中國中鐵股份有限公司

CHINA RAILWAY GROUP LIMITED

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

(Stock Code: 390)

RESULTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2020

The Board of Directors of China Railway Group Limited (the "**Company**") announces the unaudited results (the "**First Quarterly Results**") of the Company and its subsidiaries for the first quarter ended 31 March 2020 (the "**Reporting Period**"), which have been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC. This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

1 IMPORTANT NOTICE

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

1.2 Director Absent from the Board Meeting

Name of the director absent from the Board meeting	Position of the director absent from the Board meeting	Reason for being absent from the Board meeting	Proxy
CHEN Yun	Director	Business trip	ZHANG Zongyan

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

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

2 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 *(%)*
Total assets	1,094,718,398	1,056,185,927	3.65
Net assets attributable to the equity holders of the Company	221,149,049	221,457,841	-0.14

	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous year to the end of the previous reporting period	Change compared with the same period of previous year *(%)*
Net cash generated from operating activities	-38,846,596	-37,473,958	N/A

	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous year to the end of the previous reporting period	Change compared with the same period of previous year *(%)*
Revenue	156,348,355	159,734,111	-2.12
Profit attributable to the equity holders of the Company	3,585,324	3,843,742	-6.72
Profit attributable to equity holders of the Company excluding non-recurring gains and losses	3,484,270	3,702,500	-5.89
Weighted average net assets yield (%)	1.69	2.13	decreased by 0.44 percentage point
Basic earnings per share (RMB/share)	0.132	0.150	-12
Diluted earnings per share (RMB/share)	0.132	0.150	-12

Non-recurring profit and loss items and amount

Unit: '000 Currency: RMB

Item	Reporting Period
Gains or losses from the disposal of non-current assets	112,557
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	25,667
Debt restructuring gains or losses	15,855
Gains or losses on changes in fair value arising from the holding of trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities (excluding the valid hedging business relating to the Company's business), as well as investment gains from disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investments	19,720
Other non-operating income and expenses	-39,084
Impact of minority interests (after tax)	24
Impact of income tax	-33,685
Total	101,054

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 619,932

Particulars of shareholding 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**")	11,598,764,390	47.21	0	None	0	State-owned legal entity
HKSCC Nominees Limited *(Note 1)*	4,008,898,799	16.32	0	None	0	Other
China Securities Finance Corporation Limited	683,615,678	2.78	0	None	0	Other
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
Hong Kong Securities Clearing Company Limited	234,568,551	0.95	0	None	0	Other
China Structural Reform Fund Corporation Limited	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
ABC Capital Management Co., Ltd. – Suida (Jiaxing) Investment Partnership (LLP)	178,138,508	0.72	178,138,508	None	0	Other

Particulars of shareholding of the top ten shareholders without selling restrictions

Name of shareholder	Number of tradable shares held without selling restrictions	Type and quantity of shares Type of shares	Quantity
CREC	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 1)*	4,008,898,799	Overseas listed foreign shares	4,008,898,799
China Securities Finance Corporation Limited	683,615,678	RMB-dominated ordinary shares	683,615,678
Central Huijin Asset Management Ltd.	235,455,300	RMB-dominated ordinary shares	235,455,300
Hong Kong Securities Clearing Company Limited	234,568,551	RMB-dominated ordinary shares	234,568,551
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
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

Name of shareholder	Number of tradable shares held without selling restrictions	Type and quantity of shares	
		Type of shares	Quantity
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	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
BOC Financial Assets Investment Co., Ltd.	119,095,464	RMB-dominated ordinary shares	119,095,464
Hexie Health Insurance Co.,Ltd. – Conventional – General Insurance Products	97,372,138	RMB-dominated ordinary shares	97,372,138
Ping An UOB Fund – Ping An Bank – China Universal Capital Management Co., Ltd.	92,833,643	RMB-dominated ordinary shares	92,833,643

Name of shareholder	Number of tradable shares held without selling restrictions	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. The Company is not aware of any related relationships or concerted action relationships between the above shareholders.		
Statement on holders of preference shares with voting rights resumed and respective number of shares	None		

Notes:

1. *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.*

2. *The numbers shown in the table are based on the register of member of the Company as at 31 March 2020.*

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 quarter of 2020, global economy suffered a fairly heavy blow from the spread of the COVID-19 (novel coronavirus pneumonia) pandemic. To deal with the impact of the pandemic on the economic development and people's livelihood in China, the Central Committee of the Communist Party of China and the State Council convened a series of meetings regarding the control and prevention of the current pandemic and work on the economic front, and enhanced macro-policies adjustment and implementation and clarified a range of measures for stabilising the economy. According to the data released by the National Bureau of Statistics, in the first quarter of 2020, the country's GDP totaled RMB20,650.4 billion, representing a year-on-year decrease of 6.8% at comparable prices. The country's fixed-asset investment (excluding rural households) was RMB8,414.5 billion, representing a year-on-year decrease of 16.1%, of which the infrastructure investment decreased by 19.7%, down 10.6 percentage points from the decrease recorded in the period from January to February. The country's property development investment decreased by 7.7%, down 8.6 percentage points from the decrease recorded in the period from January to February. Despite the sharp decline in the country's key economic indicators in the first quarter, the key economic indicators showed a rebound in March with the decline significantly narrowed. Normal work and production was gradually being resumed or had been resumed. China has a relatively large potential and capacity for economic development. The long-term positive outlook remains unchanged. At the same time, the Central Committee of the Communist Party of China and the State Council have proposed the issue of special treasury bonds, the increase of the size and acceleration of the issue of special-purpose bonds by regional governments, the increase of effective investment, the implementation of the renovation of old residential districts, and the increase of investment in conventional and novel infrastructures. The National Development and Reform Commission and other ministries and commissions are actively promoting the commencement and construction of major construction projects and accelerating the approval process of major construction projects successively, and many provinces and municipalities have announced their major project investment plans for 2020. All these have brought fairly good opportunities for the development of construction enterprises.

3.2 Overall Operation of the Company

During the Reporting Period, the Company actively implemented the various measures issued by the Central Committee of the Communist Party of China and the State Council, taking actions to prevent and control the pandemic on one hand and making efforts to resume operation on the other hand, so as to reduce the impact of the pandemic on the development of the enterprises and actively contribute to the stability and normal operation of the country's economy and the society. In terms of business operation, the Company continuously furthered the implementation of regional, multi-dimensional and specialised operation and achieved a stable growth in new contracts in the first quarter. The value of the new contracts was RMB337.58 billion, representing a year-on-year increase of 7.8%; the value of contract backlog was RMB3,409.34 billion, representing an increase of 1.4% compared with the end of last year. The Company also actively facilitated the resumption of operation. As at the end of March 2020, the Company's projects under construction had a resumption rate of 97%, and the project personnel returning to work achieved 94%, the construction capacity gradually returning to the normal levels. Due to the length and the wide spread of the COVID-19 (novel coronavirus pneumonia) pandemic, the Company's first quarter performance was affected and exhibited a slight decline. However, as the situation gradually stabilised within China and the businesses resumed full operation, the second quarter results will significantly improve. During the first quarter, the Company achieved a total operating revenue of RMB157.046 billion, representing a year-on-year decrease of 2.01%; the Company's net profit attributable to shareholders of the Company was RMB3.585 billion, representing a year-on-year decrease of 6.72%; the Company's overall gross profit margin was 9.54%, representing a year-on-year decrease of 0.47 percentage point; and the Company's basic earnings per share was RMB0.132, representing a year-on-year decrease of 12%.

In terms of business segments, the operating revenue of the infrastructure construction segment was RMB133.820 billion, representing a year-on-year decrease of 0.61%; the gross profit margin of the infrastructure construction segment was 7.22%, representing a year-on-year decrease of 0.42 percentage point. The operating revenue of the survey, design and consulting services segment was RMB3.729 billion, representing a year-on-year decrease of 11.76%; the gross profit margin of the survey, design and consulting services segment was 24.08%, representing a year-on-year decrease of 4.06 percentage points. The operating revenue of the engineering equipment and component manufacturing segment was RMB4.191 billion, representing a year-on-year decrease of 4%; the gross profit margin of engineering equipment and component manufacturing segment was 22.24%, representing a year-on-year decrease of 1.65 percentage points. The operating revenue of the property development segment was RMB4.343 billion, representing a year-on-year decrease of 10.92%; the gross profit margin of the property development segment was 34.41%, representing a year-on-year increase of 9.11 percentage points.

3.3 Major Operating Information of the Company

3.3.1 Breakdown of the Value of New Contracts

Unit: RMB'00,000,000 Currency: RMB

Business segments		January to March 2020 Number of new projects	January to March 2020 Value of new contracts	Aggregate amount for the current year Number of new projects	Aggregate amount for the current year Value of new contracts	Increase/ decrease over same period last year *(%)*
Infrastructure construction *(Note 1)*		677	3,021.6	677	3,021.6	11.7
Including	Railway	120	564.6	120	564.6	9.1
	Highway	60	736.4	60	736.4	75.3
	Municipal works and others	497	1,720.6	497	1,720.6	-2.7
	Among which: Urban rail transit	71	263.4	71	263.4	-47.3
Survey, design and consulting services		/	49.2	/	49.2	-32.7
Engineering equipment and component manufacturing		/	84.9	/	84.9	32.4
Property development *(Note 2)*		/	33.35	/	33.35	-65.9
Other businesses		/	186.9	/	186.9	-2.7
Total		/	3,375.8	/	3,375.8	7.8

Notes:

1. *The aforementioned aggregate value of new contracts of infrastructure construction business for 2020 includes an amount of RMB42.45 billion for newly signed infrastructure investment projects (PPP, BOT, etc.), representing a year-on-year decrease of 9.1%.*

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

3.3.2 Breakdown of the Value of Contract Backlog

As at the end of the Reporting Period, the Company's contract backlog amounted to RMB3,409.34 billion, representing an increase of 1.4% as compared with that as at the end of last year, among which RMB3,203.51 billion was from infrastructure construction segment, which represents an increase of 1.2% as compared with that as at the end of last year; RMB56.44 billion was from survey, design and consulting services segment, which represents an increase of 3.4% as compared with that as at the end of last year; RMB57.74 billion was from engineering equipment and component manufacturing segment, which represents an increase of 6.6% as compared with that as at the end of last year; and RMB91.65 billion was from other businesses segment, which represents an increase of 3.8% 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

Unit: RMB'000 Currency: RMB

Item	At the end of the Reporting Period	At the end of the previous period	Change *(%)*	Explanation of the Change
Cash and cash equivalents	135,683,997	158,158,434	-14.21	Payment of part of the labour cost and material cost during the new year period and the Chinese New Year period; slower payment collection from the project owners as a result of the COVID-19 pandemic.
Inventories	218,757,332	199,738,916	9.52	The inventory of real estate projects has increased to a certain extent due to the increase of real estate investment; in order to ensure the construction progress of infrastructure projects after the resumption of work and production and tackle with increase in the price of raw materials, the raw material reserves have been increased.

Item	At the end of the Reporting Period	At the end of the previous period	Change (%)	Explanation of the Change
Intangible assets	48,521,116	39,894,344	21.62	The gradual carry-over of PPP projects in intangible assets mode in light of the construction progress along with the construction of PPP projects.
Accounts payables	262,040,199	287,539,410	-8.87	Payment of part of the labour cost and material cost during the new year period and the Chinese New Year period.
Short-term borrowings	106,972,408	74,254,441	44.06	The main reason of increase is the need to replenish the working capital.
Long-term borrowings	88,147,077	75,048,430	17.45	The main reason of increase is the need for PPP projects investment.
Minority interests	37,229,858	24,017,155	55.01	Increase of partners contribution due to the establishment of partnership; increase of contribution by external shareholders of PPP projects on a consolidated basis.

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

Not Applicable

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 Accumulated 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 FIRST QUARTERLY RESULTS ANNOUNCEMENT

This announcement is simultaneously available on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.crec.cn. The first quarterly report of 2020 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

29 April 2020

As at the date of this announcement, the executive directors of the Company are ZHANG Zongyan (Chairman), CHEN Yun, WANG Shiqi 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
31 March 2020

Prepared by China Railway Group Limited

Unit: '000 Currency: RMB Type of Audit: Unaudited

Item	31 March 2020	31 December 2019
Current assets:		
Cash and cash equivalents	135,683,997	158,158,434
Trading financial assets	5,496,943	5,440,840
Derivative financial assets	22	46
Bills receivables	5,092,927	3,291,800
Accounts receivables	109,737,595	103,712,103
Accounts receivables financing	570,578	392,813
Advances to suppliers	32,293,719	27,716,337
Other receivables	32,820,584	33,587,763
Among which: Interests receivables	730,975	769,716
Dividends receivables	21,319	44,758
Inventories	218,757,332	199,738,916
Contract assets	123,711,877	115,928,733
Non-current assets due within one year	23,876,094	22,784,601
Other current assets	40,267,152	38,778,095
Total current assets	728,308,820	709,530,481
Non-current assets:		
Debt investments	14,439,311	13,928,677
Long-term receivables	29,419,247	28,556,231
Long-term equity investments	61,527,381	60,027,050
Investments in other equity instruments	13,334,906	10,471,860
Other non-current financial assets	9,639,624	8,636,582
Investment properties	12,920,320	13,044,547
Fixed assets	61,513,181	60,558,531
Construction in progress	5,268,209	5,187,141
Right-of-use assets	2,078,552	2,228,889
Intangible assets	48,521,116	39,894,344
Development expenditures	57,985	51,293
Goodwill	1,226,420	1,039,798
Long-term deferred expenses	1,127,154	1,091,575
Deferred income tax assets	8,322,070	8,011,903
Other non-current assets	97,014,102	93,927,025
Total non-current assets	366,409,578	346,655,446
Total assets	1,094,718,398	1,056,185,927

Consolidated Balance Sheet (Continued)

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	106,972,408	74,254,441
Trading financial liabilities	69,036	85,268
Derivative financial liabilities	2,056	0
Bills payables	67,982,472	65,718,188
Accounts payables	262,040,199	287,539,410
Advances from customers	492,112	292,918
Contract liabilities	116,113,656	110,369,928
Deposits from customers and peers	760,145	1,141,122
Accrued payrolls	3,104,722	3,670,778
Taxes payables	10,292,624	9,956,779
Other payables	73,984,153	69,213,233
Among which: Interests payables	118,644	75,804
Dividends payables	403,870	530,347
Non-current liabilities due within one year	24,741,054	32,712,252
Other current liabilities	22,999,975	21,079,875
Total current liabilities	689,554,612	676,034,192
Non-current liabilities:		
Long-term borrowings	88,147,077	75,048,430
Bonds payables	38,480,194	38,313,723
Lease liabilities	1,389,450	1,449,599
Long-term payables	12,282,858	13,345,396
Long-term accrued payrolls	2,732,261	2,770,060
Accrued liabilities	920,859	1,052,643
Deferred income	880,552	864,734
Deferred income tax liabilities	1,887,211	1,784,145
Other non-current liabilities	64,417	48,009
Total non-current liabilities	146,784,879	134,676,739
Total liabilities	836,339,491	810,710,931

Consolidated Balance Sheet (Continued)

Item	31 March 2020	31 December 2019
Owners' Equity (or Shareholders' Equity):		
Paid-up capital (or Share capital)	24,570,929	24,570,929
Other equity instruments	27,890,997	31,534,678
Including: Preference shares	0	0
Perpetual notes	27,890,997	31,534,678
Capital reserve	55,431,950	55,455,950
Other comprehensive income	-169,785	-265,645
Surplus reserve	9,738,010	9,738,010
General risk reserve	2,764,725	2,758,027
Accumulated profits	100,922,223	97,665,892
Equity attributable to owners of the Company	221,149,049	221,457,841
Minority interests	37,229,858	24,017,155
Total owners' equity (or shareholders' equity)	258,378,907	245,474,996
Total liabilities and owners' equity (or shareholders' equity)	1,094,718,398	1,056,185,927

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

Company Balance Sheet
31 March 2020

Prepared by China Railway Group Limited

Unit: ’000 Currency: RMB Type of Audit: Unaudited

Item	31 March 2020	31 December 2019
Current assets:		
Cash and cash equivalents	36,850,616	38,028,209
Trading financial assets	47,820	56,709
Derivative financial assets	22	46
Accounts receivables	8,522,283	9,766,462
Advances to suppliers	3,969,195	4,256,177
Other receivables	10,152,658	8,710,038
Among which: Interests receivables	0	0
Dividends receivables	1,572,829	1,572,829
Inventories	35,549	13,249
Contract assets	1,774,591	2,416,899
Non-current assets due within one year	50,476,585	51,674,807
Other current assets	24,645,036	21,202,899
Total current assets	136,474,355	136,125,495
Non-current assets:		
Debt investments	1,168,844	1,168,844
Long-term receivables	1,160,699	1,134,409
Long-term equity investments	211,946,475	206,371,948
Investments in other equity instruments	1,797,460	1,797,460
Other non-current financial assets	595,850	595,850
Investment properties	124,073	124,988
Fixed assets	262,846	269,078
Construction in progress	36,108	36,108
Right-of-use assets	18,743	8,750
Intangible assets	582,256	589,639
Long-term deferred expenses	56,611	60,197
Deferred income tax assets	598,255	591,825
Other non-current assets	3,733,453	4,123,230
Total non-current assets	222,081,673	216,872,326
Total assets	358,556,028	352,997,821

Company Balance Sheet (Continued)

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	27,964,255	13,160,000
Accounts payables	17,061,371	21,064,200
Contract liabilities	11,504,137	11,037,672
Accrued payrolls	6,495	9,245
Taxes payables	442,950	376,590
Other payables	72,497,202	79,373,024
Among which: Interests payables	0	0
Dividends payables	137,167	363,167
Non-current liabilities due within one year	5,032,161	10,511,976
Other current liabilities	2,241,461	1,972,277
Total current liabilities	136,750,032	137,504,984
Non-current liabilities:		
Long-term borrowings	6,462	6,462
Bonds payables	27,892,761	27,891,206
Lease liabilities	9,820	3,506
Long-term payables	13,875,555	4,210,952
Long-term accrued payrolls	11,838	12,240
Deferred income	4,039	4,039
Total non-current liabilities	41,800,475	32,128,405
Total liabilities	178,550,507	169,633,389
Owners' Equity (or Shareholders' Equity):		
Paid-up capital (or Share capital)	24,570,929	24,570,929
Other equity instruments	27,890,997	31,534,678
Including: Preference shares	0	0
Perpetual notes	27,890,997	31,534,678
Capital reserve	60,863,684	60,863,684
Other comprehensive income	-196,915	-159,246
Surplus reserve	9,066,629	9,066,629
Accumulated profits	57,810,197	57,487,758
Total owners' equity (or shareholders' equity)	180,005,521	183,364,432
Total liabilities and owners' equity (or shareholders' equity)	358,556,028	352,997,821

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

Consolidated Income Statement
January - March 2020

Prepared by China Railway Group Limited

Unit: '000 Currency: RMB Type of Audit: Unaudited

Item	First Quarter of 2020	First Quarter of 2019
1. Total operating revenue	157,046,359	160,262,870
Including: Revenue	156,348,355	159,734,111
Interest income	283,134	225,165
Handling fees and commission revenue	414,870	303,594
2. Total operating costs	151,803,245	154,360,848
Including: Cost of sales	141,929,115	144,085,826
Interest expenses	130,015	133,897
Tax and surcharges	918,618	1,241,548
Selling expenses	824,918	811,654
Administrative expenses	5,169,404	5,154,372
Research and development expenses	1,504,112	1,432,470
Finance expenses	1,327,063	1,501,081
Among which: Interest expenses	1,574,174	1,560,719
Interest income	362,245	269,274
Add: Other gains	82,476	52,209
Investment gains (loss is marked with "-")	68,984	-1,008
Among which: Investment gains from associates and joint ventures	52,110	42,449
Gain on derecognition of financial assets carried at amortised cost	-311,805	-46,521
Exchange gain (loss is marked with "-")	0	0
Hedging income on net exposure (loss is marked with "-")	0	0
Gain on changes in fair value (loss is marked with "-")	3,180	17,344
Impairment on credit losses (loss is marked with "-")	-535,354	-526,929
Impairment loss on assets (loss is marked with "-")	-58,258	-55,022
Gain on disposal of assets (loss is marked with "-")	112,557	21,741
3. Profit from operations (loss is marked with "-")	4,916,699	5,410,357
Add: Non-operating income	70,713	96,238
Less: Non-operating expenses	91,645	56,405

Consolidated Income Statement (Continued)

Item	First Quarter of 2020	First Quarter of 2019
4. Profit before tax (loss is marked with "-")	4,895,767	5,450,190
Less: Income tax expense	1,047,384	1,261,851
5. Net profit (net loss is marked with "-")	3,848,383	4,188,339
(1) By operation continuity		
1. Net profit from continuing operation (net loss is marked with "-")	3,848,383	4,188,339
2. Net profit from discontinued operation (net loss is marked with "-")	0	0
(2) By ownership		
1. Net profit attributable to owners of the Company (net loss is marked with "-")	3,585,324	3,843,742
2. Minority interests (net loss is marked with "-")	263,059	344,597
6. Other comprehensive income, net of tax	-205,590	54,846
(1) Other comprehensive income attributable to owners of the Company, net of tax	71,919	22,684
1. Other comprehensive income which will not be reclassified to profit or loss	-72,451	-1,370
(i) Changes in remeasurement of defined benefit obligations	0	-1,370
(ii) Other comprehensive income which will not be reclassified to profit or loss under the equity method	0	0
(iii) Changes in fair value of investments in other equity instruments	-86,477	0
(iv) Changes in fair value of enterprise credit risk	14,026	0
2. Other comprehensive income which will be reclassified to profit or loss	144,370	24,054
(i) Other comprehensive income which will be reclassified to profit or loss under the equity method	0	0
(ii) Changes in fair value of other debt investments	0	0
(iii) Reclassification of financial assets recognized in other comprehensive income	0	0
(iv) Credit loss allowances for other debt investments	0	0

Consolidated Income Statement (Continued)

Item	First Quarter of 2020	First Quarter of 2019
(v) Cash flow hedge reserve	-3,621	1,200
(vi) Differences on translation of financial statements prepared in foreign currencies	147,991	20,430
(vii) Others	0	2,424
(2) Other comprehensive income attributable to minority interests, net of tax	-277,509	32,162
7. Total comprehensive income	3,642,793	4,243,185
(1) Total comprehensive income attributable to owners of the Company	3,657,243	3,866,426
(2) Total comprehensive income attributable to minority interests	-14,450	376,759
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	0.132	0.150
(2) Diluted earnings per share (RMB/share)	0.132	0.150

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 period was RMB Nil.

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

Company Income Statement
January – March 2020

Prepared by China Railway Group Limited

Unit: '000 Currency: RMB Type of Audit: Unaudited

Item	First Quarter of 2020	First Quarter of 2019
1. Revenue	8,945,967	8,717,050
Less: Cost of sales	8,286,763	8,114,067
Tax and surcharges	5,779	15,068
Administrative expenses	89,510	101,150
Research and development expenses	7,173	0
Finance expenses	635,288	490,023
Among which: Interest expenses	667,541	607,966
Interest income	62,327	48,059
Add: Other gains	11	0
Investment gains (loss is marked with "-")	965,552	881,830
Among which: Investment gains from associates and joint ventures	0	0
Gain on derecognition of financial assets carried at amortised cost	0	0
Gain on changes in fair value (loss is marked with "-")	-8,890	7,663
Impairment on credit losses (loss is marked with "-")	-31,935	19,510
Impairment loss on assets (loss is marked with "-")	0	0
Gain on disposal of assets (loss is marked with "-")	0	0
2. Profit from operation (loss is marked with "-")	846,192	905,745
Add: Non-operating income	3,042	108
Less: Non-operating expenses	30,000	2,020
3. Profit before tax (loss is marked with "-")	819,234	903,833
Less: Income tax expense	131,616	232,247
4. Net profit (net loss is marked with "-")	687,618	671,586
(1) Net profit from continuing operation (net loss is marked with "-")	687,618	671,586
(2) Net profit from discontinued operation (net loss is marked with "-")	0	0

Company Income Statement (Continued)

Item	First Quarter of 2020	First Quarter of 2019
5. Other comprehensive income, net of tax	-37,669	5,763
(1) Other comprehensive income which will not be reclassified to profit or loss	0	0
1. Changes in remeasurement of defined benefit obligations	0	0
2. Other comprehensive income which will not be reclassified to profit or loss under the equity method	0	0
3. Changes in fair value of investments in other equity instruments	0	0
4. Changes in fair value of enterprise credit risk	0	0
(2) Other comprehensive income which will be reclassified to profit or loss	-37,669	5,763
1. Other comprehensive income which will be reclassified to profit or loss under the equity method	0	0
2. Changes in fair value of other debt investments	0	0
3. Reclassification of financial assets recognized in other comprehensive income	0	0
4. Credit loss allowances for other debt investments	0	0
5. Cash flow hedge reserve	0	0
6. Differences on translation of financial statements prepared in foreign currencies	-37,669	5,763
7. Others	0	0
6. Total comprehensive income	649,949	677,349
7. Earnings per share:		
(1) Basic earnings per share (RMB/share)	N/A	N/A
(2) Diluted earnings per share (RMB/share)	N/A	N/A

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

Consolidated Cash Flow Statement
January – March 2020

Prepared by China Railway Group Limited

Unit: '000 Currency: RMB Type of Audit: Unaudited

Item	First Quarter of 2020	First Quarter of 2019
1. Cash flow from operating activities:		
Cash received from sales of goods or services rendered	172,173,183	183,933,698
Net increase in deposits from customers and peers	0	0
Cash received from interests, handling fees and commission	698,004	528,759
Receipt of tax refund	71,952	85,290
Cash received relating to other operating activities	4,542,366	5,542,366
Sub-total of cash inflows from operating activities	177,485,505	190,090,113
Cash paid for goods and services received	190,661,682	201,335,195
Net increase in loans and advances to customers	380,977	83,695
Cash paid for interests, handling fees and commission	130,015	133,897
Cash paid to and on behalf of employees	15,048,878	14,204,568
Tax payments	6,472,710	7,774,898
Cash paid relating to other operating activities	3,637,839	4,031,818
Sub-total of cash outflows from operating activities	216,332,101	227,564,071
Net cash flow from operating activities	-38,846,596	-37,473,958

Consolidated Cash Flow Statement (Continued)

Item	First Quarter of 2020	First Quarter of 2019
2. Cash flow from investing activities:		
Cash received from disposal of investments	1,593,795	2,471,152
Cash received from return on investments	131,164	158,702
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	112,557	42,431
Cash received from disposal of subsidiaries and other business units	0	0
Cash received relating to other investing activities	2,505,169	2,648,140
Sub-total of cash inflows from investing activities	4,342,685	5,320,425
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	9,662,490	5,030,463
Cash paid for acquisitions of investments	5,933,156	10,844,678
Net cash payments for acquisition of subsidiaries or other business units	147,232	8,259
Cash paid relating to other investing activities	0	0
Sub-total of cash outflows from investing activities	15,742,878	15,883,400
Net cash flow from investing activities	-11,400,193	-10,562,975
3. Cash flow from financing activities:		
Cash received from investors	12,512,703	325,174
Including: Cash received by subsidiaries for investment by minority shareholders	12,512,703	325,174
Cash received from borrowings	42,551,885	38,102,477
Cash received relating to other financing activities	0	0
Sub-total of cash inflows from financing activities	55,064,588	38,427,651
Cash paid for repayment of borrowings	15,967,172	19,306,876
Cash paid for dividends, profit distribution or interest payment	1,490,537	1,632,948
Including: Dividends and profits paid to minority shareholders by subsidiaries	0	0
Cash paid relating to other financing activities	0	0
Sub-total of cash outflows from financing activities	17,457,709	20,939,824
Net cash flow from financing activities	37,606,879	17,487,827

Consolidated Cash Flow Statement (Continued)

Item	First Quarter of 2020	First Quarter of 2019
4. Effect of foreign exchange rate changes on cash and cash equivalents	151,887	-13,234
5. Net increase in cash and cash equivalents	-12,488,023	-30,562,340
Add: Balances of cash and cash equivalents at the beginning of the period	138,185,607	117,767,645
6. Balances of cash and cash equivalents at the end of the period	125,697,584	87,205,305

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

Company Cash Flow Statement
January – March 2020

Prepared by China Railway Group Limited

Unit: ’000 Currency: RMB Type of Audit: Unaudited

Item	First Quarter of 2020	First Quarter of 2019
1. Cash flow from operating activities:		
Cash received from sales of goods or services rendered	11,276,484	9,854,009
Cash received from tax refund	0	0
Cash received relating to other operating activities	1,683,325	1,547,345
Sub-total of cash inflows from operating activities	12,959,809	11,401,354
Cash paid for goods and services received	11,972,741	11,413,630
Cash paid to and on behalf of employees	144,725	133,649
Tax payments	153,628	297,129
Cash paid relating to other operating activities	12,024,686	32,186,443
Sub-total of cash outflows from operating activities	24,295,780	44,030,851
Net cash flow from operating activities	-11,335,971	-32,629,497
2. Cash flow from investing activities:		
Cash received from disposal of investments	4,115,622	3,380,000
Cash received from return on investments	171,954	823,763
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	90	0
Cash received from disposal of subsidiaries and other business units	0	0
Cash received relating to other investing activities	0	0
Sub-total of cash inflows from investing activities	4,287,666	4,203,763
Cash paid for acquisitions of fixed assets, intangible assets and other long-term assets	2,011	539
Cash paid for acquisitions of investments	8,975,455	6,807,709
Net cash payments for acquisition of subsidiaries or other business units	0	0
Cash paid relating to other investing activities	0	0
Sub-total of cash outflows from investing activities	8,977,466	6,808,248
Net cash flow from investing activities	-4,689,800	-2,604,485

Company Cash Flow Statement (Continued)

Item	**First Quarter of 2020**	**First Quarter of 2019**
3. Cash flow from financing activities:		
Cash received from investors	0	0
Cash received from borrowings	29,113,999	11,499,559
Cash received relating to other financing activities	0	0
Sub-total of cash inflows from financing activities	29,113,999	11,499,559
Cash paid for repayment of borrowings	13,311,744	6,745,000
Cash paid for dividends, profit distribution or interest payment	952,592	1,050,494
Cash paid relating to other financing activities	1,171	279
Sub-total of cash outflows from financing activities	14,265,507	7,795,773
Net cash flow from financing activities	14,848,492	3,703,786
4. Effect of foreign exchange rate changes on cash and cash equivalents	66	-77,160
5. Net increase in cash and cash equivalents	-1,177,213	-31,607,356
Add: Balances of cash and cash equivalents at the beginning of the period	37,947,707	43,273,802
6. Balance of cash and cash equivalents at the end of the period	36,770,494	11,666,446

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

Explanation on adjustments:
Not Applicable

II SITUATION RELATING TO FIRST ADOPTION OF NEW REVENUE STANDARD AND NEW LEASES STANDARD ON THE OPENING BALANCE OF FINANCIAL STATEMENTS IN THE YEAR OF FIRST ADOPTION SINCE 2020

Not applicable

III EXPLANATION ON COMPARATIVE FIGURES REGARDING THE RETROSPECTIVE ADJUSTMENTS ON FIRST ADOPTION OF NEW REVENUE STANDARD AND NEW LEASES STANDARD SINCE 2020

Not Applicable

IV AUDIT REPORT

Not Applicable