 47 units of shields were sold in 2013, representing a year-on-year growth of 30.5%, mainly operated in the domestic market, but also are exported to countries, such as Malaysia and Singapore.

(4) *Property Development Business*

In 2013, the Group responded to the tightening measures in the macro-adjustment in real estate market proactively. By adjusting its pace of development and enhancing sales and marketing efforts, the Group achieved positive results. Sales from the Group's property development business was RMB33.2 billion, representing a year-on-year increase of 27.7%. 3.67 million square meters of sales area was achieved for the year, representing a year-on-year growth of 18.8% and RMB27.566 billion of revenue was realized, representing a year-on-year growth of 36.6%. Property projects such as, Beijing Nobel Center Phase II, Guangzhou Panyu Nobel Mingdu, Guiyang China Railway Yidu International, Chengdu China Railway West City, Xi'an Binfen South County, Qingdao Nobel Plaza and Wuhan Bairuijing Central Business District, etc. achieved satisfactory sales results. During the reporting period, the completed gross floor area of the property was 3.50 million square meters. As at 31 December 2013, the Group had a total of 115 property development projects (98 residential projects and 17 commercial projects). The project area under development of the Group amounted to 23.17 million square meters with a gross floor area of 41.50 million square meters. Land reserve area and gross floor area available for development was 14.91 million square meters and 23.62 million square meters respectively.

(5) *Other Businesses*

In 2013, the Group's other businesses realised revenue of RMB68.958 billion, representing a year-on-year growth of 22.2%. The exploitation and construction of mineral resources experienced smooth development with MKM Copper-Cobalt Mine, Congo and Luishia Copper-Cobalt Mine, Congo Phase I successfully commissioned and achieved full production target. The overall operation of BOT expressway projects remained good with continuous increase in revenue. Cenxi-Xingye Expressway, Quanzhou Xing'an Expressway and Yulin – Shenmu Expressway realized profits. The merchandise trading business grew continuously following the increasing scale of the commodity business. Issuance of various types and scales of trust-related products increased continuously in view of rapid development in financial business and increasing market demands.

4.2.3. Technology Research Development and Technological Achievements

In 2013, the Group actively implemented the technology development planning stated in “Twelfth Five-Year Plan”. The Group carried out technology research focusing on key technologies such as high speed railway, long-span bridges, deep water foundation, long tunnel and energy-saving and environment protection. Extensive use of new technologies, new processes, new materials and new equipment played an important part in project construction, resulting in the significant increase in the Group’s technology innovation capability. In 2013, 1,355 new technological research projects and 19 new national key research projects were developed by the Group, with support from national funds amounted to RMB82.58 million.

The operation and management of the Group’s “National Engineering Laboratory of High Speed Railway Construction” and “National Key Laboratory of Shield Tunneling and Drilling Technology” ran smoothly in 2013. 583 scientific and technological achievements passed the appraisal and assessment. 4 scientific achievements such as, construction technology of “three cable planes, three main trusses rail, dual cable-stayed bridge” and high-speed rail power supply integrated monitoring technology and equipment were rewarded National Advanced Science and Technology Prizes. 9 engineering works, such as Shenzhen North Station Comprehensive Hub Project and Beijing Metro Line 4 were awarded the National Civil Engineering Zhan Tianyou Award. The Group has obtained 265 Provincial Advanced Science and Technology Prizes, 14 National Outstanding Consulting Achievements Awards, 125 Provincial Surveying and Design Awards, 23 Provincial Consulting Achievement Awards, 979 valid patent rights (207 of which were invention patents), 246 Provincial-level Engineering Methods and has drafted 23 industry technical standards. The Group is the first among the construction enterprises in China with valid patents.

4.2.4. Development Strategies

According to domestic and overseas marco-economic trend, changes in the industry policies and analysis of development trend, the Group made clear the three-year development direction following the “Twelfth Five-Year Plan”. The Group adheres to its fundamental development strategy of “promote two major changes and begin the second phase of development”. The Group would be fueled by reform, commence management enhancement initiatives with an aim to fully promote the optimisation and upgrade of industry, products, organisation, and staff structure. The way of promoting growth will change from factor input and scale expansion to advanced technology, raise of labor quality and innovation of management. The Group will increase efforts on technology innovation, deepen comprehensive budget management so as to enhance competitiveness and realise sustainable development. The Group will unwaveringly reform and take actions with the spirit of the third plenary session of the Eighteenth Congress of the Communist Party of China as a guidance, comprehensive deepen reform as the mainline, marketisation,

professionalisation and internationalisation as the directions, addition of vigor, competitiveness and influence as the targets, transformation of development mode and improvement in development quality as the focus and systematic innovation and mechanism transformation as the breakout. We will strive to achieve substantial outcomes in the crucial reform after three to five years of effort and become a stronger market leader and lay a foundation for our goal of becoming a world-class enterprise.

(1) Infrastructure Construction Business

Infrastructure construction segment is the traditional core business of the Group as well as the foundation of the Group's subsistence and development. The Group will continue to solidify the pillar status of the infrastructure construction segment, endeavor to maintain its traditional advantages and market shares of areas such as railways, highways and urban rails, strengthen the competitiveness in areas such as harbor ports, airports, water and electricity, firmly establish its leading position in the PRC's construction industry, and take lead in the development of the industry.

(2) Survey, Design and Consulting Services Business

Survey and design enterprises will expand business realms, raise design quality, and strengthen the overall capability of design construction to gain a larger market share through quality services. Capitalising on the capability of railway survey and design, the Group will actively expand into other areas and develop the general construction contract and project management by using its profound consulting services. The Group will devote to become a design conglomerate with world-class design theory and design technology, implement the strategy of "Go Global" and provide technical support and protection for the Group's internationalisation strategy.

(3) Engineering Equipment and Component Manufacturing Business

Engineering equipment and component manufacturing business enterprises will deepen reform and strengthen our various abilities including strategic management, capital utilization, corporate restructure, structure adjustment, financial control and risk prevention. The Group will give full play of its overall advantage and realise a professional and quantitative operation. The Group will also expedite research and development of product, change product generation and form key technological gears. The engineering equipment and component manufacturing business segment will basically establish a platform where major technological equipments, the high and new technological equipments in the industry, basic equipments and general mechanical equipments will exert professional and reasonable division of labour, cooperative advancement and coordinative development. The Group will have innovative operation mode of providing good services for development and increasing product quality for better efficiency.

(4) Property Development Business

Property development enterprises will strengthen its forecast on policy and the market trend, explore innovative development mode, moderately adjust pace of land development, improve sales of inventory, activate existing lands, expedite money return and realise rollover development. The Group will also strengthen resources integration, optimise regional planning, innovate operating model, streamline decision-making procedures and build a scientific investment and financing system. In order to further establish the brand of “China Railway Real Estate”, the Group will improve the internal control and risk management and promote the professionalism, scale and branding of the Group’s property development business.

(5) Other Businesses

The Group will adopt a combined development business model for infrastructure and mining projects to expedite the operation of existing mining development projects in accordance with the notion of “less input, faster output, phase-by-phase implementation and rollover development” with a focus on “increase in capacity and efficiency”, and change our advantages on resources to entity economic strength as soon as possible. The operating expenses on highway operation business must be reduced continuously and the problem of green traffic shall be dealt with proactively. We will improve our operation quality and achieve profits in a timely manner. The Group will further expand the types and ranges of merchandise trading business and complete the cooperation list with manufacturers and suppliers. The Group will also increase the proportion of direct procurement and strategic procurement and promote electronic business platform construction. The Group will build up a financial segment steadily and promote the business combination of different segments with the financial sector through the establishment of a comprehensive financial platform. The Group will achieve economies of scale, reduce trading expenses and strike a balance between different advantages by improving our capital operation efficiency through the combination of different segments and the financial sector.

4.2.5. Operation Plan

In 2014, the Group plans to achieve total revenue of approximately RMB534.0 billion, costs of operation of approximately RMB475.9 billion, the “three expenses”, which include sales and marketing expenses, administration expenses and interest expenses, of approximately RMB29.4 billion. It is estimated that the amount of new contracts to be entered into will be approximately RMB680.0 billion. The Group will promptly adjust its operation plan to suit market conditions and to reflect the actual implementation of the plan.

In 2014, the Group will stabilize its capital expenditure and the investment in property and mining development. It is expected that the total fund for investment of the year will be approximately RMB85.5 billion, of which approximately RMB10.5 billion for capital expenditure on fixed assets and intangible assets and approximately RMB75.0 billion for existing and new investment projects. After deducting available operating funds, returns on sale of properties and investment projects in progress amounted to approximately 60.0 billion and reducing external liabilities through better fund centralization management and increasing fund utilization rate, it is expected that the amount of new fund required for the year will be approximately RMB15.0 billion.

4.3. Financial Performance Overview

In the year of 2013, the Group achieved revenue of RMB540.394 billion, representing a year – on-year increase of 16.1%. Net profit for the year increased by 24.9% year-on-year to RMB10.075 billion, and the profit for the year attributable to owners of the Company increased by 26.8% year-on-year to RMB9.374 billion.

A comparison of the financial results for 2013 and 2012 is set forth below.

4.4. Consolidated Results of Operations

Revenue

The Group is mainly engaged in infrastructure construction, survey, design and consulting services, engineering equipment and component manufacturing, property development and other businesses. The Group's total revenue increased by 16.1% from RMB465.625 billion for 2012 to RMB540.394 billion for 2013, which was attributable to the promising growth of railway, municipal works, building construction, urban rail and property development businesses.

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. In 2013, the Group's cost of sales increased by 16.3% to RMB500.054 billion from RMB430.064 billion for 2012. In 2013, gross profit of the Group increased by RMB4.779 billion or 13.4% to RMB40.340 billion from RMB35.561 billion for 2012. The overall gross profit margin for 2013 was 7.5%, a decrease of 0.1 percentage point from 7.6% for 2012. It was mainly due to (1) the increase in construction cost brought by the acceleration of construction of certain railway projects to ensure its on-time completion at the year end; (2) generally low gross profit margin of certain railway projects at initial construction stage; and (3) approval of compensation claim from China Railway Corporation for a few projects were not obtained in full amount and in a timely manner.

Other income

The Group's other income primarily consists of profits from sundry operations supplemental to our principal revenue-generating activities, such as sales of materials, dividend income, relocation compensation and subsidies from government, and other income. In 2013, the Group's other income decreased by 13.8% year-on-year from RMB2.938 billion to RMB2.533 billion. The decrease of other income was primarily due to the decrease of revenue from sales of materials.

Other expenses

The Group's other expenses primarily includes expenditures on research and development. In 2013, other expenses increased by 32.7% from RMB6.418 billion of last year to RMB8.516 billion, mainly due to the fact that the Group further improved its technological self-development and innovation capabilities 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 available-for-sale financial assets, gains/losses on disposal of fixed assets and subsidiaries. The other gains of RMB0.843 billion in 2013 (2012: other losses of RMB0.128 billion) primarily including net exchange gain of RMB0.928 billion, gain on disposal of subsidiaries of RMB0.427 billion and impairment loss on trade and other receivables of RMB0.588 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. In 2013, the Group's selling and marketing expenses amounted to RMB2.327 billion, representing an increase of 14.6% from RMB2.031 billion of 2012. The selling and marketing expenses as a percentage of the total revenue for 2013 was 0.4%, same as that for 2012.

Administrative expenses

The Group's administrative expenses mainly consist of employee compensation and benefits and depreciation and amortisation of its assets related to administration. In 2013, the Group's administrative expenses decreased by 5.5% to RMB14.395 billion from RMB15.226 billion of last year. Administrative expenses as a percentage of revenue for 2013 was 2.7%, representing a decrease of 0.6 percentage point from 3.3% for 2012, illustrating the Group's outstanding result on cost control.

Interest income

In 2013, the interest income was RMB2.603 billion, representing a decrease of 4.2% from RMB2.718 billion in 2012.

Interest expenses

In 2013, the interest expenses was RMB6.363 billion, basically flat with the RMB6.360 billion in 2012.

Profit before tax

As a result of the foregoing factors, the profit before tax for 2013 increased by RMB3.689 billion, or 33.1% to RMB14.819 billion from RMB11.130 billion for 2012.

Income tax expense

In 2013, the income tax expense increased by 55.0% to RMB4.744 billion from RMB3.061 billion for 2012. The effective tax rate of the Group increased from 27.5% for 2012 to 32.0% for 2013, mainly due to the increase of land appreciation tax and occurrence of deferred tax expenses resulted from change in tax rate of certain subsidiaries.

Minority interests

As a result of the increase in profitability of subsidiaries, minority interests increased by 3.2% from RMB0.679 million for 2012 to RMB0.701 million for 2013.

Profit for the year attributable to owners of the Company

As a result of the foregoing factors, profit for the year attributable to owners of the Company for 2013 increased by 26.8% to RMB9.374 billion from RMB7.390 billion for 2012.

4.5. Segment Results

The revenue and results of each segment of the Group's business for 2013 are set forth in the table below.

Business Segment	Segment Revenue RMB million	Growth Rate (%)	Profit Before Tax RMB million	Growth Rate (%)	Profit Before Tax Margin ¹ (%)	Segment Revenue as a	Profit Before Tax as a
						Percentage of Total (%)	Percentage of Total (%)
Infrastructure Construction	456,272	15.0	7,682	41.8	1.7	79.2	49.7
Survey, Design and Consulting Services	9,180	1.2	945	16.2	10.3	1.6	6.1
Engineering Equipment and Component Manufacturing	13,711	19.6	803	9.8	5.9	2.4	5.2
Property Development	27,566	36.6	3,966	15.7	14.4	4.8	25.7
Other Businesses	68,958	22.2	2,057	0.7	3.0	12.0	13.3
Inter-segment Elimination and Adjustments	(35,293)		(634)				
Total	540,394	16.1	14,819	33.1	2.7	100.0	100.0

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

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 2013, the revenue from the infrastructure construction business accounted for 79.2% of the total revenue of the Group (2012: 80.3%). In 2013, segment revenue from the Group's infrastructure construction business increased by 15.0% year-on-year to RMB456.272 billion. It was mainly due to the smooth progress of the Groups' railway projects under construction and the significant growth in municipal works and urban rail businesses. Profit before tax margin of the infrastructure construction segment for 2013 was 1.7%, representing an increase from 1.4% for 2012. It was primarily due to the Group's strengthened management on cost control off-set the effect brought by the decrease in gross profit margin.

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, including integrated "one-stop"

solutions as well as specialized services in the areas of railway electrification, bridge, tunnel and machinery design. In 2013, segment revenue of survey, design and consulting services business increased by 1.2% to RMB9.180 billion from RMB9.069 billion for last year. The profit before tax margin for the segment for 2013 was 10.3%, representing an increase from 9.0% for 2012. It was mainly due to (1) the growth of design business of urban rail projects, which have relatively higher gross profit margin; and (2) decrease in outsourcing as a result of the increased utilization of the Group's design capability brought by enhanced organization and coordination.

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. In 2013, due to the increase in sale of steel structures and shields, segment revenue of the engineering equipment and component manufacturing business of the Group increased by 19.6% year-on-year to RMB13.711 billion from RMB11.464 billion. Profit before tax margin was 5.9% for 2013, representing a decrease from 6.4% for 2012. The decrease in profit before tax margin was mainly due to (1) low gross profit margin of steel structures due to intense competition; (2) significant increase in direct cost such as labor cost and depreciation of production equipments; and (3) high gross profit margin of last year due to the lower cost of raw materials and production costs.

Property development business

Revenue from the Group's property development business primarily derives from the development, sale and management of a wide range of residential properties targeting middle and upper-middle income purchasers and commercial properties in the PRC. In 2013, the Group optimised its construction and sales plan of property projects and obtained satisfactory sales in second-tier and third-tier cities such as Dalian, Sanya and Xian. Revenue from property development business increased by 36.6% to RMB27.566 billion from RMB20.175 billion for 2012. Profit before tax margin decreased from 17.0% for 2012 to 14.4% for 2013. The decrease in profit before tax margin for 2013 was primarily due to the fact that sales in the current year mainly includes ordinary residential flats with lower gross profit margin.

Other businesses

Revenue from other businesses increased by 22.2% from RMB56.432 billion in 2012 to RMB68.958 billion in 2013. In 2013, the revenue of expressway operation, mining development (due to the commencement of commercial production of MKM and Luishia mines), merchandise trading and financial business was RMB2.11 billion, RMB1.882 billion, RMB52.811 billion and RMB1.645 billion, representing a year-on-year growth of 11.7%, 128.8%, 19.4% and 26.3%, respectively. Profit before tax margin of other businesses was decreased from 3.6% in 2012 to 3.0%

in 2013. The decrease in profit before tax margin was primarily due to (1) the significant growth of merchandise trading business which has a relatively lower gross profit margin; and (2) significant decrease in gross profit margin of mining business due to the decrease in market demand and price of commodities.

As at 31 December 2013, the Group's mining resources reserve information is shown below.

No	Project name	Type	Grade	Reserve Unit	Quantity	Group's share	Planned investment (RMB billion)	Accumulated investment (RMB billion)	Investment for the reporting period (RMB billion)	Planned construction completion date	Current project status
1	Sunite-ZuoQi Manglai Coal Mine, Inner Mongolia	Lignite	-	Billion tonne	0.92	46%	1.336	0.542	-	Completed	Commenced production
2	Sunite-ZuoQi Xiaobaiyang Coal Mine, Inner Mongolia	Lignite	-	Billion tonne	0.98	25%	-	-	-	-	Exploration work completed and is applying for exploitation right
3	Muli Coal Mine, Haixizhou of Qinghai	Coking Coal	-	Billion tonne	0.248	80%	1.253	0.408	0.111	2015/11/30	Under construction
4	Changfulong Gold Mine, Inner Mongolia	Gold	0.71g/t	Tonne	0.53	100%	0.234	0.285	-	Completed	Commenced production
5	Luming Molybdenum Mine, Yichun City of Heilongjiang	Molybdenum	0.090%	Thousand tonne	742	83%	4.217	4.076	1.383	2014/9/1	Construction of main body of the project was basically completed
6	Luishia Copper-Cobalt Mine, Congo	Copper Cobalt	2.55% 0.201%	Thousand tonne Thousand tonne	792 66.8	72%	1.657	1.536	0.449	2014/6/1	Phase One commenced production with construction of Phase Two expected to be completed by first half of 2014
7	MKM Copper-Cobalt Mine, Congo	Copper Cobalt	3.518% 0.296%	Thousand tonne Thousand tonne	225.2 20.1	80.2%	1.195	1.242	0.047	Completed	Commenced production
8	Sicomines Copper-Cobalt Mine, Congo	Copper Cobalt	3.36% 0.22%	Thousand tonne Thousand tonne	8,544.9 571	41.72%	24.915	5.433	1.946	2015/10/1	Under construction

4.6. Cash Flow

In 2013, the net cash inflow from operating activities of the Group amounted to RMB7.995 billion, representing an improvement from net cash outflow from operating activities of RMB4.188 billion for 2012, which was primarily attributable to the Group's active implementation of management enhancement activities, and the significant achievement on the Group's special campaign on recoverability of trade receivables. In 2013, the net cash outflow from investing activities of the Group amounted to RMB12.162 billion, which was basically flat with the RMB11.974 billion for 2012. In 2013, the net cash inflow from financing activities of the Group amounted to RMB12.164 billion, representing a decrease from net cash inflow from financing activities of RMB23.673 billion for 2012. It was mainly due to the fact that the significant improvement in operating cashflow decreased the demand of external financing.

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 total capital expenditure for 2013 was RMB10.540 billion (2012: RMB10.871 billion).

The following table sets forth the Group's capital expenditure by business segment in 2013.

For the year ended 31 December 2013	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 RMB million
Property, plant and equipment	5,967	214	528	79	2,701	9,489
Lease prepayments	144	2	222	–	42	410
Investment properties	183	–	–	–	17	200
Intangible assets	245	6	19	3	147	420
Mining assets	–	–	–	–	21	21
Total	6,539	222	769	82	2,928	10,540

Working capital

	As at 31 December 2013 RMB million	2012 RMB million
Inventories	46,581	41,906
Properties under development for sale	69,211	65,287
Trade and bills receivables	133,886	107,234
Trade and bills payables	206,292	180,058
Turnover of inventory (days)	32	33
Turnover of trade and bills receivables (days)	80	80
Turnover of trade and bills payables (days)	139	142

The Group's inventories and properties under development for sale increased by 11.2% and 6.0% respectively from RMB41.906 billion and RMB65.287 billion as at the end of 2012 to RMB46.581 billion and RMB69.211 billion as at the end of 2013. The increase was primarily due to (1) the increase in investment of property development business as a result of business growth; and (2) the increase in stock level of raw materials as a result of the increase in investment of railway and urban rail business. The Group's inventory turnover days was 32 days in 2013, basically the same as 33 days for 2012. The Group's trade and bills receivables increased by 24.9% from RMB107.234 billion as at the end of 2012 to RMB133.886 billion as at the end of 2013, which was mainly due to (1) the increase in retention receivables which are not yet due; and (2) the increase in receivables from construction projects. Also, the turnover days of trade and bills receivables was 80 days as at the end of 2013, remained the same as that at the end of 2012.

According to the aging analysis of the Group's 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 32.0% (31 December 2012: 34.9%) of the total receivables, which reflected the sound receivables management capability of the Group.

Trade and bills receivables

	As at 31 December	
	2013	2012
	RMB million	RMB million
Less than six months	70,686	47,076
Six months to one year	20,388	22,737
One year to two years	24,781	22,284
Two years to three years	10,160	9,684
More than three years	7,871	5,453
Total	133,886	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. The Group's trade and bills payables increased by 14.6% from RMB180.058 billion as at the end of 2012 to RMB206.292 billion as at the end of 2013. It was mainly due to the expansion of the Group's business scale and increase in trade and bills receivables which caused the corresponding increase in payables of raw materials and construction projects. The turnover days of trade and bills payables was 139 days in 2013, representing a decrease from 142 days in 2012. According to the ageing analysis of the Group's 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 11.5% (31 December 2012: 12.2%) of the total payables.

Trade and bills payables

	As at 31 December	
	2013	2012
	RMB million	RMB million
Less than one year	182,473	158,072
One year to two years	14,308	13,884
Two years to three years	5,173	5,252
More than three years	4,338	2,850
Total	206,292	180,058

4.7. Borrowings

The following table sets forth the Group's total borrowings as at 31 December 2013 and 2012. 44.2% of the Group's borrowings were short-term borrowings (31 December 2012: 45.6%). The Group is generally capable of making timely repayments.

	As at 31 December	
	2013	2012
	RMB million	RMB million
Bank borrowings		
Secured	38,571	36,587
Unsecured	98,320	90,199
	136,891	126,766
Short-term debentures, unsecured	40	539
Long-term debentures, unsecured	35,688	27,049
Other short-term borrowings, unsecured	4,713	4,157
Other short-term borrowings, secured	295	1,007
Other long-term borrowings, unsecured	6,620	710
Other long-term borrowings, secured	2,185	1,413
Total	186,432	161,661
Long-term borrowings	104,084	87,889
Short-term borrowings	82,348	73,762
Total	186,432	161,661

Bank borrowings carry interest rates ranging from 1.97% to 10.0% (2012: 2.24% to 13.5%) per annum. Short-term debentures carry fixed interest rates at 4.16% (2013: Nil) per annum as at 31 December 2012. Long-term debentures carry fixed interest rates ranging from 3.85% to 7.2% per annum (2012: 4.34% to 6.65%). Other short-term borrowings carry interest rates ranging from 5.9% to 13.5% (2012: 6% to 13.5%) per annum. Other long-term borrowings carry interest rates ranging from 4.39% to 11.5% (2012: 4.39% to 13.6%) per annum.

The following table sets forth the maturity of the Group's bank loans and other long-term borrowings as at 31 December 2013 and 2012.

	As at 31 December	
	2013	2012
	RMB million	RMB million
Bank borrowings:		
Within one year	76,900	68,059
More than one year, but within two years	20,713	23,457
More than two years, but within three years	13,475	11,246
More than three years, but within four years	6,180	3,589
More than four years, but within five years	3,153	3,615
More than five years	16,470	16,820
Total bank loans	136,891	126,786
Long-term debentures:		
Within one year	400	–
More than one year, but within two years	2,799	400
More than two years, but within three years	3,589	2,795
More than three years, but within four years	997	–
More than four years, but within five years	5,956	997
More than five years	21,947	22,587
Total long-term debentures	35,688	27,049
Other long-term borrowings:		
More than one year, but within two years	7,814	1,397
More than two years, but within three years	991	726
Total other long-term borrowings	8,805	2,123

As at 31 December 2013 and 2012, the Group's bank borrowings comprised fixed-rate bank borrowings amounting to RMB4.458 billion and RMB0.499 billion and floating-rate bank borrowings amounting to RMB132.433 billion and RMB126.287 billion, respectively.

The following table sets forth the carrying amounts of the Group's borrowings by currencies as at 31 December 2013 and 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 31 December 2013	5,312	204	41
As at 31 December 2012	4,582	236	10

As at 31 December 2013, approximately RMB41.051 billion (31 December 2012: RMB38.920 billion) of total bank borrowings were pledged by assets of the Group with an aggregate value of RMB76.612 billion (31 December 2012: RMB69.489 billion). The Group also pledged its rights to collect cash flows in relation to certain backlog construction projects with contract value of RMB1.468 billion (31 December 2012: RMB1.502 billion) to secure bank borrowings and other long-term borrowings amounting to RMB0.337 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 RMB0.551 billion (31 December 2012: Nil) to secure bank borrowings amounting to RMB0.37 billion (31 December 2012: Nil). As at 31 December 2013, the Group had unutilised credit facilities with an aggregate amount of approximately RMB134.756 billion (31 December 2012: RMB118.770 billion).

As at 31 December 2013, the Group's gearing ratio (total liabilities/total assets) was 84.6%, representing an increase of 0.6 percentage point as compared with 84.0% for 2012. The Group has been primarily financing its working capital and other capital requirements through internal funds generated from operations, and mainly through borrowings in case of any deficiencies. In 2013, the Group completed the issue of notes of USD0.5 billion, medium-term notes of RMB0.3 billion and private placement notes of RMB5.3 billion.

In 2014, in order to ensure the continuous and healthy development of the Group's business and investment projects, the Group will adopt several measures for fund raising. First is active exploration of domestic and overseas financing channels such as direct or indirect financing through borrowings from financial institutions and issuance of domestic or overseas bonds. Currently, the Group has sufficient unutilised credit facilities and the Group is able to issue various types of low-cost debentures in an aggregate amount of RMB40 billion, including short-term financing bills, private bonds, company bonds, overseas bonds and perpetual bonds. Second is issuance of sector funds and asset-backed securities to raise funds for project investment.

4.8. 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 31 December	
	2013	2012
	RMB million	RMB million
Pending lawsuits:		
– arising in the ordinary course of business (Note 1)	840	761
– overseas lawsuits (Note 2 & Note 3)	1,117	1,121
	<u>1,957</u>	<u>1,882</u>

Note 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 those 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.

Note 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 notices dated 3 June 2011 to PGDNRM and PGDNRM sent termination notices 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 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 have since commenced to resolve the matter in dispute under litigation procedures. On 8 February 2012, the Poland Warsaw District Court opened a court session for this lawsuit according to the civil procedures. There is no significant progress up to the date of issuance of these condensed consolidated financial statements. At this stage, the Group considers it premature to assess the outcome of this case.

Note 3: Exploitations Artisanales Au Congo (“EXACO”) was a former shareholder of La Minière De Kalumbwe Myunga sprl (“MKM”), an indirectly owned subsidiary of the Company. As at 30 August 2011, EXACO had disposed of 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 RMB829 million).

MKM and CRRG tried to raise objection to the jurisdiction of the local courts according to the relevant arbitration clause. Until November 2013, MKM and CRRG didn’t receive the verdict. However, MKM and CRRG filed an appeal with the Lubumbashi Court of Appeal on 26 November 2013 due to prudent consideration and the needs to push the case on. When the Lubumbashi Court of Appeal ordered certiorari from the local court, MKM and CRRG found that the local court made a judgment to the MKM and CRRG for a total of USD31 million compensation (equivalent to approximately RMB189 million) on 8 February 2013. At present, the appeal process is still continuing.

In addition, on 15 January 2014, EXACO made another request to the Commercial Court of Lubumbashi for not receiving the fee of the previous 43.5% share transfer. EXACO applied to the Court for a compensation from CRRG amounting to USD109 million (equivalent to approximately RMB665 million), and for taking protective measures against MKM. On 20 January 2014, the Commercial Court of Lubumbashi agreed to take the protective measures, but did not hear the request of compensation. MKM and CRRG immediately filed an appeal. The Lubumbashi Court of Appeal ruled the protective measures not be executed on 30 January 2014. At present, the case has not yet been substantive hearing.

The Group believes that these lawsuits filed by EXACO have violated the arbitration clause, and there is no factual or legal basis for these lawsuits. However, affected by various local uncertainties, the Group considers that it is premature to assess the outcome of this case.

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

	As at 31 December			
	2013		2012	
	Amount	Expiry period	Amount	Expiry period
	RMB million		RMB million	
Guarantees given to banks in respect of banking facilities to:				
Associates	2,169	2014-2025	1,838	2013-2025
Other government-related enterprises	55	2014	55	2013
Property purchasers	14,877	2014-2019	8,622	2013-2017
Investees of the Group	12	2016	13	2016
Former subsidiary	758	2022	–	
	<u>17,871</u>		<u>10,528</u>	

In addition to the above, as at 31 December 2012, 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 liabilities of Yichang Sanxia on the date it was spun off from Yichang Sanxia Hongming Tourism Property Development Co., Ltd. and Yichang Sanxia repaid all the remaining liabilities in 2013.

4.9. Business Risks

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

- (1) **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.
- (2) **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.
- (3) **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, cadre ethics and enterprise stability, which could result in management risks.
- (4) **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.
- (5) **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.
- (6) **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.

- (7) **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 identifies various types of risks associated with all business processes 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, prepare documents for critical control points of procedures, identify the responsibilities of the various types of risks and critical control point, work closely with the daily 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 ensure the Group's overall control on various types of risk.

5. SIGNIFICANT EVENTS

5.1. Material Litigation, Arbitration and Matters Generally Concerned by Media

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

Summary and nature

Information

Poland A2 Highway construction disputes: Interim Report of 2011 and The consortium comprising China Overseas Engineering Group Co., Ltd. (subsidiary of the Company), China Railway Tunnel Group Co., Ltd., two third-party companies terminated the contact and had dispute with GDDKiA, the project owner, in respect of the bid won for sections of A and C of Poland A2 Highway.	subsequent regular reports of China Railway Group Limited is available at Shanghai Stock Exchange http://www.sse.com.cn
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5.1.2. Litigation, arbitrations which were not disclosed in announcement and may have subsequent progress

Not applicable

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

Not applicable

5.2. Defalcation and Debt Repayment During the Reporting Period

Not applicable

5.3. Events regarding Bankruptcy and Restructuring

Not applicable

5.4. Asset Transactions and Mergers

Not applicable

5.5. Implementation of Share Incentive Scheme of the Company and its Effects

Not applicable

5.6. Significant Connected Transactions

5.6.1. *Connected transactions in ordinary course of business*

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

Not applicable

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

Unit: Thousand Currency: RMB

Connected persons	Connected relationship	Type of connected transaction	Particulars of the connected transaction	Pricing method of connected transaction	Price of the connected transaction	Amount of connected 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	Contract price	30,368	30,368	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	49,160	49,160	Less than 1%
Total					79,528	79,528	

Description of connected transactions

The above two transactions were resulting from the implementation of the comprehensive services agreement and premises leasing agreement entered into by the Company and CRECG on 28 March 2013. The terms of both agreements are three years. The total transaction amount involved was within the authority 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, the premises leasing agreement was exempted from the requirements of reporting, annual review, announcement and independent shareholders’ approval as the annual caps of this transaction was within the de minimis exemption under the Hong Kong Listing Rules. The comprehensive service agreement was exempted from the independent shareholders’ approval requirement under the Hong Kong Listing Rules.

(3) *Matters which were not disclosed in announcement*

Not applicable

5.6.2. Connected transactions in relation to acquisition and disposal of asset

During the reporting period, the Company did not have any related party transactions in relation to acquisition and disposal of asset.

5.6.3. Significant connected transactions in relation to joint external investment

During the reporting period, there was no significant joint connected transaction in relation to joint external investment by the Company.

5.6.4. Amounts due from/to connected persons

Not applicable

5.6.5. Other connected transactions

(1) Connected person guarantees

RMB'000					
Guarantor	Guarantee	Guaranteed amount	Commencement date of guarantee	Expiry date of guarantee	If guarantee fully fulfilled
CRECG (Note)	China Railway Group Limited	1,000,000	January 2010	January 2015	No
CRECG (Note)	China Railway Group Limited	5,000,000	January 2010	January 2020	No
CRECG (Note)	China Railway Group Limited	2,500,000	October 2010	October 2020	No
CRECG (Note)	China Railway Group Limited	3,500,000	October 2010	October 2025	No

Note: 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 31 December 2013, the remaining payable amount of above-mentioned corporate bonds was RMB11,951.506 million (31 December 2012: RMB11,945.267 million).

(2) Fund borrowing from connected persons

RMB'000								
Related Party	Related Party Relationship	Particulars of transaction	Accounting category	Borrowing amount	Commencement date	Due date	Interest rate (%)	Balance of the year
CRECG	Controlling shareholder	Fund borrowing	Short-term borrowing	626,160	26 December 2012	25 December 2014	4.2	626,160
CRECG	Controlling shareholder	Fund borrowing	Short-term borrowing	626,930	31 December 2013	30 December 2014	4.2	626,930

Notes: The proposal of the Company in relation to the application to CRECG for entrusted loan in the amount not exceeding RMB2 billion was resolved in the 16th meeting of the second session of the Board of Directors, and was exempted from disclosure by the Shanghai Stock Exchange. According to this resolution, in 2012, the Company applied to CRECG for entrusted loan amounted to RMB626,160,000 based on its operational needs and by the end of 2013, the Company applied to CRECG for renewal of entrusted loan. In 2013, the Company applied to CRECG for entrusted loan amounted to RMB626,930,000 based on its production needs.

(3) Interest Expenses

Unit: Thousand Currency: RMB

Item	Connected Person	Current Amount	Prior Amount
Interest Expenses	CRECG	26,226	—

5.7. Material Contracts and their Performance

5.7.1. Trusteeship, contracting and leasing

During the reporting period, the Company had no material trusteeship, contracting or leasing.

5.7.2. Guarantees

Unit: Yuan Currency: RMB

Guarantor	Relationship between guarantor and listed company	Guarantee	Guaranteed amount	Guarantee granted by the Company (excluding those to subsidiaries)				Guarantee fully fulfilled	Overdue	Overdue amount	Counter guarantee available	Guarantee provided to the related parties	Related party relationship
				Commencement date of guarantee (agreement execution date)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee						
China Railway Group Limited	The same entity	Lince Railway Co., Ltd.	783,000,000.00	2008-06-30	2008-06-30	2025-06-20	Suretyship of joint and several liability	No	No	—	No	No	other
China Railway Group Limited	The same entity	Inner Mongolia Guobai Railway Co., Ltd.	433,580,000.00	2008-11-24	2008-11-24	2020-11-30	Suretyship of joint and several liability	No	No	—	No	No	
China Railway No. 2 Engineering Group Co. Ltd.	Wholly-owned subsidiary	China Railway Bohai Train Ferry Co., Ltd.	11,889,000.00	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	162,520,911.00	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 and Xiangxueling Phase I Project	15,050,000.00	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 Xinchuanzang Road Construction Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Ruicheng Xinjie Project	289,110,000.00	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 Shujun Project	8,390,000.00	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	253,469,000.00	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 Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Xijun Yinghua Project	634,760,000.00	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	238,487,600.00	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 Project District H Project	472,486,000.00	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	—
Duijiangyan Qingcheng Tourism Development Co. Ltd	Wholly-owned subsidiary	Property owners of Qingcheng 365 Zhaiyuan Project	880,000.00	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	—

Guarantor	Relationship between guarantor and listed company	Guarantee	Guarantee granted by the Company (excluding those to subsidiaries)								Counter guarantee available	Guarantee provided to the related parties	Related party relationship
			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			
China Railway No. 2 Engineering Real Estate Group Co., Ltd	Wholly-owned subsidiary	Property owners of Shanghe New Town Project	20,900,000.00	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 Hongjin Properties Limited	Wholly-owned subsidiary	Property owners of Hongjinmahegongguan Phase I Project	84,850,000.00	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 Development Co., Ltd	Wholly-owned subsidiary	Property owners of Huainan Yangguangcheng	20,283,894.40	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	14,270,056.24	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 Binhumengdi Project	16,679,175.21	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 Xinglong Phase II Project	138,398.38	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 Tianwei Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Fontainebleau Project	55,496,800.00	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	–
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	300,000.00	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 Qishigongguan Project	357,127,000.00	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	–
Chengdu Tongxin Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Tamiya Project	499,000,000.00	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 Tongxin Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Aoncieir Project	51,115,000.00	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	77,253,300.00	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 Zhong tai Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway • Ruijing Mingcheng Phase II Project	136,602,000.00	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	110,219,200.00	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	–
China Railway No. 8 Engineering Chengdu Zhongtai Property Development Co., Ltd	Wholly-owned subsidiary	Property owners of China Railway Ruijingyicheng Project	285,807,000.00	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 Lijing Shuxiang Project	359,342,000.00	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	–
Duijiangyan Xiangtai Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Ruijingyudou Project	12,560,000.00	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	–
Guangzhou Shengde Property Development Co., Ltd.	Non-wholly owned subsidiary	Property owners of Shengde Building Project	205,135,000.00	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. 9 Shenyang Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Ruida Plaza Project	270,000.00	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	–

Guarantor	Relationship between guarantor and listed company	Guarantee	Guaranteed amount	Guarantee granted by the Company (excluding those to subsidiaries)							Counter guarantee available	Guarantee provided to the related parties	Related party relationship
				Commencement date of guarantee (agreement execution date)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Guarantee fully fulfilled	Overdue	Overdue amount			
Sichuan Jiansheng Real Estate Development Co., Ltd.	Non-wholly owned subsidiary	Property owners of China Railway Yanlanshan Project	25,169,000.00	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 Jinan Hua Yang Nian Hua Project	9,071,351.06	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	138,630,765.02	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 Huizhan International Project	88,549,699.58	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 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	41,683,730.47	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.	902,500,000.00	2012-02-13	2012-02-13	2018-09-15	Suretyship of joint and several liability	No	No	–	No	No	
China Railway Major Bridge Engineering Group Co., Ltd.	Wholly-owned subsidiary	Yichang Miaozi Major Bridge Construction Engineering Co., Ltd.	50,000,000.00	2013-12-20	2013-12-20	2018-12-19	Suretyship of joint and several liability	No	No	–	No	No	
China Railway Tunnel Group Co., Ltd.	Wholly-owned subsidiary	China Shanghai Foreign Trade Co., Ltd.	55,312,400.00	2011-12-29	2011-12-29	2014-12-28	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	426,160,000.00	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	
China Railway Huasheng Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Nobel International Garden Project	240,070,000.00	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 Construction Engineering Group Shenzhen Investment Co., Ltd.	Wholly-owned subsidiary	Property owners of Nobel Mingcheng Project	1,140,596,000.00	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 Construction Engineering Group Shenzhen Investment Co., Ltd.	Wholly-owned subsidiary	Property owners of Qingdao Nobel Plaza Project	83,960,000.00	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	172,206,000.00	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	113,430,000.00	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	
Dalian Zijin Development Co., Ltd.	Wholly-owned subsidiary	Property owners of China Railway Hupo Bay	4,980,000.00	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 Shengshi Changan Project	205,767,000.00	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 Jiangshanfu Project	298,370,000.00	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	
Beijing Jingxu Property Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Weishanfu Project	216,640,938.00	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	
Hengshui Jingxu Project Development Co., Ltd.	Wholly-owned subsidiary	Property owners of Tianxi Xiangyuan Project	108,482,000.00	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 Electrification Group Taizhou Investment Real Estate Co., Ltd.	Wholly-owned subsidiary	Mortgage owners of 溪源花園	36,665,000.00	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 Electrification Engineering Group Co., Ltd.	Wholly-owned subsidiary	Nanjing China Railway Electrification Investment Management Co., Ltd.	758,000,000.00	2013-5-30	2013-5-30	2022-12-11	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	940,601,214.50	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	

Guarantor	Relationship between guarantor and listed company	Guarantee	Guarantee granted by the Company (excluding those to subsidiaries)								Counter guarantee available	Guarantee provided to the related parties	Related party relationship
			Guaranteed amount	Commencement date of guarantee	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Guarantee fully fulfilled	Overdue	Overdue amount			
				(agreement execution date)									
Hunan Qingzhuo Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Changsha Lakeshore Jiazhou Project	177,024,000.00	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	1,740,245,600.00	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 Lake Project	541,600,000.00	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	516,477,000.00	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 Meihang 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 Central Times Square Project	5,008,000.00	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	
Beijing China Railway Runfeng Real Estate Development Co., Ltd.	Wholly-owned subsidiary	China Railway Huaxidu Project	215,020,000.00	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	
Jinan China Railway Real Estate Co., Ltd.	Non-wholly owned subsidiary	Property owners of Ji'nan China Railway Yidu International Project	408,766,000.00	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 Guitzhai Project	154,348,000.00	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	627,500,000.00	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	
Sanya China Railway Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Sanya Ziyuetai Project	83,310,000.00	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	
Yantai China Railway Real Estate Co., Ltd.	Non-wholly owned subsidiary	Property owners of Yantai China Railway Yidu Project	240,690,000.00	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	1,130,000.00	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 China Railway Yuanchang 2007G27 Project	504,359,000.00	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 Real Estate Group Co., Ltd.	Wholly-owned subsidiary	Property owners of Shenyang Shengfeng Dingxiang Lakeshore Project	130,550,000.00	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	
Hangzhou China Railway Hefeng Real Estate Co., Ltd.	Wholly-owned subsidiary	Property owners of Hangzhou China Railway • Yidu Huayuan Phase I Project	36,980,400.00	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.	Non-wholly owned subsidiary	Property owners of China Railway Gongqinghu Project	85,108,494.43	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	196,903,000.00	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	
Longlixiantewujian Property Development Co., Ltd.	Non-wholly owned subsidiary	Property owners of 白晶谷 Project	37,980,000.00	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)	7,386,636,032.78
Total balance of guarantee as at the end of the reporting period (A) (excluding those provided to subsidiaries)	17,428,235,928.29
Guarantee provided by the Company to its subsidiaries	
Total guarantee to subsidiaries incurred during the reporting period	1,714,887,900.00
Total balance of guarantee to subsidiaries as at the end of the reporting period (B)	14,101,719,600.00
Aggregate guarantee of the Company (including those provided to subsidiaries)	
Aggregate guarantee (A+B)	31,529,955,528.29
Percentage of aggregate guarantee to net assets of the Company (%)	32.57%
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)	12,570,301,100.00
Excess amount of aggregate guarantee over 50% of net assets (E)	
Aggregate amount of the above three categories (C+D+E)	12,570,301,100.00
Statement on the contingent joint and several liability in connection with unexpired guarantee	
Statement on guarantee	

5.7.3. Other material contracts

1. 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	Phnom Penh Railway and Sihanoukville Port Project of Cambodia	2012-12	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-Xian Passenger Railway Line Co., Ltd.	Line Section 9 of Datong-Xi'an Passenger Railway	2010-03	636,953	42 months

No.	Signatory	Owner	Name of contract	Date of contract	Contract sum (RMB'0,000)	Construction period
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	Divergence of S215-SS-3 of Shache Highway	2011-06	208,669	29 months
3	China Railway Major Bridge Engineering	Hubei Exi Highway Co., Ltd.	Section TJ-6 of the First Civil Engineering Construction of Xuanen-Xianfeng (boundary between Hubei and Chongqing) Hubei Enshi-Laifeng Highway and Hubei Enshi-Chongqing Qiongjiang Highway	2011-06	190,775	33 months
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 Yuangaui Railway (Yuannansection) 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'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	Daxi Railway Passenger Dedicated 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 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	Guangzhou Metro Guangdong Co., Ltd.	Xiamen-Shenzhen Railway	2010-04	34,288	42 month
Construction Machinery						
1	China Railway Tunneling Equipment	MMC-GAMUDA Company	Malaysia CTE6630 model shield production contract	2012-07	10,280	7 months
2	China Railway Tunneling Equipment	Taiwan New Taipei Qiang Quan Co., Ltd	Manufacturing Contract of Steel Fiber	2012-03	5,800	36 months
3	China Railway Turnout & Bridge	Tonglingjing Lake Property Development Co., Ltd.	Manufacturing, transportation and installation contract of tourist line track and flyover of Tonglingjing Lake	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	Dailian Nobel Binhai Garden	Dalian, Liaoning	Residential	52.09

(5) *Other businesses*

No.	Signatory	Owner	Name of contract	Date of contract	Contract Sum (RMB'0,000)	Construction period	Operation (Repurchase) term
BOT							
1	China Railway No. 2 Engineering	Yulin Bureau of communications	BOT Project of Yulin (Shaanxi)-Shenmu Expressway	2007-10	517,000	36 months	30 years
2	China Railway	Guangxi Department of communications	BOT Project of the Guangxi Cenxi-Xingye Expressway	2005-08	516,361	36 months	28 years
3	China Railway	Yunan Department of communications	BOT Project of the Yunan Funing-Guangnan, Guangnan-Yanshan Expressway	2005-12	644,000	36 months	27 years

2. 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 Major Bridge Engineering	Fujian Fupin Railway Co., Ltd.	New Fuzhou-Pingtian railway pre-construction stage FPZQ-3 Section	2013-10	879,909	2007 calendar days
2	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
3	China Railway Electrification Engineering	Jinyulu Railway Passage Co., Ltd.	System integration of new railway channel of Central-south of Shanxi (including Linxian North to Mengmen section of Luliang to Linxian (Mengmen) railway) and related engineering ZNZH-1 Section	2013-09	344,892	396 calendar days
Highway						
1	China Railway NO. 10 Engineering	Guangdong Zhaohui Highway Co., Ltd.	Chaozhou, Guangdong Province to Huizhou Expressway project Mark TJ1	2013-07	182,600	39 months
2	China Railway NO. 5 Engineering	Qinghai Province Huashixia Highway Co., Ltd.	Chengdu, Qinghai Province to Huashixia Xiangride Road to Jiuzhi (Provincial Boundary) section of highway engineering DJ16 and HD6Tenders	2013-07	127,681	1188 calendar days
3	China Railway NO. 1 Engineering	Guangxi Guidong Highway Co., Ltd.	Wuzhou, Guangxi to Liuzhou Expressway Project No. A01-9	2013-07	109,458	24 months
Municipal Works						
1	China Railway No. 4 Engineering	Guangdong Pearl River Delta Rail Transport Co., Ltd.	Pre-construction proddet Kwong-ching intercity railway north to Guangzhou to Qingyuan section	2013-09	275,746	38 months
2	CRECG	Lanzhou East Friendship Trading Co., Ltd.	Maryland International Trade Center construction project	2013-08	136,179	646 calendar days
3	China Railway Major Bridge Engineering	Wuhan Tianxingzhou Road & Bridge Investment Development Co., Ltd.	Ink Hubei Road (Longyang Road – River City Avenue) Construction Contract	2013-07	87,500	16 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 Distribution Group Co., Ltd.	Jingbian to Shenmu railway transportation channels	2013-04	11,316	Date of completion of construction
2	China Railway Consultancy	Inner Mongolia Guxing Railway Co., Ltd.	New local railway line from Zalantun to Arxan	2013-01	10,000	Date of completion of construction
3	China Railway Eryuan Engineering	China Railway Managing Department of Railway Project in Addis Ababa-Mieso	Supplemental Contract of survey and design contracting of Sebeta-Adama-Mieso EPC for Addis Ababa-Djibouti Railway Project (Sections 1 and 2)	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	Guizhou Expressway Co., Ltd.	Production of Beipanjiang Steel Truss Bridge of Bijie, Guizhou Province to Duge highway	2013-09	31,175	28 months
2	China Railway Turnout & Bridge	Yunnan Longjiangte Bridge Construction Headquarter	Production of steel box girder of Yunnan Longjiang Bridge and inspection vehicles	2013-10	22,450	21 months
Turnout						
1	China Railway Shanhaiguan Bridge	Chengyu Passenger Railway Line Co., Ltd	New Chengdu-Chongqing Railway Passenger Dedicated Line Project	2013-06	27,891	16 months
2	China Railway Turnout & Bridge	Beijing-Fuzhou Min-Gan Railway Line for Passenger Transport Co., Ltd	Contract for the procurement of materials of Keifuku, Fujian and Jiangxi Railway A	2013-01	19,399	22 months
Construction Machinery						
1	China Railway Engineering Equipment Group Co., Ltd.	China State Civil Engineering Construction Co., Ltd.	Shield procurement contracts	2013-06	8,670	8 months
2	China Railway Engineering Equipment Group Co., Ltd.	China Construction Fifth Engineering Bureau Co., Ltd.	Shield procurement contracts	2013-02	8,376	8 months

(4) *Property development business*

No.	Project name	Project location	Project type	Planning area ('0,000 sq.m.)
1	Changchun West Lake Project	Jilin, Changchun	Residential	51
2	China Railway Tixiangjun Project	Xi'an, Shaanxi	Residential	38
3	Tianjin Nobel Garden Project	Tianjin	Residential	21

(5) *Material Property Information*

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 City, Sichuan	Hotel	Medium term lease	100%
Huaxi Changan Center Building A1, Floor 1–2	No. 69 Fuxing Road, Haidian District, Beijing	Commercial	Medium term lease	100%
Gongti Building 3/F Section 2	Restaurant No. 3, 3/F Section 2, Workers Stadium Building, Chaoyang District, Beijing	Commercial	Medium term lease	100%
Huilong Bay Yichulianghua Mall	No.1 Shawan Road, Jinniu District, Chengdu, Sichuan	Commercial	Medium term lease	100%
Beijing Chaowai Research Building and Ancillary 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 City	Commercial	Medium term lease	100%
Celebrity Resort Huashuiwan	Wu Cheng Street, Huashuiwan Town 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	15 Guang An Lu, Fengtai District, Beijing	Commercial	Medium term lease	100%

2. Properties held for development and/or for sale

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 Shi Ying Bin Lu, Sanya	Residential, Commercial	74,670	237,700	Under construction	2015	100%
China Railway West City	Hua Dong San Lu, Qing Yang District, Chengdu	Residential	192,010	526,119	Under construction	2015	80%
Qingdao City Center	No. 8B Hong Kong Middle Road, Qingdao City	Office, Commercial	18,200	338,100	Completed	–	92%
Bairuijing Central Living Area	No. 586 Wu Luo Road, Wuchang District, Wuhan City	Residential	528,000	1,060,000	Under construction	2015	67%
China Railway Yidu International	No.1 North Part Jinyang Avenue, Jinyang District, Guiyang	Residential	1,060,000	2,306,000	Under construction	2015	80%
China Railway Yidu International City	East of Feng Huang Lu, Dahanyu Neighbourhood, Gaoxin District, Jinan	Residential	192,517	960,800	Under construction	2017	60%

5.8. Performance Status of Undertakings

1. Undertakings by the listed company or shareholders holding more than 5% of the shares of the Company, controlling shareholders and ultimate controller given or subsisting in the reporting period or continuing during the reporting 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 assist in the engagement or participation in any business that competes, or is likely to compete with the core businesses of China Railway and its subsidiaries. If CRECG or its subsidiaries (other than China Railway) become(s) aware of any new business opportunity which directly or indirectly competes, or is likely to compete, with the core 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 pre-emptive 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 the use of 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.

2. Profit forecast has been made in respect of the assets or projects of the Company and such profit forecast applies to the reporting period. The Company's statement of whether its assets or projects meet the original profit forecast and the reason therefor.

Not applicable

5.9. Appointment and Removal of Auditors

Unit: ten thousand Currency: RMB

	Former appointment	Current appointment
Name of domestic auditors	Deloitte Touche Tohmatsu CPA LLP	Deloitte Touche Tohmatsu CPA LLP
Remuneration of domestic auditors	4,050	4,050
Term of domestic auditors	6 years	7 years
Name of international auditors	Deloitte Touche Tohmatsu	Deloitte Touche Tohmatsu
Remuneration of international auditors	250	250
Term of international auditors	6 years	7 years
	Name	Remuneration
Auditor for internal control audit	Deloitte Touche Tohmatsu CPA LLP	260

5.10. Penalty and Rectification Order against the Listed Company and its Directors, Supervisors, Senior Management, Shareholders Holding more than 5% of the Shares of the Company, Ultimate Controller and Acquirer

Not applicable

5.11. Risks of Suspension of Listing and Delisting

1. Reasons for suspension and delisting and the measures taken by the Company to end the suspension or delisting

Not applicable

2. Detailed arrangement and plan of investor relations management work after delisting

Not applicable

5.12. Convertible Corporate Bonds

Not applicable

5.13. Other Significant Events

Not applicable

6. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	2013 RMB million	2012 RMB million (Restated)
Revenue	3 & 4	540,394	465,625
Cost of sales		(500,054)	(430,064)
Gross profit		40,340	35,561
Other income	5	2,533	2,938
Other expenses	5	(8,516)	(6,418)
Other gains and losses	6	843	(128)
Selling and marketing expenses		(2,327)	(2,031)
Administrative expenses		(14,395)	(15,226)
Interest income		2,603	2,718
Interest expenses		(6,363)	(6,360)
Share of profits of joint ventures		84	98
Share of profits (losses) of associates		17	(22)
Profit before tax		14,819	11,130
Income tax expense	7	(4,744)	(3,061)
Profit for the year		10,075	8,069
Other comprehensive income (expense)			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligation		944	236
Income tax relating to remeasurement of defined benefit obligation that will not be reclassified to profit or loss		(180)	(27)
		764	209

	NOTES	2013 RMB million	2012 RMB million (Restated)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(305)	(46)
Fair value (loss) gain on available-for-sale financial assets		(19)	183
Share of other comprehensive (expense) income of joint ventures and associates		(9)	3
Others		(2)	(166)
Income tax relating to items that may be reclassified subsequently		5	(34)
		<u>(330)</u>	<u>(60)</u>
Other comprehensive income for the year, net of income tax		<u>434</u>	<u>149</u>
Total comprehensive income for the year		<u>10,509</u>	<u>8,218</u>
<i>Profit for the year attributable to:</i>			
Owners of the Company		9,374	7,390
Non-controlling interests		701	679
		<u>10,075</u>	<u>8,069</u>
<i>Total comprehensive income for the year attributable to:</i>			
Owners of the Company		9,830	7,540
Non-controlling interests		679	678
		<u>10,509</u>	<u>8,218</u>
		RMB	RMB
Earnings per share (Basic)	8	<u>0.440</u>	<u>0.347</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

	<i>NOTES</i>	31/12/2013 RMB million	31/12/2012 RMB million (Restated)	1/1/2012 RMB million (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment		44,183	41,513	37,668
Deposits for acquisition of property, plant and equipment		478	458	773
Lease prepayments		8,077	8,062	8,537
Deposits for land use rights		217	235	173
Deposits for investment		–	–	717
Investment properties		2,036	1,410	2,472
Intangible assets		33,214	33,189	33,354
Mining assets		3,333	4,361	4,327
Interests in joint ventures		915	870	782
Interests in associates		4,803	3,618	2,956
Goodwill		830	857	865
Available-for-sale financial assets		7,749	5,897	4,580
Other loans and receivables		7,599	4,701	4,594
Deferred tax assets		4,000	3,901	3,425
Other prepayments		71	56	43
Trade and other receivables	<i>10</i>	7,435	6,678	3,336
		124,940	115,806	108,602
Current assets				
Lease prepayments		200	191	197
Properties held for sale		19,223	12,313	5,628
Properties under development for sale		69,211	65,287	52,995
Inventories		46,581	41,906	36,329
Trade and other receivables	<i>10</i>	191,516	159,649	143,320
Amounts due from customers for contract work		90,560	78,522	56,747
Current income tax recoverable		605	408	185
Other loans and receivables		3,639	2,012	1,055
Held-for-trading financial assets		132	205	60
Restricted cash		5,765	4,753	3,329
Cash and cash equivalents		75,658	67,738	60,254
		503,090	432,984	360,099
Assets classified as held for sale		–	1,871	–
		503,090	434,855	360,099
Total assets		628,030	550,661	468,701

	<i>NOTES</i>	31/12/2013 RMB million	31/12/2012 RMB million (Restated)	1/1/2012 RMB million (Restated)
EQUITY				
Share capital		21,300	21,300	21,300
Share premium and reserves		65,163	56,493	49,903
Equity attributable to owners of the Company		86,463	77,793	71,203
Non-controlling interests		10,167	10,197	9,328
Total equity		96,630	87,990	80,531
LIABILITIES				
Non-current liabilities				
Other payables	<i>11</i>	614	450	632
Borrowings		104,084	87,899	73,606
Obligations under finance lease		268	733	295
Financial guarantee contracts		1	1	2
Retirement and other supplemental benefit obligations		4,280	5,619	6,311
Provisions		260	206	138
Deferred government grant		695	655	732
Deferred tax liabilities		956	989	882
		111,158	96,552	82,598
Current liabilities				
Trade and other payables	<i>11</i>	310,598	272,534	231,267
Amounts due to customers for contract work		22,996	15,028	14,606
Current income tax liabilities		2,936	1,988	2,019
Borrowings		82,348	73,762	56,490
Obligations under finance lease		507	632	185
Financial guarantee contracts		–	1	–
Retirement and other supplemental benefit obligations		612	701	863
Provisions		59	37	–
Held-for-trading financial liabilities		186	203	142
		420,242	364,886	305,572
Liabilities associated with assets classified as held for sale		–	1,233	–
		420,242	366,119	305,572
Total liabilities		531,400	462,671	388,170
Total equity and liabilities		628,030	550,661	468,701
Net current assets		82,848	68,736	54,527
Total assets less current liabilities		207,788	184,542	163,129

Notes:

1 GENERAL INFORMATION

The Company was established in the People's Republic of China (the "PRC") on 12 September 2007 as a joint stock company with limited liability, as part of the group reorganisation ("Reorganisation") of China Railway Engineering Corporation ("CRECG") in preparation for the listing of the Company's A shares on Shanghai Stock Exchange and H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKSE"). The address of the Company's registered office is No. 1 Xinghuo Road, Fengtai District, Beijing, the PRC. The Company's ultimate holding company is CRECG, incorporated in the PRC.

The consolidated financial statements are presented in Renminbi, the functional currency of the Company and most of its subsidiaries.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in infrastructure construction, survey, design and consulting services, engineering equipment and component manufacturing, property development, mining and merchandise trading.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, 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.

Amendments to IFRSs	Annual Improvements to IFRSs 2009 - 2011 Cycle
Amendments to IFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10,	Consolidated Financial Statements, Joint Arrangements and
IFRS 11 and IFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to IFRS 1	Government Loans
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
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 IAS 1	Presentation of Items of Other Comprehensive Income
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

In addition, the Group has early adopted the amendments to IAS 36 Impairment of Financial Assets: Recoverable Amount Disclosures for Non-Financial Assets in advance of its effective date.

Except as described below, the application and early adoption of the new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures, together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding transitional guidance.

IAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards 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. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its 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. Some guidance included in IFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

The directors of the Company (the “Directors”) made an assessment as to whether or not the Group has control over certain structured entities in accordance with the new definition of control and the related guidance set out in IFRS 10. The Directors concluded that it has had control over certain structured entities, mainly unlisted entrusted products. Therefore, in accordance with the requirements of IFRS 10, these structured entities have been consolidated in the annual consolidated financial statements for the year ended 31 December 2013. The Directors consider that the change in accounting of the Group’s consolidation of these structured entities has no material impact on the Group’s profit or loss, other comprehensive income and financial position in the prior periods and accordingly adjust all the effects in the annual consolidated financial statements for the year ended 31 December 2013.

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 contemplated 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 is 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.

The Directors reviewed and assessed the classification of the Group’s investments in joint arrangements in accordance with the requirements of IFRS 11. The Directors concluded that the Group’s investments in seven joint arrangements, which were classified as jointly controlled entities under IAS 31 and were accounted for using the equity method, should be classified as joint operations under IFRS 11 and accounted for as disclosed above.

The Directors consider that the change in accounting of the Group's investment in these seven joint arrangements has no material impact on the Group's profit or loss, other comprehensive income and financial position in the prior periods and accordingly adjust all the effects in the annual consolidated financial statements for the year ended 31 December 2013 to present the proportionate shares of the total assets, total liabilities, the construction revenue and bears a proportionate share of the joint operation's expenses.

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 application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

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 consider that the application of IFRS 12 will affect the Group's disclosures in the annual consolidated financial statements for the year ended 31 December 2013.

IFRS 13 Fair Value Measurement

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of IFRS 13 is broad: the fair value measurement requirements of IFRS 13 apply to both financial instrument items and nonfinancial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 Fair Value Measurement

IFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of 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.

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

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 year. Upon the adoption of the amendments to IAS 1, the Group's statement of comprehensive income is renamed as the 'statement of profit or loss and other comprehensive income'. Furthermore, 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.

IAS 19 Employee Benefits (as revised in 2011)

In the current year, 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).

Summary of the effects of the above changes in accounting policies

The effects of changes in accounting policies described above on the results for the current and prior years by line items as follows:

Impact on total comprehensive income (expense) for the year of the application of IAS 19(as revised in 2011):

	Year ended 31/12/2013 RMB million	Year ended 31/12/2012 RMB million
Impact on profit for the year		
Decrease in administrative expenses	31	45
Increase in income tax expense	(7)	(9)
Increase in profit for the year	24	36
Impact on other comprehensive income for the year		
Increase in gain arising from remeasurement of defined benefit obligations	944	236
Increase in income tax relating to remeasurement of defined benefit obligations	(180)	(27)
Increase in other comprehensive income for the year	764	209
Increase in total comprehensive income for the year	788	245
Increase in profit for the year attributable to:		
Owners of the Company	24	36
Non-controlling interests	–	–
	24	36
Increase in total comprehensive income for the year attributable to:		
Owners of the Company	787	245
Non-controlling interests	1	–
	788	245

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 - non-current portion	<u>5,522</u>	<u>789</u>	<u>6,311</u>
Total effect on net assets	<u>(2,238)</u>	<u>(648)</u>	<u>(2,886)</u>
Share premium and reserves	50,549	(646)	49,903
Non-controlling interests	<u>9,330</u>	<u>(2)</u>	<u>9,328</u>
Total effect on equity	<u>59,879</u>	<u>(648)</u>	<u>59,231</u>

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 – non-current portion	<u>5,111</u>	<u>508</u>	<u>5,619</u>
Total effect on net assets	<u>(1,315)</u>	<u>(403)</u>	<u>(1,718)</u>
Share premium and reserves	56,894	(401)	56,493
Non-controlling interests	<u>10,199</u>	<u>(2)</u>	<u>10,197</u>
Total effect on equity	<u>67,093</u>	<u>(403)</u>	<u>66,690</u>

Impact on assets, liabilities and equity as at 31 December 2013:

	31/12/2013 RMB million
Decrease in deferred tax assets	(82)
Decrease in retirement and other supplemental benefit obligations - non-current portion	<u>467</u>
Increase in net assets	<u>385</u>
Increase in share premium and reserves	386
Decrease in non-controlling interests	<u>(1)</u>
Increase in equity	<u>385</u>

Impact on basic earnings per share for the year:

	Year ended 31/12/2013 RMB million	Year ended 31/12/2012 RMB million (as restated)
Basic earnings per share before adjustments	0.439	0.345
Adjustments arising from change in accounting policy in relation to application of IAS 19 (as revised in 2011)	0.001	0.002
Reported basic earnings per share	0.440	0.347

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

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle ⁴
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle ²
IFRS 9	Financial Instruments ³
IFRS14	Regulatory Deferral Accounts ⁵
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures ³
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities ¹
Amendments to IAS 19	Defined Benefits Plans: Employee Contributions ²
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities ¹
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting ¹
IFRIC – Int 21	Levies ¹

¹ Effective for annual periods beginning on or after 1 January 2014.

² Effective for annual periods beginning on or after 1 July 2014.

³ Available for application – the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised.

⁴ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

⁵ Effective for first annual IFRS financial statements beginning on or after 1 January 2016.

Annual Improvements to IFRSs 2010-2012 Cycle

The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarized below.

The amendments to IFRS 2 (i) change the definitions of ‘vesting condition’ and ‘market condition’; and (ii) add definitions for ‘performance condition’ and ‘service condition’ which were previously included within the definition of ‘vesting condition’. The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2010-2012 Cycle will have a material effect on the Groups consolidated financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which are summarized below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

- (a) the property meets the definition of investment property in terms of IAS 40; and
- (b) the transaction meets the definition of a business combination under IFRS 3.

The Directors do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2011-2013 Cycle will have a material effect on the Group's consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of IFRS 9 are described as follows:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that the adoption of IFRS 9 in the future will affect the measurement and classification of its financial instruments, particularly the available-for-sale equity investments currently measured at cost less impairment.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities.

The amendments to IFRS 10, IFRS 12 and IAS 27 are effective for annual periods beginning on or after 1 January 2014, with early application permitted. The Directors anticipate that the application of the amendments will have no effect on the Group as the Company is not an investment entity.

Amendments to IAS 19 Defined benefit Plans: Employee Contribution

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans that are either constructive or set out in the formal terms of the plan based on whether those contributions are linked to service or not linked to service.

Such contributions that are not linked to service would affect the remeasurement of net defined benefit liability (or asset). For contributions that are linked to service, they would reduce service cost as follows:

- Contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method;
- Contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The Directors do not anticipate that the application of these amendments to IAS 19 will have a significant impact on the Group's consolidated financial statements as the Group does not have any new defined benefit plans.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The Directors do not anticipate that the application of these amendments to IAS 32 will have a significant impact on the Group's consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

The Directors do not anticipate that the application of these amendments to IAS 39 will have any effect on the Group's consolidated financial statements as the Group does not have any derivatives that are subject to novation.

IFRIC - Int 21 Levies

IFRIC - Int 21 Levies addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The Directors anticipate that the application of IFRIC - Int 21 will have no effect on the Group's consolidated financial statements.

3 REVENUE

An analysis of the Group's revenue for the year is as follows:

	2013	2012
	RMB million	RMB million
Revenue from:		
Rendering of services		
- Construction contracts	430,868	377,178
- Other services	17,119	15,277
Sale of properties	26,392	19,043
Sale of goods	66,015	54,127
	540,394	465,625

4 SEGMENT INFORMATION

Information reported to the Board of Directors of the Group, being the chief operating decision maker for the purposes of resource allocation and assessment of segment performance, is prepared in accordance with relevant accounting principles and financial regulations applicable to enterprises established in the PRC (the "PRC GAAP"), which resulted in the difference in the basis of measurement of segment results, segment assets and segment liabilities.

Specifically, the Group's reportable and operating segments under IFRS 8 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 reportable and operating segments is presented below.

Segment revenues and results

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

	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
Year ended 31 December 2013						
External revenue	445,952	8,560	11,322	27,293	64,249	557,376
Inter-segment revenue	8,285	560	2,213	57	3,535	14,650
Other operating income	2,035	60	176	216	580	3,067
Inter-segment other operating income	—	—	—	—	594	594
Segment revenue	<u>456,272</u>	<u>9,180</u>	<u>13,711</u>	<u>27,566</u>	<u>68,958</u>	<u>575,687</u>
Segment results						
Profit before tax	<u>7,682</u>	<u>945</u>	<u>803</u>	<u>3,966</u>	<u>2,057</u>	<u>15,453</u>
Segment results included:						
Share of profits (losses) of joint ventures	64	(3)	22	—	1	84
Share of profits (losses) of associates	33	(6)	3	1	(14)	17
Interest income	2,796	54	21	240	225	3,336
Interest expenses	<u>(4,282)</u>	<u>(150)</u>	<u>(152)</u>	<u>(344)</u>	<u>(2,340)</u>	<u>(7,268)</u>

	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
Year ended 31 December 2012 (Restated)						
External revenue	390,037	8,447	9,059	19,702	53,084	480,329
Inter-segment revenue	5,271	567	2,077	75	1,535	9,525
Other operating income	1,598	55	328	398	1,285	3,664
Inter-segment other operating income	–	–	–	–	528	528
Segment revenue	<u>396,906</u>	<u>9,069</u>	<u>11,464</u>	<u>20,175</u>	<u>56,432</u>	<u>494,046</u>
Segment results						
Profit before tax	<u>5,417</u>	<u>813</u>	<u>731</u>	<u>3,429</u>	<u>2,043</u>	<u>12,433</u>
Segment results included:						
Share of profits (losses) of joint ventures	102	(6)	2	–	–	98
Share of profits (losses) of associates	(37)	11	1	–	3	(22)
Interest income	2,913	51	18	315	156	3,453
Interest expenses	<u>(4,204)</u>	<u>(174)</u>	<u>(160)</u>	<u>(314)</u>	<u>(2,267)</u>	<u>(7,119)</u>

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

	2013 RMB million	2012 RMB million (Restated)
Segment revenue	575,687	494,046
Inter-segment elimination	(15,244)	(10,053)
Reconciling items:		
Reclassification of sales tax (<i>note (a)</i>)	(16,981)	(14,704)
Reclassification of other operating income (<i>note (b)</i>)	(3,068)	(3,664)
Total consolidated revenue, as reported	<u>540,394</u>	<u>465,625</u>
Segment interest income	3,336	3,453
Inter-segment elimination	(1,112)	(967)
Reclassification of interest income obtained from other loans and receivables	379	232
Total consolidated interest income, as reported	<u>2,603</u>	<u>2,718</u>
Segment interest expenses	(7,268)	(7,119)
Inter-segment elimination	904	759
Reclassification of amortisation of financial guarantee contracts	1	–
Total consolidated interest expenses, as reported	<u>(6,363)</u>	<u>(6,360)</u>
Segment results	15,453	12,433
Inter-segment elimination	(1,942)	(1,797)
Reconciling items:		
Land appreciation tax (<i>note (c)</i>)	1,308	494
Total consolidated profit before tax, as reported	<u>14,819</u>	<u>11,130</u>

Notes:

- (a) Sales tax is included in operating expenses under segment reporting and is classified as a reduction against revenue in the 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 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 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 segment:

	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
At 31 December 2013						
ASSETS						
Segment assets	<u>424,903</u>	<u>11,206</u>	<u>23,837</u>	<u>124,111</u>	<u>108,526</u>	<u>692,583</u>
Segment assets included:						
Interests in joint ventures	609	74	179	–	53	915
Interests in associates	<u>3,568</u>	<u>49</u>	<u>71</u>	<u>83</u>	<u>1,032</u>	<u>4,803</u>
LIABILITIES						
Segment liabilities	<u>381,663</u>	<u>6,892</u>	<u>16,492</u>	<u>105,003</u>	<u>83,579</u>	<u>593,629</u>
	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
At 31 December 2012 (Restated)						
ASSETS						
Segment assets	<u>377,779</u>	<u>10,460</u>	<u>21,079</u>	<u>108,994</u>	<u>90,321</u>	<u>608,633</u>
Segment assets included:						
Interests in joint ventures	595	88	178	–	9	870
Interests in associates	<u>3,037</u>	<u>51</u>	<u>52</u>	<u>83</u>	<u>395</u>	<u>3,618</u>
LIABILITIES						
Segment liabilities	<u>338,098</u>	<u>6,328</u>	<u>14,401</u>	<u>93,275</u>	<u>66,420</u>	<u>518,522</u>

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 consolidated financial statements is as follows:

	31/12/2013 RMB million	31/12/2012 RMB million (Restated)
Segment assets	692,583	608,633
Inter-segment elimination	(68,923)	(62,072)
Reconciling items:		
Deferred tax assets	4,000	3,901
Shares conversion scheme of subsidiaries (<i>note (d)</i>)	(170)	(170)
Current income tax recoverable	605	408
Prepaid land appreciation tax included in income tax recoverable	(65)	(39)
Total consolidated assets, as reported	628,030	550,661
Segment liabilities	593,629	518,522
Inter-segment elimination	(65,545)	(58,783)
Reconciling items:		
Deferred tax liabilities	956	989
Current income tax liabilities	2,936	1,988
Land appreciation tax payable included in current income tax liabilities	(576)	(45)
Total consolidated liabilities, as reported	531,400	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.*

Other segment information

	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	Consolidated RMB million
Year ended 31 December 2013						
Capital expenditure:						
Property, plant and equipment	5,967	214	528	79	2,701	9,489
Lease prepayments	144	2	222	–	42	410
Investment properties	183	–	–	–	17	200
Intangible assets	245	6	19	3	147	420
Mining assets	–	–	–	–	21	21
Total	6,539	222	769	82	2,928	10,540
Depreciation and amortisation:						
Property, plant and equipment	4,431	210	352	60	480	5,533
Lease prepayments	135	9	18	6	54	222
Investment properties	18	7	1	22	52	100
Intangible assets	39	5	4	1	752	801
Mining assets	–	–	–	–	65	65
	4,623	231	375	89	1,403	6,721
(Gain) loss on disposal and/or write-off of property, plant and equipment	(60)	(3)	1	–	(12)	(74)
Gain on disposal of lease prepayments	(12)	–	–	–	–	(12)
Gain on disposal of intangible assets	–	–	(1)	–	–	(1)
Gain on disposal of investment properties	–	–	–	(1)	–	(1)
Allowance for foreseeable loss on construction contracts	50	–	–	–	–	50
Impairment loss on trade and other receivables	401	7	53	25	102	588
Impairment loss on other loans and receivables	2	–	–	–	–	2
Impairment loss on goodwill	22	5	–	–	–	27

	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	Consolidated RMB million
Year ended 31 December 2012						
Capital expenditure:						
Property, plant and equipment	4,459	113	349	35	5,332	10,288
Lease prepayments	136	–	–	9	17	162
Investment properties	2	7	–	–	33	42
Intangible assets	184	6	1	1	140	332
Mining assets	–	–	–	–	47	47
Total	4,781	126	350	45	5,569	10,871
Depreciation and amortisation:						
Property, plant and equipment	4,403	261	257	51	393	5,365
Lease prepayments	132	8	20	27	14	201
Investment properties	89	6	1	9	4	109
Intangible assets	120	5	3	1	368	497
Mining assets	–	–	–	–	13	13
	4,744	280	281	88	792	6,185
Loss on disposal and/or write-off of property, plant and equipment	27	–	–	–	–	27
Gain on disposal of lease prepayments	(19)	–	–	–	–	(19)
Gain on disposal of mining assets	–	–	–	–	(1)	(1)
Gain on disposal of investment properties	–	–	–	(2)	–	(2)
Allowance for foreseeable loss on construction contracts	78	–	–	–	–	78
Impairment loss on trade and other receivables	420	21	33	4	15	493
Impairment loss reversed on other loans and receivables	(2)	–	–	–	–	(2)
Impairment loss on goodwill	8	–	–	–	–	8

Majority of the Group's revenue and non-current assets were derived from and located in Mainland China and, therefore, no geographical information is presented.

Revenue from major customers

Revenue from a wholly state-owned enterprise of the PRC arising from infrastructure construction, survey, design and consulting service and engineering equipment and component manufacturing is approximately RMB176,088 million (2012: RMB165,915 million), which contributed over 33% (2012: 36%) of the total revenue of the Group. Other than this customer, no other single customer contributed 10% or more to the Group's revenue for the years ended 31 December 2013 and 2012.

5 OTHER INCOME AND EXPENSES

	2013 RMB million	2012 RMB million
Other income from:		
Dividend income	67	45
Government subsidies (<i>note (a)</i>)	553	568
Compensation income	26	13
Relocation compensation	434	162
Amortisation of financial guarantee contracts	1	–
Income from sundry operations (<i>note (b)</i>)	1,210	1,876
Waiver of trade and other payables	31	106
Others	211	168
	<u>2,533</u>	<u>2,938</u>
Other expenses on:		
Research and development expenditure	<u>8,516</u>	<u>6,418</u>

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 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.*

6 OTHER GAINS AND LOSSES

	2013 RMB million	2012 RMB million
Gain (loss) on disposal and/or write-off of:		
Property, plant and equipment	74	(27)
Lease prepayments	12	19
Mining assets	–	1
Intangible assets	1	–
Investment properties	1	2
Interests in associates	1	–
Interests in joint ventures	(1)	–
Available-for-sale financial assets	49	33
Cumulative gain reclassified from equity to profit or loss on disposal of investments classified as available-for-sale	17	5
Impairment loss (recognised) reversed on:		
Goodwill	(27)	(8)
Available-for-sale financial assets	(3)	(8)
Trade and other receivables	(588)	(493)
Other loans and receivables	(2)	2
Loss from changes in fair value of financial assets/liabilities classified as held-for-trading	(46)	(165)
Gain on disposal of subsidiaries	427	637
Foreign exchange gains (losses), net	928	(126)
	843	(128)

7 INCOME TAX EXPENSE

	2013 RMB million	2012 RMB million (Restated)
Current tax		
Enterprise Income Tax (“EIT”)	3,516	2,891
Land Appreciation Tax (“LAT”)	1,308	494
Underprovision in prior years	12	81
Deferred tax	(92)	(405)
	4,744	3,061

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% (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% (2012: 12.5%, 15%, 20%) for the year ended 31 December 2013.

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.

The tax charge for the year can be reconciled to the profit per the consolidated statement of profit or loss and other comprehensive income as follows:

	2013 RMB million	2012 RMB million (Restated)
Profit before tax	14,819	11,130
Tax at domestic income tax rate of 25% (2012: 25%)	3,704	2,782
Tax effect of:		
Non-deductible expenses	157	242
Non-taxable income	(127)	(138)
Tax losses not recognised as deferred tax assets	491	437
Utilisation of tax losses previously not recognised as deferred tax assets	(50)	(66)
Utilisation of other deductible temporary differences previously not recognised as deferred tax assets	(30)	(52)
Other deductible temporary differences not recognised as deferred tax assets	93	58
Preferential tax rates on income of group entities and other income tax credits	(576)	(634)
Share of profits of joint ventures	(22)	(25)
Share of (profits) losses of associates	(4)	6
Deferred tax changes resulting from changes in applicable tax rates	56	(95)
LAT	1,308	494
Tax effect of LAT	(327)	(124)
Underprovision in respect of prior years	12	81
Others	59	95
	4,744	3,061

8 EARNINGS PER SHARE

Basic earnings per share for the year ended 31 December 2013 is calculated by dividing the profit attributable to owners of the Company of RMB9,374 million (2012 (as restated): RMB7,390 million) by 21,299,900,000 shares (2012: 21,299,900,000 shares) in issue during the year.

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

9 DIVIDEND

The final dividend of RMB0.066 in respect of the year ended 31 December 2013 per share amounting to approximately RMB1,406 million in aggregate has been proposed by the Directors and is subject to approval by the shareholders in general meeting.

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.

10 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.

	31/12/2013 RMB million	31/12/2012 RMB million
Trade and bills receivables	136,058	109,128
Less: impairment	(2,172)	(1,894)
	133,886	107,234
Other receivables (net of impairment)	33,753	30,517
Advance to suppliers	31,312	28,576
	198,951	166,327
Less: Amount due after one year included in non-current assets	(7,435)	(6,678)
	191,516	159,649

The Group's major customers are the wholly state-owned entities and other government-related enterprises, which have good credit standing and strong economic background. More than 90% of the trade receivables that are neither past due nor impaired are from customers with good payment history.

Included in trade and bills receivables are retention receivables of RMB48,528 million (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, based on invoice date:

	31/12/2013 RMB million	31/12/2012 RMB million
Less than six months	70,686	47,076
Six months to one year	20,388	22,737
One year to two years	24,781	22,284
Two years to three years	10,160	9,684
More than three years	7,871	5,453
	133,886	107,234

Aged analysis of trade and other receivables which are past due but not impaired

	31/12/2013 RMB million	31/12/2012 RMB million
Less than six months	–	3
Six months to one year	–	–
	–	3

The Directors consider that there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Movements in allowance for doubtful debts of individually impaired trade receivables and other receivables during the year are as follows:

	2013 RMB million	2012 RMB million
At beginning of the year	2,806	2,321
Impairment loss recognised during the year	588	493
Written-off	(34)	(8)
Decrease through disposal of subsidiaries	(5)	–
	3,355	2,806
At end of the year		
Attributable to:		
Trade receivables	2,172	1,894
Other receivables	1,183	912
	3,355	2,806

11 TRADE AND OTHER PAYABLES

	31/12/2013 RMB million	31/12/2012 RMB million
Trade and bills payables	206,292	180,058
Advance from customers	57,251	49,685
Accrued payroll and welfare	2,607	2,629
Other taxes	9,289	8,444
Deposit received in advance	157	157
Dividend payables	153	184
Other payables	35,463	31,827
	311,212	272,984
Analysed for reporting purposes as:		
Non-current	614	450
Current	310,598	272,534
	311,212	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 RMB4,685 million (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 reporting date, based on invoice date:

	31/12/2013	31/12/2012
	RMB million	RMB million
Less than one year	182,473	158,072
One year to two years	14,308	13,884
Two years to three years	5,173	5,252
More than three years	4,338	2,850
	206,292	180,058

7. AUDIT COMMITTEE

The Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2013.

8. DIVIDENDS

The board of directors of the Company recommended the payment of a final dividend in the amount of RMB0.066 per share (including tax), totalling approximately RMB1.406 billion for the year ended 31 December 2013 (2012: RMB0.052 per share (including tax) totalling approximately RMB1.108 billion). The distribution plan will be implemented upon approval at the 2013 annual general meeting of the Company.

9. REPURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries sell any securities of the Company, nor did they repurchase or redeem any of the securities of the Company during the year ended 31 December 2013.

10. COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

As a company listed on the Main Board of the Hong Kong Stock Exchange, the Company is committed to comply with the principles of the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Except for the requirement under Rule A.2.7 of the Corporate Governance Code, the Company has complied with all provisions of the Corporate Governance Code during the reporting period.

The Chairman of the Company holds meetings annually with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. As such meeting in respect of the reporting period was scheduled in February 2014 (the meeting in respect of the reporting period of 2012 was held in December 2012 and any subsequent relevant meeting is expected to be held in February of each year), the Company therefore, during the reporting period, failed to comply with the requirement under Rule A.2.7 of the Corporate Governance Code, which provides that the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without executive directors present.

11. PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

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

By Order of the Board
China Railway Group Limited
Yu Tengqun Tam Chun Chung
Joint Company Secretaries

28 March 2014

As at the date of this announcement, the executive directors of the Company are LI Changjin (Chairman) 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