**中國中鐵股份有限公司**

# CHINA RAILWAY GROUP LIMITED

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 390)**

## RESULTS ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

The Board of Directors of China Railway Group Limited (the "**Company**") announces the unaudited results (the "**Third Quarterly Results**") of the Company and its subsidiaries for the third quarter ended 30 September 2019 (the "**Reporting Period**"), which have been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC. This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

## 1 IMPORTANT NOTICE

**1.1** The Board of Directors and the Supervisory Committee of the Company and its directors, supervisors and senior management warrant that there are no false presentations or misleading statements contained in, or material omissions from, this report, and severally and jointly accept legal responsibility for the authenticity, accuracy and completeness of the information contained in this quarterly report.

**1.2** All the directors of the Company attended the Board meeting and have reviewed the quarterly report.

**1.3** Mr. ZHANG Zongyan, person in charge of the Company, Mr. YANG Liang, person in charge of accounting affairs and Mr. HE Wen, person in charge of the accounting department (head of accounting), hereby warrant the authenticity, accuracy and completeness of the financial information contained in this quarterly report.

**1.4** The third quarterly report of the Company has not been audited.

## 2 COMPANY INFORMATION

### 2.1 Main Financial Data

*Unit: '000 Currency: RMB*

| | **At the end of the Reporting Period** | **At the end of the previous year** | | **Change compared with previous year** |
|---|---|---|---|---|
| | | *Before adjustments* | *After adjustments* | *(%)* |
| Total assets | 1,029,148,420 | 942,676,101 | 942,676,101 | 9.17 |
| Net assets attributable to equity holders of the Company | 210,621,220 | 191,782,332 | 191,782,332 | 9.82 |

| | **From the beginning of the year to the end of the Reporting Period (January to September)** | **From the beginning of the previous year to the end of the previous reporting period (January to September)** | | **Change compared with the same period of previous year** |
|---|---|---|---|---|
| | | *Before adjustments* | *After adjustments* | *(%)* |
| Net cash generated from operating activities | -40,916,475 | -32,679,917 | -32,679,917 | N/A |

| | From the beginning of the year to the end of the Reporting Period (January to September) | From the beginning of the previous year to the end of the previous reporting period (January to September) | | Change compared with the same period of previous year |
|---|---|---|---|---|
| | | *Before adjustments* | *After adjustments* | *(%)* |
| Revenue | 570,180,531 | 493,425,418 | 493,425,418 | 15.56 |
| Net profit attributable to the equity holders of the Company | 15,477,531 | 13,044,817 | 13,044,817 | 18.65 |
| Net profit attributable to equity holders of the Company excluding non-recurring gains and losses | 14,763,477 | 12,204,884 | 12,204,884 | 20.96 |
| Weighted average net assets yield (%) | 8.43 | 8.56 | 8.56 | decreased by 0.13 percentage point |
| Basic earnings per share (RMB/share) | 0.613 | 0.562 | 0.562 | 9.07 |
| Diluted earnings per share (RMB/share) | 0.613 | 0.562 | 0.562 | 9.07 |

Non-recurring profit and loss items and amount:

*Unit: '000 Currency: RMB*

| **Item** | **Reporting Period (July to September)** | **From the beginning of the year to the end of the Reporting Period (January to September)** |
|---|---|---|
| Gains or losses from the disposal of non-current assets | -6,849 | 101,261 |
| Government grant as included in profit and loss of current period, other than those closely relating to business of company and subject to a fixed amount or norm under the national policy | 1,614 | 191,455 |
| Interest income received from non-financial enterprises as included in profit and loss of current period | 45,512 | 408,481 |
| Debt restructuring gains or losses | 4,476 | 13,860 |
| Gains or losses on changes in fair value arising from held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities (excluding the valid hedging business relating to the Company's business), as well as investment gains derivative financial assets, from disposal of held-for-trading financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments | -44,440 | 96,036 |
| Reversal of impairment of trade receivables and contract assets under individual impairment testing | -3,163 | 15,864 |
| Other non-operating income and expenses | 154,626 | 163,411 |
| Impact of minority interests (after tax) | 5,221 | -8,145 |
| Impact of income tax | -17,142 | -268,169 |
| Total | 139,855 | 714,054 |

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

*Unit: Share*

Total number of shareholders 628,567

*Shareholdings of top ten shareholders*

| Name of shareholder (full name) | Number of shares held as at the end of the Reporting Period | Shareholding percentage *(%)* | Number of shares with selling restrictions | Status of pledged/ frozen shares | | Nature of the shareholder |
|---|---|---|---|---|---|---|
| | | | | Status of shares | Number of shares | |
| China Railway Engineering Group Company Limited ("**CREC**") *(Note 2)* | 11,598,764,390 | 47.21 | 0 | None | 0 | State-owned |
| HKSCC Nominees Limited *(Note 3)* | 4,009,017,399 | 16.32 | 0 | None | 0 | Other |
| China Securities Finance Corporation Limited | 683,615,678 | 2.78 | 0 | None | 0 | Other |
| Guoxin Investment Company Limited | 424,904,009 | 1.73 | 0 | None | 0 | State-owned legal entity |
| China Reform Holdings Corporation Ltd. | 387,050,131 | 1.58 | 387,050,131 | None | 0 | State-owned legal entity |
| China Great Wall Asset Management Co., Ltd. | 372,192,507 | 1.51 | 372,192,507 | None | 0 | State-owned legal entity |
| Central Huijin Asset Management Ltd. | 235,455,300 | 0.96 | 0 | None | 0 | State-owned legal entity |
| China Structural Reform Fund Co., Ltd. | 223,296,399 | 0.91 | 223,296,399 | None | 0 | State-owned legal entity |
| China Orient Asset Management Co., Ltd. | 223,271,744 | 0.91 | 223,271,744 | None | 0 | State-owned legal entity |
| Ping An Bank Co., Ltd. – China Securities 800 Trading Open-ended Index Securities Investment Fund | 185,805,200 | 0.76 | 0 | None | 0 | Other |

*Particulars of shareholding of the top ten shareholders without selling restrictions*

| Name of shareholder | Total number of tradable shares held without selling restrictions as at the end of the Reporting Period | Type and quantity of shares Type of shares | Quantity |
|---|---|---|---|
| CREC *(Note 2)* | 11,434,370,390 | RMB-dominated ordinary shares | 11,434,370,390 |
| | 164,394,000 | Overseas listed foreign shares | 164,394,000 |
| HKSCC Nominees Limited *(Note 3)* | 4,009,017,399 | Overseas listed foreign shares | 4,009,017,399 |
| China Securities Finance Corporation Limited | 683,615,678 | RMB-dominated ordinary shares | 683,615,678 |
| Guoxin Investment Company Limited | 424,904,009 | RMB-dominated ordinary shares | 424,904,009 |
| Central Huijin Asset Management Ltd. | 235,455,300 | RMB-dominated ordinary shares | 235,455,300 |
| Ping An Bank Co., Ltd. – China Securities 800 Trading Open-ended Index Securities Investment Fund | 185,805,200 | RMB-dominated ordinary shares | 185,805,200 |
| Beijing Chengtong Financial Control Investment Co., Ltd. | 162,780,809 | RMB-dominated ordinary shares | 162,780,809 |
| Hong Kong Securities Clearing Company Limited | 152,573,659 | RMB-dominated ordinary shares | 152,573,659 |
| Boshi Fund – Agricultural Bank of China – Boshi China Securities Financial Asset Management Plan | 131,135,600 | RMB-dominated ordinary shares | 131,135,600 |
| Yifangda Fund – Agricultural Bank of China – Yifangda China Securities Financial Asset Management Plan | 131,135,600 | RMB-dominated ordinary shares | 131,135,600 |

| Name of shareholder | Total number of tradable shares held without selling restrictions as at the end of the Reporting Period | Type and quantity of shares Type of shares | Quantity |
|---|---|---|---|
| Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Asset Management Plan | 131,135,600 | RMB-dominated ordinary shares | 131,135,600 |
| Jiashi Fund – Agricultural Bank of China – Jiashi China Securities Financial Asset Management Plan | 131,135,600 | RMB-dominated ordinary shares | 131,135,600 |
| Guangfa Fund – Agricultural Bank of China – Guangfa China Securities Financial Asset Management Plan | 131,135,600 | RMB-dominated ordinary shares | 131,135,600 |
| Central European Fund – Agricultural Bank of China – Central European China Securities Financial Asset Management Plan | 131,135,600 | RMB-dominated ordinary shares | 131,135,600 |
| Huaxia Fund – Agricultural Bank of China – Huaxia China Securities Financial Asset Management Plan | 131,135,600 | RMB-dominated ordinary shares | 131,135,600 |
| Yinhua Fund – Agricultural Bank of China – Yinhua China Securities Financial Asset Management Plan *(Note 3)* | 131,135,600 | RMB-dominated ordinary shares | 131,135,600 |
| Southern Fund – Agricultural Bank of China – Southern China Securities Financial Asset Management Plan | 131,135,600 | RMB-dominated ordinary shares | 131,135,600 |
| ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Asset Management Plan | 119,642,589 | RMB-dominated ordinary shares | 119,642,589 |

| Name of shareholder | Total number of tradable shares held without selling restrictions as at the end of the Reporting Period | Type and quantity of shares Type of shares | Quantity |
|---|---|---|---|
| **Statement on the related relations and concerted actions between the shareholders above** | CREC, the controlling shareholder, does not have connected relations or perform concerted actions with the above other shareholders. Since Guoxin Investment Company Limited is a wholly-owned subsidiary of China Reform Holdings Corporation, Ltd., Guoxin Investment Company Limited has connected relations and performs concerted actions with China Reform Holdings Corporation, Ltd.. | | |
| **Statement on holders of preference shares with voting rights resumed and respective number of shares** | None | | |

*Note 1:* As approved by the China Securities Regulatory Commission on 21 May 2019 (Zheng Jian Xu Ke [2019] No. 913), the Company non-publicly issued 1,726,627,740 RMB-dominated ordinary shares for the acquisition of assets. On 19 September 2019, the Company completed the formalities for registration of new shares in respect of acquisition of assets by issuance of shares, and obtained the Change of Securities Registration Certificate issued by Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The total share capital of the Company became 24,570,929,283 shares, including 20,363,539,283 RMB-dominated ordinary shares, accounting for 82.88% of the total share capital of the Company, and 4,207,390,000 overseas listed foreign shares, accounting for 17.12% of the total share capital of the Company.

*Note 2:* 11,598,764,390 shares of the Company held by CREC include 11,434,370,390 A shares and 164,394,000 H shares of the Company.

*Note 3:* H shares held by HKSCC Nominees Limited are held on behalf of its various clients, and the number has deducted the number of H shares held by CREC.

*Note 4:* Ping An UOB Fund – Ping An Bank – China Universal Capital Management Co., Ltd. currently holds 92,833,643 A shares of the Company, accounting for 0.36% of the total share capital of the Company.

*Note 5:* The numbers shown in the table are based on the register of member of the Company as at 30 September 2019.

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

Not Applicable

## 3 BUSINESS OPERATIONS OF THE COMPANY

### 3.1 Macro-economic Situation

In the first three quarters of 2019, confronted with the complex situation of significant increase in domestic and overseas risks and challenges, the country conscientiously implemented the "six stabilities" policies and measures, and actively responded to various risks and challenges of the domestic and international economy. As a result, the overall domestic economy remained stable, with the industrial structure continuously optimizing and upgrading. According to the data released by the National Bureau of Statistics, in the first three quarters of 2019, the country's GDP totalled RMB69,779.8 billion, representing a year-on-year increase of 6.2% at comparable prices. The country's fixed-asset investment (excluding rural households) was RMB46,120.4 billion, representing a year-on-year increase of 5.4%, of which the infrastructure investment increased by 4.5%. The country's property development investment was RMB9,800.8 billion, representing a year-on-year increase of 10.5%.

### 3.2 Overall Operation of the Company

During the Reporting Period, the Company actively adapted itself to the changes in the international and domestic macro-economic environment and policies, deepened the reform and opening up, made every effort to grasp market opportunities, promoted the high-quality development of enterprises and achieved good results. In the first three quarters, the business scale of the Company grew steadily, further boosting its profitability. The value of the new contracts was RMB1,089.68 billion, representing a year-on-year increase of 14.5%; value of contract backlog was RMB3,104.57 billion, representing an increase of 7.0% compared with the end of last year. The Company achieved a total operating revenue of RMB571.871 billion, representing a year-on-year increase of 15.35%; the Company's net profit attributable to shareholders of the Company was RMB15.478 billion, representing a year-on-year increase of 18.65%; the Company's overall gross profit margin was 9.99%, representing a year-on-year decrease of 0.19 percentage point; and the Company's basic earnings per share was RMB0.613, representing a year-on-year increase of 9.07%.

In terms of business segments, the operating revenue of the infrastructure construction segment was RMB496.434 billion, representing a year-on-year increase of 17.75%; the gross profit margin of the infrastructure construction segment was 7.53%, representing a year-on-year decrease of 0.02 percentage point. The operating revenue of the survey, design and consulting services segment was RMB11.258 billion, representing a year-on-year increase of 7.44%; the gross profit margin of the survey, design and consulting services segment was 27.08%, representing a year-on-year decrease of 0.41 percentage point. The operating revenue of the engineering equipment and component manufacturing segment was RMB12.782 billion, representing a year-on-year increase of 6.95%; the gross profit margin of engineering equipment and component manufacturing segment was 24.09%, representing a year-on-year increase of 0.13 percentage point. The operating revenue of the property development segment was RMB20.635 billion, representing a year-on-year increase of 13.16%; the gross profit margin of the property development segment was 30.62%, representing a year-on-year increase of 4.41 percentage points.

## 3.3 Major Operating Information of the Company

### *3.3.1 Value of New Contracts by Business Segment*

| Business segments | | July to September 2019 Number of new projects | July to September 2019 Value of new contracts *(RMB'00,000,000)* | Aggregate amount for the current year Number of new projects | Aggregate amount for the current year Value of new contracts *(RMB'00,000,000)* | Aggregate amount for the current year Increase/ decrease over same period last year *(%)* |
|---|---|---|---|---|---|---|
| Infrastructure construction *(Note 1)* | | 786 | 3,102.9 | 2,495 | 9,081.9 | 17.9 |
| Including | Railway | 109 | 481.4 | 449 | 1,490.0 | 11.0 |
| | Highway | 50 | 322.1 | 169 | 1,216.4 | -13.5 |
| | Municipal works and others | 627 | 2,299.4 | 1,877 | 6,375.5 | 28.8 |
| | Among which: Urban rail transit | 59 | 282.1 | 246 | 1,358.2 | -3.6 |
| Survey, design and consulting services | | | 53.0 | | 174.0 | -6.5 |
| Engineering equipment and component manufacturing | | | 110.8 | | 271.6 | 1.7 |
| Property development *(Note 2)* | | | 175.9 | | 420.7 | 15.5 |
| Other businesses | | | 440.8 | | 948.6 | -4.7 |
| Total | | | 3,883.4 | | 10,896.8 | 14.5 |

*Note 1:* The aforementioned aggregate value of new contracts of infrastructure construction business for the year includes an amount of RMB151.28 billion for newly signed infrastructure investment projects, representing a year-on-year increase of 51.2%.

*Note 2:* The value of new contracts for property development represents the value of the property sales contracts signed by the Company.

#### *3.3.2 Value of Contract Backlog by Business Segment*

As at the end of the Reporting Period, the Company's contract backlog amounted to RMB3,104.57 billion, representing an increase of 7.0% as compared with that as at the end of last year, among which RMB2,904.28 billion was from infrastructure construction sector, which represents an increase of 8.1% as compared with that as at the end of last year; RMB47.74 billion was from survey, design and consulting services sector, which represents an increase of 15.5% as compared with that as at the end of last year; RMB45.42 billion was from engineering equipment and component manufacturing sector, which represents an increase of 13.3% as compared with that as at the end of last year; and RMB107.12 billion was from other businesses sector, which represents a decrease of 20.1% as compared with that as at the end of last year.

## 4 SIGNIFICANT EVENTS

### 4.1 Major Changes to Main Financial Statements Items and Financial Indicators of the Company and the Reasons Thereof.

| Item | At the end of the Reporting Period *(RMB'000)* | At the end of the previous year *(RMB'000)* | Change *(%)* | Explanation of the Change |
|---|---|---|---|---|
| Cash and cash equivalents | 110,711,101 | 134,476,377 | -17.67 | Necessary materials reserve and timely payment to the suppliers in compliance with the contracts were made, to ensure the orderly progress of the construction and production in the case of insufficient payment of the project owners; the land reserve increased to a certain extent; and the equity investment in terms of investment projects increased. |
| Trade receivables | 118,211,467 | 105,909,473 | 11.62 | Payment period of project owners later than the billing period. |

| Item | At the end of the Reporting Period *(RMB'000)* | At the end of the previous year *(RMB'000)* | Change *(%)* | Explanation of the Change |
|---|---|---|---|---|
| Inventories | 214,659,324 | 165,241,259 | 29.91 | The inventory of real estate projects has increased to a certain extent; in order to ensure the construction progress of infrastructure projects and tackle with increase in the price of raw materials, the raw material reserves have been increased. |
| Short-term borrowings | 95,316,966 | 72,707,919 | 31.10 | To supplement liquidity funding needs. |

## 4.2 Progress of Significant Events and Analysis on Its Impact and Solutions

Progress on market-driven debt-to-equity swap during the Reporting Period:

The fourteenth meeting of the fourth session of the Board of Directors of the Company and the 2018 first extraordinary general meeting considered and approved the plan on acquisition of assets by way of issuance of shares by the Company, the review of which was suspended on 2 February 2019 pursuant to the Notice Regarding Suspension of the Review of Relevant to the Application for Administrative Permission of the CSRC (No. 182019) and resumed on 24 April 2019 pursuant to the Notice Regarding Resumption of the Review Relevant to the Application for Administrative Permission of the CSRC. The Company obtained on 29 May 2019 the Approval of the Acquisition of Assets by Issuance of Shares of China Railway Group Limited to China Reform Holdings Corporation Limited and Other Entities from the CSRC. The Company adjusted the issue price and number of shares to be issued for acquisition of assets based on the implementation of the 2018 annual dividends distribution plan (the issue price was adjusted to RMB6.75 per share and the number of shares to be issued was adjusted to 1,726,627,740 shares), completed the formalities for registration of changes with the industrial and commercial authorities in connection with the transfer of the target assets on 11 September 2019 and the formalities for registration of new shares in respect of acquisition of assets by issuance of shares on 19 September 2019 respectively, and obtained the Change of Securities Registration Certificate issued by Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The Company's acquisition of assets by way of issuance of shares has completed. For details, please refer to relevant announcements disclosed by the Company on the Shanghai Stock Exchange, the China Securities Journal, the Shanghai Securities News, the Securities Daily and the Securities Times.

### 4.3 Undertakings that have not been Fulfilled during the Reporting Period

Not Applicable

### 4.4 Warnings and Explanations on Loss Forecast or Significant Changes Compared with the Corresponding Period of Last Year in Net Profit from the Beginning of the Year to the End of the Next Reporting Period

Not Applicable

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

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

## 6 PUBLICATION OF THE THIRD QUARTERLY RESULTS ANNOUNCEMENT

This announcement is simultaneously available on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.crec.cn. The third quarterly report of 2019 prepared in accordance with the Accounting Standards for Business Enterprises of the PRC will also be available on the website of the Shanghai Stock Exchange at www.sse.com.cn and the website of the Company at www.crec.cn.

By order of the Board
**China Railway Group Limited**
**ZHANG Zongyan**
*Chairman*

30 October 2019

*As at the date of this announcement, the executive directors of the Company are ZHANG Zongyan (Chairman), CHEN Yun and ZHANG Xian; the independent non-executive directors are GUO Peizhang, WEN Baoman, ZHENG Qingzhi and CHUNG Shui Ming Timpson; and the non-executive director is MA Zonglin.*

**APPENDIX**

# I FINANCIAL STATEMENTS

## Consolidated Balance Sheet

*30 September 2019*

Prepared by China Railway Group Limited

*(All amounts expressed in RMB thousand, unaudited)*

| Item | 30 September 2019 | 31 December 2018 |
|---|---|---|
| **Current assets:** | | |
| Cash and cash equivalents | 110,711,101 | 134,476,377 |
| Trading financial assets | 3,620,039 | 4,294,866 |
| Derivative financial assets | 77 | 650 |
| Bills receivables | 4,182,679 | 3,225,751 |
| Trade receivables | 118,211,467 | 105,909,473 |
| Accounts receivables financing | 140,921 | 354,892 |
| Advances to suppliers | 30,279,974 | 41,612,959 |
| Other receivables | 32,912,442 | 30,242,198 |
| Inventories | 214,659,324 | 165,241,259 |
| Contract assets | 119,866,546 | 109,245,613 |
| Non-current assets due within one year | 23,077,711 | 21,549,614 |
| Other current assets | 40,803,997 | 35,527,983 |
| Total current assets | 698,466,278 | 651,681,635 |
| **Non-current assets:** | | |
| Debt investments | 17,147,803 | 12,474,286 |
| Long-term receivables | 12,586,258 | 11,953,550 |
| Long-term equity investments | 47,272,776 | 35,432,741 |
| Other equity instrument investments | 8,234,455 | 5,792,060 |
| Other non-current financial assets | 9,816,890 | 7,366,277 |
| Investment properties | 10,345,756 | 10,607,174 |
| Fixed assets | 58,853,795 | 55,873,637 |
| Construction in progress | 6,813,379 | 8,434,697 |
| Right-of-use assets | 2,514,181 | |
| Intangible assets | 67,499,987 | 60,233,008 |
| Goodwill | 1,010,479 | 898,705 |
| Long-term deferred expenses | 1,046,563 | 1,091,985 |
| Deferred income tax assets | 7,455,042 | 6,866,394 |
| Other non-current assets | 80,084,778 | 73,969,952 |
| Total non-current assets | 330,682,142 | 290,994,466 |
| Total assets | 1,029,148,420 | 942,676,101 |

**Consolidated Balance Sheet (Continued)**

| Item | 30 September 2019 | 31 December 2018 |
|---|---|---|
| **Current liabilities:** | | |
| Short-term borrowings | 95,316,966 | 72,707,919 |
| Trading financial liabilities | 87,362 | 69,340 |
| Derivative financial liabilities | | 1,622 |
| Bills payables | 63,985,787 | 58,548,739 |
| Trade payables | 273,550,336 | 285,252,004 |
| Advances from customers | 268,555 | 282,735 |
| Contract liabilities | 97,613,437 | 91,999,246 |
| Deposit taking and deposits from peers | 219,790 | 823,468 |
| Accrued payroll | 3,343,536 | 3,608,830 |
| Taxes payables | 11,114,621 | 9,838,365 |
| Other payables | 65,253,929 | 56,602,737 |
| Non-current liabilities due within one year | 27,691,761 | 26,203,493 |
| Other current liabilities | 19,027,985 | 16,522,113 |
| Total current liabilities | 657,474,065 | 622,460,611 |
| | | |
| **Non-current liabilities:** | | |
| Long-term borrowings | 78,009,313 | 56,031,383 |
| Bonds payables | 41,841,746 | 27,994,935 |
| Including: Preference shares | | |
| Perpetual notes | | |
| Lease liabilities | 1,219,189 | |
| Long-term payables | 10,053,644 | 7,686,698 |
| Long-term accrued payroll | 2,912,038 | 3,029,137 |
| Accrued liabilities | 1,480,871 | 1,001,566 |
| Deferred income | 942,448 | 991,316 |
| Deferred income tax liabilities | 1,144,401 | 1,162,707 |
| Other non-current liabilities | 239,800 | 173,720 |
| Total non-current liabilities | 137,843,450 | 98,071,462 |
| Total liabilities | 795,317,515 | 720,532,073 |

**Consolidated Balance Sheet (Continued)**

| Item | 30 September 2019 | 31 December 2018 |
|---|---|---|
| **Equity:** | | |
| Share capital | 24,570,929 | 22,844,302 |
| Other equity instruments | 28,928,097 | 31,930,947 |
| Including: Preference shares | | |
| Perpetual notes | 28,928,097 | 31,930,947 |
| Capital reserve | 55,218,483 | 46,370,629 |
| Less: Treasury stock | | |
| Other comprehensive income | -262,974 | -322,990 |
| Specific reserve | | |
| Surplus reserve | 8,377,863 | 8,377,863 |
| General risk reserve | 2,529,644 | 2,519,101 |
| Accumulated profits | 91,259,178 | 80,062,480 |
| Equity attributable to equity holders of the Company | 210,621,220 | 191,782,332 |
| Minority interests | 23,209,685 | 30,361,696 |
| Total equity | 233,830,905 | 222,144,028 |
| Total liabilities and equity | 1,029,148,420 | 942,676,101 |

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

**Company Balance Sheet**
*30 September 2019*

Prepared by China Railway Group Limited

*(All amounts expressed in RMB thousand, unaudited)*

| Item | 30 September 2019 | 31 December 2018 |
|---|---|---|
| **Current assets:** | | |
| Cash and cash equivalents | 21,407,029 | 45,423,076 |
| Trading financial assets | 56,403 | 59,468 |
| Derivative financial assets | 77 | 186 |
| Bills receivables | | |
| Trade receivables | 8,951,692 | 10,999,210 |
| Accounts receivables financing | | |
| Advances to suppliers | 5,080,002 | 4,269,685 |
| Other receivables | 11,179,528 | 5,807,809 |
| Inventories | 19,553 | 5,807 |
| Contract assets | 3,120,612 | 1,801,711 |
| Held-for-sale assets | | |
| Non-current assets due within one year | 2,984,818 | 3,752,947 |
| Other current assets | 70,729,419 | 71,029,609 |
| Total current assets | 123,529,133 | 143,149,508 |
| **Non-current assets:** | | |
| Debt investments | 900,000 | 1,652,414 |
| Long-term receivables | 1,177,460 | 934,955 |
| Long-term equity investments | 197,995,004 | 172,822,030 |
| Other equity instrument investments | 1,776,960 | 1,747,930 |
| Other non-current financial assets | 517,850 | 692,850 |
| Investment properties | 125,903 | 128,648 |
| Fixed assets | 259,043 | 281,192 |
| Construction in progress | 42,690 | 37,192 |
| Right-of-use assets | 13,042 | 0 |
| Intangible assets | 576,559 | 571,902 |
| Long-term deferred expenses | 71,577 | 84,070 |
| Deferred income tax assets | 370,260 | 371,888 |
| Other non-current assets | 7,293,014 | 6,968,809 |
| Total non-current assets | 211,119,362 | 186,293,880 |
| Total assets | 334,648,495 | 329,443,388 |

**Company Balance Sheet (Continued)**

| Item | 30 September 2019 | 31 December 2018 |
|---|---|---|
| **Current liabilities:** | | |
| Short-term borrowings | 19,090,000 | 22,600,000 |
| Trade payables | 18,838,390 | 17,361,092 |
| Advances from customers | | |
| Contract liabilities | 8,569,961 | 8,974,244 |
| Accrued payroll | 6,235 | 12,789 |
| Taxes payables | 598,216 | 214,602 |
| Other payables | 62,243,292 | 88,559,551 |
| Non-current liabilities due within one year | 7,616,394 | 5,635,779 |
| Other current liabilities | 1,681,679 | 805,187 |
| Total current liabilities | 118,644,167 | 144,163,244 |
| **Non-current liabilities:** | | |
| Long-term borrowings | 150,104 | 10,858 |
| Bonds payables | 31,236,669 | 17,750,813 |
| Including: Preference shares | 0 | 0 |
| Perpetual notes | 0 | 0 |
| Lease liabilities | 8,060 | 0 |
| Long-term payables | 4,260,383 | 3,573,474 |
| Long-term accrued payroll | 10,967 | 13,910 |
| Accrued liabilities | | |
| Deferred income | 11,001 | 4,105 |
| Deferred income tax liabilities | | 0 |
| Other non-current liabilities | | |
| Total non-current liabilities | 35,677,184 | 21,353,160 |
| Total liabilities | 154,321,351 | 165,516,404 |
| **Equity:** | | |
| Share capital | 24,570,929 | 22,844,302 |
| Other equity instruments | 28,928,097 | 31,930,947 |
| Including: Preference shares | 0 | 0 |
| Perpetual notes | 28,928,097 | 31,930,947 |
| Capital reserve | 60,881,652 | 51,736,226 |
| Less: Treasury stock | 0 | 0 |
| Other comprehensive income | -200,626 | -197,899 |
| Surplus reserve | 7,706,483 | 7,706,483 |
| Accumulated profits | 58,440,609 | 49,906,925 |
| Total equity | 180,327,144 | 163,926,984 |
| Total liabilities and equity | 334,648,495 | 329,443,388 |

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

## Consolidated Income Statement
*January – September 2019*

Prepared by China Railway Group Limited

*(All amounts expressed in RMB thousand, unaudited)*

| Item | | Third quarter of 2019 (July-September) | Third quarter of 2018 (July-September) | First three quarters of 2019 (January-September) | First three quarters of 2018 (January-September) |
|---|---|---|---|---|---|
| 1. | **Total operating revenue** | 209,984,143 | 179,664,592 | 571,870,720 | 495,768,108 |
| | Including: Revenue | 209,359,534 | 178,927,691 | 570,180,531 | 493,425,418 |
| | Interest income | 238,172 | 203,622 | 754,062 | 704,556 |
| | Insurance premium received | | | | |
| | Handling fees and commission revenue | 386,437 | 533,279 | 936,127 | 1,638,134 |
| 2. | **Total operating costs** | 203,377,012 | 174,068,349 | 551,145,865 | 477,137,492 |
| | Including: Cost of sales | 188,966,675 | 161,945,737 | 514,253,412 | 445,035,946 |
| | Interest expenses | 257,746 | 94,163 | 494,579 | 280,303 |
| | Tax and surcharges | 1,252,490 | 1,176,397 | 3,408,168 | 3,182,475 |
| | Selling expenses | 1,073,861 | 723,316 | 2,910,560 | 2,226,531 |
| | Administrative expenses | 5,758,201 | 5,415,011 | 15,850,382 | 15,062,755 |
| | Research and development expenditures | 4,924,385 | 3,552,942 | 10,469,990 | 7,869,460 |
| | Finance expenses | 1,143,654 | 1,160,783 | 3,758,774 | 3,480,022 |
| | Including: Interest expenses | 2,068,080 | 1,901,165 | 4,717,339 | 4,341,888 |
| | Interest revenue | 452,234 | 441,443 | 1,137,472 | 1,040,216 |
| | Add: Other income | 46,853 | -18,379 | 373,625 | 240,573 |
| | Investment income (loss is marked with "-") | 503,217 | 315,357 | 1,089,098 | 1,601,607 |
| | Including: Investment income on associates and joint ventures | 586,334 | 501,661 | 1,384,921 | 1,265,623 |
| | Gain on derecognition of financial assets carried at amortized costs | -145,695 | -2,100 | -1,119,761 | -408,905 |
| | Gain on changes in fair value (loss is marked with "-") | -50,060 | 23,384 | 62,921 | 75,144 |
| | Impairment on credit losses (loss is marked with "-") | -295,121 | -875,237 | -1,516,607 | -3,080,912 |
| | Impairment losses on assets (loss is marked with "-") | 3,107 | 33,868 | -3,986 | 50,302 |
| | Gain on disposal of assets (loss is marked with "-") | 42,635 | -5,843 | 107,972 | 19,971 |

## Consolidated Income Statement (Continued)

| Item | | Third quarter of 2019 (July-September) | Third quarter of 2018 (July-September) | First three quarters of 2019 (January-September) | First three quarters of 2018 (January-September) |
|---|---|---|---|---|---|
| 3. | **Profit from operations (loss is marked with "-")** | 6,857,762 | 5,069,393 | 20,837,878 | 17,537,301 |
| | Add: Non-operating income | 157,388 | 279,256 | 554,558 | 475,825 |
| | Less: Non-operating expenses | 79,416 | 307,589 | 443,031 | 552,556 |
| 4. | **Profit before tax (loss is marked with "-")** | 6,935,734 | 5,041,060 | 20,949,405 | 17,460,570 |
| | Less: Income tax expense | 1,476,995 | 1,254,312 | 4,227,782 | 4,261,370 |
| 5. | **Net profit (net loss is marked with "-")** | 5,458,739 | 3,786,748 | 16,721,623 | 13,199,200 |
| | (1) By operation continuity | | | | |
| | (i) Net profit from continuing operation (net loss is marked with "-") | 5,458,739 | 3,786,748 | 16,721,623 | 13,199,200 |
| | (ii) Net profit from discontinued operation (net loss is marked with "-") | | | | |
| | (2) By ownership | | | | |
| | (i) Net profit attributable to owners of the Company (net loss is marked with "-") | 4,963,840 | 3,492,416 | 15,477,531 | 13,044,817 |
| | (ii) Minority interests (net loss is marked with "-") | 494,899 | 294,332 | 1,244,092 | 154,383 |
| 6. | **Other comprehensive income, net of tax** | -271,501 | -377,289 | -239,744 | -586,121 |
| | Other comprehensive income, net of tax attributable to owners of the Company | -66,046 | -433,741 | -58,976 | -585,794 |
| | (1) Other comprehensive income which will not be reclassified to profit or loss | -55,607 | 126,113 | -71,089 | -64,084 |
| | (i) Changes in remeasurement of defined benefit obligations | 9 | 16,989 | -659 | -64,084 |
| | (ii) Other comprehensive income which cannot be reclassified to profit or loss under the equity method | | | | |

**Consolidated Income Statement (Continued)**

| Item | Third quarter of 2019 (July-September) | Third quarter of 2018 (July-September) | First three quarters of 2019 (January-September) | First three quarters of 2018 (January-September) |
|---|---|---|---|---|
| (iii) Changes in fair value of other equity instrument investments | -55,616 | 109,124 | -70,430 | 0 |
| (iv) Changes in fair value of corporate credit risks | | | | |
| (2) Other comprehensive income which will be reclassified to profit or loss | -10,439 | -559,854 | 12,113 | -521,710 |
| (i) Other comprehensive income which can be reclassified to profit or loss under the equity method | -8,909 | -729,384 | 38 | -705,700 |
| (ii) Cash flow hedge reserve (Effective portion of profit or loss on cash flow hedge) | 110 | 0 | 110 | 0 |
| (iii) Differences on translation of financial statements prepared in foreign currencies | -4,834 | 169,880 | 11,965 | 183,493 |
| (iv) Others | 3,194 | -350 | 0 | 497 |
| Other comprehensive income, net of tax attributable to minority interests | -205,455 | 56,452 | -180,768 | -327 |
| **7. Total comprehensive income** | 5,187,238 | 3,409,459 | 16,481,879 | 12,613,079 |
| Total comprehensive income attributable to owners of the Company | 4,897,794 | 3,058,675 | 15,418,555 | 12,459,023 |
| Total comprehensive income attributable to minority interests | 289,444 | 350,784 | 1,063,324 | 154,056 |
| **8. Earnings per share:** | | | | |
| (1) Basic earnings per share (RMB/share) | 0.214 | 0.168 | 0.613 | 0.562 |
| (2) Diluted earnings per share (RMB/share) | 0.214 | 0.168 | 0.613 | 0.562 |

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

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

**Company Income Statement**
*January – September 2019*

Prepared by China Railway Group Limited

*(All amounts expressed in RMB thousand, unaudited)*

| Item | | Third quarter of 2019 (July-September) | Third quarter of 2018 (July-September) | First three quarters of 2019 (January-September) | First three quarters of 2018 (January-September) |
|---|---|---|---|---|---|
| 1. | **Revenue** | 14,123,537 | 9,550,567 | 36,511,062 | 27,102,192 |
| | Less: Cost of sales | 13,022,373 | 8,931,857 | 34,099,787 | 25,434,326 |
| | Tax and surcharges | 8,569 | 6,348 | 56,848 | 59,897 |
| | Selling expenses | | | | |
| | Administrative expenses | 137,344 | 151,546 | 330,563 | 310,910 |
| | Research and development expenditures | 6,894 | 973 | 8,766 | 5,132 |
| | Finance expenses | 768,431 | 517,465 | 1,982,980 | 1,250,478 |
| | Including: Interest expenses | 664,505 | 468,610 | 1,964,165 | 1,629,818 |
| | Interest revenue | 36,142 | 35,436 | 144,972 | 237,123 |
| | Add: Other income | 31 | 0 | 31 | 0 |
| | Investment income (loss is marked with "-") | 11,442,014 | 10,001,285 | 13,713,562 | 12,583,627 |
| | Including: Investment income on associates and joint ventures | 0 | 39,354 | 111,031 | 150,719 |
| | Gain on derecognition of financial assets carried at amortized costs | -32,365 | 0 | -323,904 | -301,871 |
| | Gain on net open hedging position (loss is marked with "-") | | | | |
| | Gain on changes in fair value (loss is marked with "-") | -5,211 | 0 | -3,065 | -3,678 |
| | Impairment on credit losses (loss is marked with "-") | -191,845 | 16 | -20,139 | -45,922 |
| | Impairment losses on assets (loss is marked with "-") | 0 | 0 | 0 | 0 |
| | Gain on disposal of assets (loss is marked with "-") | | | | |
| 2. | **Profit from operations (loss is marked with "-")** | 11,424,915 | 9,943,679 | 13,722,507 | 12,575,476 |
| | Add: Non-operating income | 12,611 | 591 | 14,035 | 732 |
| | Less: Non-operating expenses | 0 | 39,649 | 16,040 | 39,699 |
| 3. | **Profit before tax (loss is marked with "-")** | 11,437,526 | 9,904,621 | 13,720,502 | 12,536,509 |
| | Less: Income tax expense | 224,361 | 126,915 | 649,522 | 359,718 |

## Company Income Statement (Continued)

| Item | Third quarter of 2019 (July-September) | Third quarter of 2018 (July-September) | First three quarters of 2019 (January-September) | First three quarters of 2018 (January-September) |
|---|---|---|---|---|
| **4. Net profit (net loss is marked with "-")** | 11,213,165 | 9,777,706 | 13,070,980 | 12,176,791 |
| (1) Net profit from continuing operation (net loss is marked with "-") | 11,213,165 | 9,777,706 | 13,070,980 | 12,176,791 |
| (2) Net profit from discontinued operation (net loss is marked with "-") | 0 | 0 | 0 | 0 |
| **5. Other comprehensive income, net of tax** | -21,012 | -103,153 | -2,727 | -109,606 |
| (1) Other comprehensive income which will not be reclassified to profit or loss | 0 | 449 | 21,773 | 81 |
| (i) Changes in remeasurement of defined benefit obligations | 0 | 491 | 0 | 123 |
| (ii) Other comprehensive income which cannot be reclassified to profit or loss under the equity method | 0 | -42 | 0 | -42 |
| (iii) Changes in fair value of other equity instrument investments | 0 | 0 | 21,773 | 0 |
| (iv) Changes in fair value of corporate credit risks | 0 | 0 | 0 | 0 |
| (2) Other comprehensive income which will be reclassified to profit or loss | -21,012 | -103,602 | -24,500 | -109,687 |
| (i) Other comprehensive income which can be reclassified to profit or loss under the equity method | 0 | 42 | 2 | 0 |
| (ii) Differences on translation of financial statements prepared in foreign currencies | -21,012 | -103,644 | -24,502 | -109,687 |
| (iii) Others | | | | |

**Company Income Statement (Continued)**

| Item | | Third quarter of 2019 (July-September) | Third quarter of 2018 (July-September) | First three quarters of 2019 (January-September) | First three quarters of 2018 (January-September) |
|---|---|---|---|---|---|
| **6.** | **Total comprehensive income** | 11,192,152 | 9,674,553 | 13,068,252 | 12,067,185 |
| **7.** | **Earnings per share:** | | | | |
| | (1) Basic earnings per share (RMB/share) | N/A | N/A | N/A | N/A |
| | (2) Diluted earnings per share (RMB/share) | N/A | N/A | N/A | N/A |

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

**Consolidated Cash Flow Statement**
*January – September 2019*

Prepared by China Railway Group Limited

*(All amounts expressed in RMB thousand, unaudited)*

| **Item** | **First three quarters of 2019 (January-September)** | **First three quarters of 2018 (January-September)** |
|---|---|---|
| **1. Cash flow from operating activities:** | | |
| Cash received from sales of goods and services rendered | 617,841,257 | 558,145,851 |
| Net increase in deposits taking and deposits from peers | | 950,122 |
| Net increase in borrowings from central banks | 956,724 | 1,081,605 |
| Net decrease in loans and advances from customers | 844,532 | 1,397,476 |
| Cash received from interests, handling fees and commission | 2,449,938 | 2,342,690 |
| Receipt of tax refund | 331,952 | 109,761 |
| Cash received relating to other operating activities | 8,542,366 | 5,357,940 |
| Sub-total of cash inflows from operating activities | 630,966,769 | 569,385,445 |
| Cash paid for purchase of goods and services received | 579,894,183 | 526,505,329 |
| Net decrease in deposits from customers | 603,678 | |
| Cash paid for interests, handling fees and commission | 494,579 | 280,303 |
| Cash paid to and on behalf of employees | 44,093,744 | 39,534,588 |
| Tax payments | 17,150,211 | 13,262,151 |
| Cash paid relating to other operating activities | 29,646,849 | 22,482,991 |
| Sub-total of cash outflows from operating activities | 671,883,244 | 602,065,362 |
| Net cash flow from operating activities | -40,916,475 | -32,679,917 |
| **2. Cash flow from investing activities:** | | |
| Cash received from disposal of investments | 6,972,203 | 12,949,856 |
| Cash received from return on investments | 1,263,065 | 2,110,375 |
| Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets | 647,832 | 523,083 |
| Net cash receipts from disposal of subsidiaries and other operating units | | 164,771 |
| Cash received relating to other investing activities | 3,305,169 | 3,648,140 |
| Sub-total of cash inflows from investing activities | 12,188,269 | 19,396,225 |
| Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | 9,258,527 | 8,785,499 |
| Cash paid for acquisition of investments | 29,648,323 | 25,371,795 |
| Net increase in pledged loans | | |
| Net cash paid for acquisition of subsidiaries and other operating units | | 4,706,616 |
| Cash paid relating to other investing activities | | 962,379 |
| Sub-total of cash outflows from investing activities | 38,906,850 | 39,826,289 |
| Net cash flow from investing activities | -26,718,581 | -20,430,064 |

**Consolidated Cash Flow Statement (Continued)**

| Item | | First three quarters of 2019 (January-September) | First three quarters of 2018 (January-September) |
|---|---|---|---|
| **3.** | **Cash flow from financing activities:** | | |
| | Cash received from investors | 1,920,299 | 13,487,719 |
| | Including: Cash received by subsidiaries for investment by minority shareholders | 1,920,299 | 13,487,719 |
| | Cash received from borrowings | 106,078,735 | 84,710,805 |
| | Cash received relating to other financing activities | 16,493,921 | 0 |
| | Sub-total of cash inflows from financing activities | 124,492,955 | 98,198,524 |
| | Cash paid for repayment of borrowings | 61,332,549 | 66,830,535 |
| | Cash paid for dividends, profit distribution or interest payment | 9,617,567 | 8,826,038 |
| | Including: Dividends and profits paid to minority shareholders by subsidiaries | 240,255 | 236,397 |
| | Cash paid relating to other financing activities | 4,409,435 | 1,082,270 |
| | Sub-total of cash outflows from financing activities | 75,359,551 | 76,738,843 |
| | Net cash flow from financing activities | 49,133,404 | 21,459,681 |
| **4.** | **Effect of foreign exchange rate changes on cash and cash equivalents** | 235,752 | 159,322 |
| **5.** | **Net increase in cash and cash equivalents** | -18,265,900 | -31,490,978 |
| | Add: Balances of cash and cash equivalents at the beginning of the period | 117,767,642 | 116,688,297 |
| **6.** | **Balances of cash and cash equivalents at the end of the period** | 99,501,742 | 85,197,319 |

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

**Company Cash Flow Statement**
*January – September 2019*

Prepared by China Railway Group Limited

*(All amounts expressed in RMB thousand, unaudited)*

| Item | | First three quarters of 2019 (January-September) | First three quarters of 2018 (January-September) |
|---|---|---|---|
| **1.** | **Cash flow from operating activities:** | | |
| | Cash received from sales of goods and services rendered | 38,572,605 | 26,328,570 |
| | Receipt of tax refund | 0 | 0 |
| | Cash received relating to other operating activities | 3,474 | 6,439,893 |
| | Sub-total of cash inflows from operating activities | 38,576,079 | 32,768,463 |
| | Cash paid for purchase of goods and services received | 33,618,777 | 34,172,943 |
| | Cash paid to and on behalf of employees | 464,770 | 295,240 |
| | Tax payments | 958,857 | 1,155,354 |
| | Cash paid relating to other operating activities | 13,805,837 | 3,672,942 |
| | Sub-total of cash outflows from operating activities | 48,848,241 | 39,296,479 |
| | Net cash flow from operating activities | -10,272,162 | -6,528,016 |
| **2.** | **Cash flow from investing activities:** | | |
| | Cash received from disposal of investments | 11,439,416 | 10,097,308 |
| | Cash received from return on investments | 13,046,927 | 7,512,202 |
| | Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 0 | 72 |
| | Cash received relating to other investing activities | 0 | 9,000,000 |
| | Sub-total of cash inflows from investing activities | 24,486,343 | 26,609,582 |
| | Cash paid for acquisition of fixed assets, intangible assets and other long-term assets | 12,430 | 17,019 |
| | Cash paid for acquisition of investments | 18,844,246 | 16,433,723 |
| | Net cash paid for acquisition of subsidiaries or other operating units | | |
| | Cash paid relating to other investing activities | 0 | 10,000,000 |
| | Sub-total of cash outflows from investing activities | 18,856,676 | 26,450,742 |
| | Net cash flow from investing activities | 5,629,667 | 158,840 |
| **3.** | **Cash flow from financing activities:** | | |
| | Cash received from investors | | 0 |
| | Cash received from borrowings | 37,264,379 | 16,189,678 |
| | Cash received relating to other financing activities | 0 | 0 |
| | Sub-total of cash inflows from financing activities | 37,264,379 | 16,189,678 |
| | Cash paid for repayment of borrowings | 25,054,000 | 3,913,420 |
| | Cash paid for dividends, profit distribution or interest payment | 4,880,764 | 4,475,156 |
| | Cash paid relating to other financing activities | 26,843,817 | 23,945,158 |
| | Sub-total of cash outflows from financing activities | 56,778,581 | 32,333,734 |
| | Net cash flow from financing activities | -19,514,202 | -16,144,056 |

**Company Cash Flow Statement (Continued)**

| Item | First three quarters of 2019 (January-September) | First three quarters of 2018 (January-September) |
|---|---|---|
| **4. Effect of foreign exchange rate changes on cash and cash equivalents** | 140,202 | 178,544 |
| **5. Net increase in cash and cash equivalents** | -24,016,495 | -22,334,688 |
| Add: Balances of cash and cash equivalents at the beginning of the period | 45,423,524 | 41,710,206 |
| **6. Balance of cash and cash equivalents at the end of the period** | 21,407,029 | 19,375,518 |

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

## II EFFECT OF FIRST ADOPTION OF NEW FINANCIAL INSTRUMENT STANDARD, NEW REVENUE STANDARD AND NEW LEASES STANDARD ON THE OPENING BALANCE OF FINANCIAL STATEMENTS IN THE YEAR OF FIRST ADOPTION

**Consolidated Balance Sheet**

*(All amounts expressed in RMB thousand)*

| Item | 31 December 2018 | 1 January 2019 | Adjustments |
|---|---|---|---|
| **Current assets:** | | | |
| Cash and cash equivalents | 134,476,377 | 134,476,377 | |
| Trading financial assets | 4,294,866 | 4,294,866 | |
| Derivative financial assets | 650 | 650 | |
| Bills receivables | 3,225,751 | 3,225,751 | |
| Trade receivables | 105,909,473 | 105,909,473 | |
| Accounts receivables financing | 354,892 | 354,892 | |
| Advances to suppliers | 41,612,959 | 41,471,870 | -141,089 |
| Other receivables | 30,242,198 | 30,242,198 | |
| Inventories | 165,241,259 | 165,241,259 | |
| Contract assets | 109,245,613 | 109,245,613 | |
| Non-current assets due within one year | 21,549,614 | 21,549,614 | |
| Other current assets | 35,527,983 | 35,527,983 | |
| Total current assets | 651,681,635 | 651,540,546 | -141,089 |
| **Non-current assets:** | | | |
| Debt investments | 12,474,286 | 12,474,286 | |
| Long-term receivables | 11,953,550 | 11,953,550 | |
| Long-term equity investments | 35,432,741 | 35,432,741 | |
| Other equity instrument investments | 5,792,060 | 5,792,060 | |
| Other non-current financial assets | 7,366,277 | 7,366,277 | |
| Investment properties | 10,607,174 | 10,607,174 | |
| Fixed assets | 55,873,637 | 55,593,351 | -280,286 |
| Construction in progress | 8,434,697 | 8,434,697 | |
| Right-of-use assets | | 2,661,791 | 2,661,791 |
| Intangible assets | 60,233,008 | 60,233,008 | |
| Development expenditures | | | |
| Goodwill | 898,705 | 898,705 | |
| Long-term deferred expenses | 1,091,985 | 1,091,985 | |
| Deferred income tax assets | 6,866,394 | 6,866,394 | |
| Other non-current assets | 73,969,952 | 73,969,952 | |
| Total non-current assets | 290,994,466 | 293,375,971 | 2,381,505 |
| Total assets | 942,676,101 | 944,916,517 | 2,240,416 |

**Consolidated Balance Sheet (Continued)**

| Item | 31 December 2018 | 1 January 2019 | Adjustments |
|---|---|---|---|
| **Current liabilities:** | | | |
| Short-term borrowings | 72,707,919 | 72,707,919 | |
| Trading financial liabilities | 69,340 | 69,340 | |
| Derivative financial liabilities | 1,622 | 1,622 | |
| Bills payables | 58,548,739 | 58,548,739 | |
| Trade payables | 285,252,004 | 285,252,004 | |
| Advances from customers | 282,735 | 282,735 | |
| Contract liabilities | 91,999,246 | 91,999,246 | |
| Deposits taking and deposits from peers | 823,468 | 823,468 | |
| Accrued payroll | 3,608,830 | 3,608,830 | |
| Taxes payables | 9,838,365 | 9,838,365 | |
| Other payables | 56,602,737 | 56,602,737 | |
| Non-current liabilities due within one year | 26,203,493 | 27,403,240 | 1,199,747 |
| Other current liabilities | 16,522,113 | 16,522,113 | |
| Total current liabilities | 622,460,611 | 623,660,358 | 1,199,747 |
| **Non-current liabilities:** | | | |
| Long-term borrowings | 56,031,383 | 56,031,383 | |
| Bonds payables | 27,994,935 | 27,994,935 | |
| Including: Preference shares | | | |
| Perpetual notes | | | |
| Lease liabilities | | 1,200,393 | 1,200,393 |
| Long-term payables | 7,686,698 | 7,526,974 | -159,724 |
| Long-term accrued payroll | 3,029,137 | 3,029,137 | |
| Accrued liabilities | 1,001,566 | 1,001,566 | |
| Deferred income | 991,316 | 991,316 | |
| Deferred income tax liabilities | 1,162,707 | 1,162,707 | |
| Other non-current liabilities | 173,720 | 173,720 | |
| Total non-current liabilities | 98,071,462 | 99,112,131 | 1,040,669 |
| Total liabilities | 720,532,073 | 722,772,489 | 2,240,416 |
| **Equity:** | | | |
| Share capital | 22,844,302 | 22,844,302 | |
| Other equity instruments | 31,930,947 | 31,930,947 | |
| Including: Preference shares | | | |
| Perpetual notes | 31,930,947 | 31,930,947 | |
| Capital reserve | 46,370,629 | 46,370,629 | |
| Less: Treasury stock | | | |
| Other comprehensive income | -322,990 | -322,990 | |
| Specific reserve | | | |
| Surplus reserve | 8,377,863 | 8,377,863 | |
| General risk reserve | 2,519,101 | 2,519,101 | |
| Accumulated profits | 80,062,480 | 80,062,480 | |
| Equity attributable to equity holders of the Company | 191,782,332 | 191,782,332 | |
| Minority interests | 30,361,696 | 30,361,696 | |
| Total equity | 222,144,028 | 222,144,028 | |
| Total liabilities and equity | 942,676,101 | 944,916,517 | 2,240,416 |

**Company Balance Sheet**

*(All amounts expressed in RMB thousand)*

| Item | 31 December 2018 | 1 January 2019 | Adjustments |
|---|---|---|---|
| **Current assets:** | | | |
| Cash and cash equivalents | 45,423,076 | 45,423,076 | |
| Trading financial assets | 59,468 | 59,468 | |
| Derivative financial assets | 186 | 186 | |
| Bills receivables | 0 | 0 | |
| Trade receivables | 10,999,210 | 10,999,210 | |
| Accounts receivables financing | 0 | 0 | |
| Advances to suppliers | 4,269,685 | 4,265,825 | -3,860 |
| Other receivables | 5,807,809 | 5,807,809 | |
| Including: Interests receivables | 0 | 0 | |
| Dividends receivables | 1,774,221 | 1,774,221 | |
| Inventories | 5,807 | 5,807 | |
| Contract assets | 1,801,711 | 1,801,711 | |
| Assets held for sale | | | |
| Non-current assets due within one year | 3,752,947 | 3,752,947 | |
| Other current assets | 71,029,609 | 71,029,609 | |
| Total current assets | 143,149,508 | 143,145,648 | -3,860 |
| | | | |
| **Non-current assets:** | | | |
| Debt investments | 1,652,414 | 1,652,414 | |
| Available-for-sale financial assets | | | |
| Other debt investments | | | |
| Held-to-maturity investments | | | |
| Long-term receivables | 934,955 | 934,955 | |
| Long-term equity investments | 172,822,030 | 172,822,030 | |
| Other equity instrument investments | 1,747,930 | 1,747,930 | |
| Other non-current financial assets | 692,850 | 692,850 | |
| Investment properties | 128,648 | 128,648 | |
| Fixed assets | 281,192 | 281,192 | |
| Construction in progress | 37,192 | 37,192 | |
| Productive biological assets | | | |
| Oil and gas assets | | | |
| Right-of-use assets | 0 | 9,561 | 9,561 |
| Intangible assets | 571,902 | 571,902 | |
| Development expenditures | | | |
| Goodwill | | | |
| Long-term deferred expenses | 84,070 | 84,070 | |
| Deferred income tax assets | 371,888 | 371,888 | |
| Other non-current assets | 6,968,809 | 6,968,809 | |
| Total non-current assets | 186,293,880 | 186,303,441 | 9,561 |
| Total assets | 329,443,388 | 329,449,089 | 5,701 |

**Company Balance Sheet (Continued)**

| Item | 31 December 2018 | 1 January 2019 | Adjustments |
|---|---|---|---|
| **Current liabilities:** | | | |
| Short-term borrowings | 22,600,000 | 22,600,000 | |
| Trading financial liabilities | | | |
| Financial assets measured at fair value and its changes recognised in profit and loss of current period | | | |
| Derivative financial liabilities | | | |
| Bills payables | | | |
| Trade payables | 17,361,092 | 17,361,092 | |
| Advances from customers | | | |
| Contract liabilities | 8,974,244 | 8,974,244 | |
| Accrued payroll | 12,789 | 12,789 | |
| Taxes payables | 214,602 | 214,602 | |
| Other payables | 88,559,551 | 88,559,551 | |
| Including: Interests payables | 0 | 0 | |
| Dividends payables | 363,167 | 363,167 | |
| Held-for-sale liabilities | | | |
| Non-current liabilities due within one year | 5,635,779 | 5,639,575 | 3,796 |
| Other current liabilities | 805,187 | 805,187 | |
| Total current liabilities | 144,163,244 | 144,167,040 | 3,796 |
| **Non-current liabilities:** | | | |
| Long-term borrowings | 10,858 | 10,858 | |
| Bonds payables | 17,750,813 | 17,750,813 | |
| Including: Preference shares | 0 | 0 | |
| Perpetual notes | 0 | 0 | |
| Lease liabilities | 0 | 1,905 | 1,905 |
| Long-term payables | 3,573,474 | 3,573,474 | |
| Long-term accrued payroll | 13,910 | 13,910 | |
| Accrued liabilities | | | |
| Deferred income | 4,105 | 4,105 | |
| Deferred income tax liabilities | | | |
| Other non-current liabilities | | | |
| Total non-current liabilities | 21,353,160 | 21,355,065 | 1,905 |
| Total liabilities | 165,516,404 | 165,522,105 | 5,701 |
| **Equity:** | | | |
| Share capital | 22,844,302 | 22,844,302 | |
| Other equity instruments | 31,930,947 | 31,930,947 | |
| Including: Preference shares | 0 | 0 | |
| Perpetual notes | 31,930,947 | 31,930,947 | |
| Capital reserve | 51,736,226 | 51,736,226 | |
| Less: Treasury stock | 0 | 0 | |
| Other comprehensive income | -197,899 | -197,899 | |
| Specific reserve | | | |
| Surplus reserve | 7,706,483 | 7,706,483 | |
| Accumulated profits | 49,906,925 | 49,906,925 | |
| Total equity | 163,926,984 | 163,926,984 | |
| Total liabilities and equity | 329,443,388 | 329,449,089 | 5,701 |

## III EXPLANATION ON COMPARATIVE FIGURES REGARDING THE RETROSPECTIVE ADJUSTMENTS ON FIRST ADOPTION OF NEW FINANCIAL INSTRUMENT STANDARD AND NEW LEASES STANDARD

Not applicable

## IV AUDIT REPORT

Not applicable