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

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

(Stock Code: 390)

RESULTS ANNOUNCEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

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 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 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. 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 statements 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 *(%)*
Total assets	1,208,429,947	1,056,185,927	14.41
Net assets attributable to equity holders of the Company	240,277,338	221,457,841	8.50

	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the previous reporting period (January to September)	Change compared with the same period of previous year *(%)*
Net cash generated from operating activities	-37,809,138	-40,916,475	N/A

	From the beginning of the year to the end of the Reporting Period (January to September)	From the beginning of the previous year to the end of the previous reporting period (January to September)	Change compared with the same period of previous year *(%)*
Revenue	686,531,014	570,180,531	20.41
Net profit attributable to the equity holders of the Company	18,260,162	15,477,531	17.98
Net profit attributable to equity holders of the Company excluding non-recurring gains and losses	17,058,423	14,763,477	15.54
Weighted average net assets yield *(%)*	8.52	8.43	increased by 0.09 percentage point
Basic earnings per share *(RMB/share)*	0.690	0.613	12.56
Diluted earnings per share *(RMB/share)*	0.690	0.613	12.56

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	12,886	231,124
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	67,009	562,372
Interest income received from non-financial enterprises as included in profit and loss of current period	13,091	456,343
Debt restructuring gains or losses	3,164	26,608
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 from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments	21,154	133,596
Reversal of impairment of trade receivables and contract assets under individual impairment testing	9,749	178,928
Other net non-operating income and expenses	-60,683	-143,624
Impact of minority interests (after tax)	10,427	4,940
Impact of income tax	-41,107	-248,548
Total	35,690	1,201,739

2.2 Total 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 581,879

Particulars of 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 1)*	11,598,764,390	47.21	0	None	0	State-owned legal entity
HKSCC Nominees Limited *(Note 2)*	4,008,789,799	16.32	0	None	0	Other
China Securities Finance Corporation Limited	683,615,678	2.78	0	None	0	State-owned legal entity
China Reform Holdings Corporation Ltd.	387,050,131	1.58	0	None	0	State-owned legal entity
China Great Wall Asset Management Co., Ltd.	372,192,507	1.51	0	None	0	State-owned legal entity
Hong Kong Securities Clearing Company Limited	324,558,206	1.32	0	None	0	Other
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	0	None	0	State-owned legal entity
China Orient Asset Management Co., Ltd.	223,271,744	0.91	0	None	0	State-owned legal entity
ABC Capital Management Co., Ltd. – Suida (Jiaxing) Investment Partnership (LLP)	178,138,508	0.72	0	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 *(Note 1)*	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 2)*	4,008,789,799	Overseas listed foreign shares	4,008,789,799
China Securities Finance Corporation Limited	683,615,678	RMB-dominated ordinary shares	683,615,678
China Reform Holdings Corporation Ltd.	387,050,131	RMB-dominated ordinary shares	387,050,131
China Great Wall Asset Management Co., Ltd.	372,192,507	RMB-dominated ordinary shares	372,192,507
Hong Kong Securities Clearing Company Limited	324,558,206	RMB-dominated ordinary shares	324,558,206
Central Huijin Asset Management Ltd.	235,455,300	RMB-dominated ordinary shares	235,455,300
China Structural Reform Fund Co., Ltd.	223,296,399	RMB-dominated ordinary shares	223,296,399

Name of shareholder	Number of tradable shares held without selling restrictions	Type and quantity of shares	
		Type of shares	Quantity
China Orient Asset Management Co., Ltd.	223,271,744	RMB-dominated ordinary shares	223,271,744
ABC Capital Management Co., Ltd. – Suida (Jiaxing) Investment Partnership (LLP)	178,138,508	RMB-dominated ordinary shares	178,138,508
Statement on the related relations and concerted actions between the shareholders above	CREC, the controlling shareholder of the Company, 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.		

Note 1: 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 2: 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 3: A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of its various clients.

Note 4: The numbers shown in the table are based on the register of member of the Company as at 30 September 2020.

2.3 Total 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 2020, the COVID-19 pandemic continued to impact the global economic and financial system, and the global economy was experiencing increased instability and uncertainty. **Internationally**, in order to curb the spread of the pandemic, most economies have taken measures such as quarantine, lockdown and social distancing to limit economic mobility, the impact of which had spread to trading partners and even the world through trade and industrial chains, the recovery of the global economy was far less than expected. The International Monetary Fund (IMF) expects the global economy to decline by 4.4% this year, facing the worst recession since the Great Depression of the 1930s. **Domestically**, the Chinese economy has shown strong resilience and vitality in the face of the huge impact of the COVID-19 pandemic and the complex and severe environment at home and abroad; regular pandemic prevention and control as well as a number of policy measures focusing on "six stabilizations" and "six guarantees" have been introduced intensively, which has contributed to a rapid recovery of China's economy with many major economic indicators improving quarter by quarter and maintaining a steady recovery trend. According to data released by the National Bureau of Statistics, in the first three quarters of 2020, China's GDP increased by 0.7% on a year-to-year basis. The country's fixed-asset investment (excluding rural households) increased by 0.8% on a year-to-year basis. Several economic indicators turned positive for the first time this year. **In terms of the industry in which the Company operates**, in the first three quarters, the investment in China's transportation fixed assets was kept at a high level and the investment in infrastructure (excluding power, steam heat, gas and water production and supply) increased by 0.2% on a year-to-year basis; the completed investment in railway fixed assets was RMB553.1 billion, representing a year-on-year decrease of 0.3%; the completed investment in highway fixed assets was RMB1,778.8 billion, representing a year-on-year increase of 12.8%; the growth rate of the value added of high-tech manufacturing and equipment manufacturing enterprises above the designated size accelerated; the property development investment was RMB10,348.4 billion, representing a year-on-year increase of 5.6%; the sales volume of commercial housing was RMB11,564.7 billion, representing a year-on-year increase of 3.7%; the value of new contracts of China's overseas contracted projects was RMB1,050.43 billion, representing a year-on-year increase of 4.5%. In the future, China will continue to fully raise the level of opening up, promote the formation of a new "dual circulation" development pattern in which the domestic economic cycle plays a leading role while the international economic cycle remains as its extension and supplement, consolidate the momentum of a sustained and steady economic recovery, provide broad markets and development opportunities for all countries, and add more impetus to the recovery and growth of the world economy.

3.2 Overall Operation of the Company

During the Reporting Period, the Company responded proactively to the severe challenges brought by the epidemic and the complicated and changeable domestic and foreign environment, steadily implemented the decisions and deployments made by the Central Committee of the Communist Party of China, the State Council and the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and adhered to the principle of preventing and controlling the epidemic while promoting reform and development. In particular, since the third quarter, while the domestic epidemic was under overall control and the recovery of the social, production and living order was accelerated, the Company adhered to the high-quality development objective, deepened the approach of quality and efficiency improvement in an all-round way, continued to promote mechanism reform, constantly consolidated the advantageous areas and proactively developed emerging markets. The Company not only grew against trend in the first half of the year, but also made better achievements and the operation of the Company remained steady and well.

During the first three quarters, the expansion of the business scale of the Company was accelerated, the operation performance was growing steadily, and the Company entered into new contracts in a total value of RMB1,354.2 billion, representing a year-on-year increase of 24.3%. In terms of geographical distribution, the value of new contracts entered into for the domestic business was RMB1,291.26 billion, representing a year-on-year increase of 25.3%; and the value of new contracts entered into for the overseas business was RMB62.94 billion, representing a year-on-year increase of 7%. In terms of the types of business, the value of new contracts entered into for the infrastructure construction segment was RMB1,138.44 billion, representing a year-on-year increase of 25.4%, among which the value of new contracts entered into for the railway segment was RMB184.71 billion, representing a year-on-year increase of 24%, the value of new contracts entered into for the highway segment was RMB201.93 billion, representing a year-on-year increase of 66%, and the value of new contracts entered into for the municipal works and other segment was RMB751.8 billion, representing a year-on-year increase of 17.9%, and the Company, in particular, achieved great progress in such areas as ecological management and urban development. The value of new contracts entered into for the survey, design and consulting services segment was RMB19.36 billion, representing a year-on-year increase of 11.3%; the value of new contracts entered into for the engineering equipment and component manufacturing segment was RMB38.14 billion, representing a year-on-year increase of 40.4%; the sales of the property development segment was RMB44.78 billion, representing a year-on-year increase of 6.4%; and the value of new contracts entered into for the other segments was RMB113.48 billion, representing a year-on-year increase of 19.6%.

In terms of the operating revenue, in the first three quarters, the Company achieved total operating revenue of RMB688.763 billion, representing a year-on-year increase of 20.44%, and the overall gross profit margin was 9.22%, representing a year-on-year decrease of 0.77 percentage point. For the infrastructure construction segment, the operating revenue was RMB605.185 billion, representing a year-on-year increase of 21.91%, and the gross profit margin was 7.25%, representing a year-on-year decrease of 0.28 percentage point. For the survey, design and consulting services segment, the operating revenue was RMB12.427 billion, representing a year-on-year increase of 10.38%, and the gross profit margin was 27.54%, representing a year-on-year increase of 0.46 percentage point. For the engineering equipment and component manufacturing segment, the operating revenue was RMB17.445 billion, representing a year-on-year increase of 36.49%, and the gross profit margin was 18.14%, representing a year-on-year decrease of 5.95 percentage points. For the property development segment, the operating revenue was RMB23.732 billion, representing a year-on-year increase of 15.01%, and the gross profit margin was 29.42%, representing a year-on-year decrease of 1.20 percentage points.

3.3 Major Operation Information of the Company

3.3.1 Value of New Contracts by Business Segment

Business segments	July to September 2020: Number of new projects	July to September 2020: 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 business *(Note ①)*	1,647	3,797.4	4,116	11,384.4	25.4
Including Railway	480	613.7	1,141	1,847.1	24.0
Highway	112	862.0	298	2,019.3	66.0
Municipal works and others	1,055	2,321.7	2,677	7,518.0	17.9
Among which: Urban rail transit	176	246.9	460	1,050.2	-22.7
Municipal works	343	779.4	916	2,506.6	-0.7
Housing construction	377	967.2	942	3,157.7	53.5
Survey, design and consulting services	/	78.9	/	193.6	11.3
Engineering equipment and component manufacturing	/	188.0	/	381.4	40.4
Property development *(Note ②)*	/	271.1	/	447.8	6.4
Other businesses	/	503.3	/	1,134.8	19.6
Total	/	4,838.6	/	13,542.0	24.3

Notes:

① The aforesaid aggregate value of new contracts of the infrastructure construction business includes an amount of RMB156.32 billion for the value of new contracts of the infrastructure investment business, increasing by 3.3% over the same period last year.

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 RMB3,542.65 billion, representing an increase of 5.4% as compared with that as at the end of last year, among which RMB3,400.27 billion was from infrastructure construction business, which represented an increase of 7.5% as compared with that as at the end of last year; RMB61.06 billion was from survey, design and consulting services business, which represented an increase of 11.8% as compared with that as at the end of last year; RMB68.67 billion was from engineering equipment and component manufacturing business, which represented an increase of 26.8% 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.

Item	At the end of the Reporting Period *(RMB'000)*	At the end of the previous year *(RMB'000)*	Change *(%)*	Explanation of the Change
Accounts receivables	118,499,431	103,712,103	14.26	The first reason of the increase was the normal increase in the balance of accounts receivable due to the expansion in operating scale; the second reason of the increase was that as a result of the COVID-19 pandemic and other factors, some project owners experienced funding constraints and were late in making payments.
Contract assets	137,620,828	115,928,733	18.71	The first reason of the increase was the normal push by an increase in revenues; the second reason of the increase was that as a result of the COVID-19 pandemic, the inspection and valuation of some engineering projects was delayed.
Long-term equity investments	69,734,202	60,027,050	16.17	The main reason of the increase was the corresponding increase in equity investments resulting from the increased investments in infrastructure projects.
Intangible assets	62,292,544	39,894,344	56.14	The main reason of the increase was the increase in the size of concessions made up by PPP project investments in the form of intangible assets.

Item	At the end of the Reporting Period *(RMB'000)*	At the end of the previous year *(RMB'000)*	Change *(%)*	Explanation of the Change
Other non-current assets	123,384,161	93,927,025	31.36	The main reason of the increase was the increase in infrastructure project investments in the form of financial assets during the construction phase.
Short-term borrowings	101,924,895	74,254,441	37.26	The main reason of the increase was the need to replenish the working capital.
Bills payables	73,985,824	65,718,188	12.58	The main reason of the increase was the promotion of settlement by bills by taking full advantage of our own good commercial credibility.
Contract liabilities	125,563,311	110,369,928	13.77	The main reason of the increase was the relatively quick receipt of income from the Company's real property sales and the increase in the amount of advance payments from real property sales.
Other payables	79,476,835	69,213,233	14.83	The first reason of the increase was the increase in payments which we received and paid as an agent in the course of production and operation; the second reason of the increase was the phasal increase in the interest on perpetual notes.
Long-term borrowings	104,019,781	75,048,430	38.6	The main reason of the increase was the need for PPP projects investment.

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 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 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
Chairman
ZHANG Zongyan

30 October 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.

APPENDIX

I FINANCIAL STATEMENTS

Consolidated Balance Sheet
30 September 2020

Prepared by China Railway Group Limited

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

Item	30 September 2020	31 December 2019
Current assets:		
Cash and cash equivalents	155,848,668	158,158,434
Trading financial assets	10,107,368	5,440,840
Derivative financial assets	41	46
Bills receivables	6,375,870	3,291,800
Accounts receivables	118,499,431	103,712,103
Accounts receivables financing	459,375	392,813
Advances to suppliers	32,350,881	27,716,337
Other receivables	35,545,539	33,587,763
Inventories	215,679,601	199,738,916
Contract assets	137,620,828	115,928,733
Non-current assets due within one year	27,302,462	22,784,601
Other current assets	48,233,151	38,778,095
Total current assets	788,023,215	709,530,481
Non-current assets:		
Debt investments	13,752,752	13,928,677
Long-term receivables	36,212,233	28,556,231
Long-term equity investments	69,734,202	60,027,050
Investments in other equity instruments	12,496,113	10,471,860
Other non-current financial assets	6,570,991	8,636,582
Investment properties	13,162,474	13,044,547
Fixed assets	64,080,897	60,558,531
Construction in progress	5,051,400	5,187,141
Right-of-use assets	1,992,643	2,228,889
Intangible assets	62,292,544	39,894,344
Development expenditures	72,781	51,293
Goodwill	1,369,946	1,039,798
Long-term deferred expenses	1,159,592	1,091,575
Deferred income tax assets	9,074,003	8,011,903
Other non-current assets	123,384,161	93,927,025
Total non-current assets	420,406,732	346,655,446
Total assets	1,208,429,947	1,056,185,927

Consolidated Balance Sheet (Continued)

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	101,924,895	74,254,441
Trading financial liabilities	66,567	85,268
Bills payables	73,985,824	65,718,188
Account payables	305,984,266	287,539,410
Advances from customers	353,062	292,918
Contract liabilities	125,563,311	110,369,928
Deposit from customers and peers	3,261,889	1,141,122
Accrued payroll	3,005,776	3,670,778
Taxes payables	11,351,261	9,956,779
Other payables	79,476,835	69,213,233
Non-current liabilities due within one year	29,068,288	32,712,252
Other current liabilities	24,812,974	21,079,875
Total current liabilities	758,854,948	676,034,192
Non-current liabilities:		
Long-term borrowings	104,019,781	75,048,430
Bonds payables	43,126,728	38,313,723
Lease liabilities	1,353,107	1,449,599
Long-term payables	11,433,998	13,345,396
Long-term accrued payrolls	2,633,512	2,770,060
Accrued liabilities	640,874	1,052,643
Deferred income	1,024,936	864,734
Deferred income tax liabilities	1,809,196	1,784,145
Other non-current liabilities	36,514	48,009
Total non-current liabilities	166,078,646	134,676,739
Total liabilities	924,933,594	810,710,931

Consolidated Balance Sheet (Continued)

Item	30 September 2020	31 December 2019
Owners' Equity (or Shareholders' Equity):		
Paid-up capital (or Share capital)	24,570,929	24,570,929
Other equity instruments	38,053,987	31,534,678
Among which: Preference shares	0	0
Perpetual notes	38,053,987	31,534,678
Capital reserve	55,408,886	55,455,950
Other comprehensive income	-312,453	-265,645
Surplus reserve	9,738,010	9,738,010
General risk reserve	2,795,611	2,758,027
Accumulated profits	110,022,368	97,665,892
Total equity attributable to the owners (or shareholders) of the Company	240,277,338	221,457,841
Minority interests	43,219,015	24,017,155
Total owners' equity (or shareholders' equity)	283,496,353	245,474,996
Total liabilities and owners' equity (or shareholders' equity)	1,208,429,947	1,056,185,927

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

Company Balance Sheet
30 September 2020

Prepared by China Railway Group Limited

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

Item	30 September 2020	31 December 2019
Current assets:		
Cash and cash equivalents	42,906,444	38,028,209
Trading financial assets	195,187	56,709
Derivative financial assets	0	46
Accounts receivables	10,926,415	9,766,462
Advances to suppliers	3,871,124	4,256,177
Other receivables	10,709,547	8,710,038
Inventories	21,995	13,249
Contract assets	5,019,372	2,416,899
Non-current assets due within one year	51,159,544	51,674,807
Other current assets	31,946,207	21,202,899
Total current assets	156,755,835	136,125,495
Non-current assets:		
Debt investments	4,459,694	1,168,844
Long-term receivables	2,716,188	1,134,409
Long-term equity investments	231,194,326	206,371,948
Investments in other equity instruments	1,930,990	1,797,460
Other non-current financial assets	511,287	595,850
Investment properties	122,242	124,988
Fixed assets	253,563	269,078
Construction in progress	43,811	36,108
Right-of-use assets	39,409	8,750
Intangible assets	568,250	589,639
Long-term deferred expenses	79,666	60,197
Deferred income tax assets	757,392	591,825
Other non-current assets	5,568,858	4,123,230
Total non-current assets	248,245,676	216,872,326
Total assets	405,001,511	352,997,821

Company Balance Sheet (Continued)

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	23,269,822	13,160,000
Accounts payables	26,958,161	21,064,200
Contract liabilities	10,067,859	11,037,672
Accrued payroll	8,501	9,245
Taxes payables	465,086	376,590
Other payables	91,441,185	79,373,024
Non-current liabilities due within one year	3,140,344	10,511,976
Other current liabilities	1,374,899	1,972,277
Total current liabilities	156,725,857	137,504,984
Non-current liabilities:		
Long-term borrowings	685,401	6,462
Bonds payables	41,239,320	27,891,206
Lease liabilities	28,142	3,506
Long-term payables	19,252,072	4,210,952
Long-term accrued payrolls	10,630	12,240
Deferred income	4,089	4,039
Total non-current liabilities	61,219,654	32,128,405
Total liabilities	217,945,511	169,633,389
Owners' Equity (or Shareholders' Equity):		
Paid-up capital (or Share capital)	24,570,929	24,570,929
Other equity instruments	38,076,257	31,534,678
Among which: Preference shares	0	0
Perpetual notes	38,076,257	31,534,678
Capital reserve	60,821,683	60,863,684
Other comprehensive income	-217,020	-159,246
Surplus reserve	9,066,629	9,066,629
Accumulated profits	54,737,522	57,487,758
Total owners' equity (or Shareholders' equity)	187,056,000	183,364,432
Total liabilities and owners' equity (or shareholders' equity)	405,001,511	352,997,821

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

Consolidated Income Statement
January-September 2020

Prepared by China Railway Group Limited

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

Item	Third quarter of 2020 (July-September)	Third quarter of 2019 (July-September)	First three quarters of 2020 (January-September)	First three quarters of 2019 (January-September)
1. Total operating revenue	272,449,531	209,984,143	688,762,791	571,870,720
Among which: Revenue	271,601,125	209,359,534	686,531,014	570,180,531
Interest income	348,481	238,172	849,426	754,062
Handling fees and commission revenue	499,925	386,437	1,382,351	936,127
2. Total operating costs	263,401,860	203,377,012	662,709,613	551,145,865
Among which: Cost of sales	247,952,144	188,966,675	624,863,558	514,253,412
Interest expenses	133,750	257,746	416,567	494,579
Tax and surcharges	1,499,980	1,252,490	3,824,641	3,408,168
Selling expenses	1,310,785	1,073,861	3,097,052	2,910,560
Administrative expenses	5,660,290	5,758,201	15,460,515	15,850,382
Research and development expenditures	5,820,009	4,924,385	12,014,967	10,469,990
Finance expenses	1,024,902	1,143,654	3,032,313	3,758,774
Among which: Interest expenses	1,584,652	2,068,080	3,936,191	4,717,339
Interest income	728,683	452,234	1,713,156	1,137,472
Add: Other gains	191,938	46,853	674,133	373,625
Investment gains (loss is marked with “-”)	476,364	503,217	445,463	1,089,098
Among which: Investment gains from associates and joint ventures	350,315	586,334	1,021,871	1,384,921
Gain on derecognition of financial assets carried at amortized costs	-263,439	-145,695	-1,739,070	-1,119,761
Exchange gain (loss is marked with “-”)	0	0	0	0
Hedging income on net exposure (loss is marked with “-”)	0	0	0	0
Gain on changes in fair value (loss is marked with “-”)	219,594	-50,060	327,326	62,921
Impairment on credit losses (loss is marked with “-”)	-202,821	-295,121	-1,511,295	-1,516,607
Impairment loss on assets (loss is marked with “-”)	-1,089,683	3,107	-2,267,769	-3,986
Gain on disposal of assets (loss is marked with “-”)	37,204	42,635	231,124	107,972

Consolidated Income Statement (Continued)

Item	Third quarter of 2020 (July-September)	Third quarter of 2019 (July-September)	First three quarters of 2020 (January-September)	First three quarters of 2019 (January-September)
3. Profit from operations (loss is marked with "-")	8,680,267	6,857,762	23,952,160	20,837,878
Add: Non-operating income	216,868	157,388	626,923	554,558
Less: Non-operating expenses	145,421	79,416	601,805	443,031
4. Profit before tax (loss is marked with "-")	8,751,714	6,935,734	23,977,278	20,949,405
Less: Income tax expense	1,748,704	1,476,995	4,575,774	4,227,782
5. Net profit (net loss is marked with "-")	7,003,010	5,458,739	19,401,504	16,721,623
(1)By operation continuity				
1. Net profit from continuing operation (net loss is marked with "-")	7,003,010	5,458,739	19,401,504	16,721,623
2. Net profit from discontinued operation (net loss is marked with "-")	0	0	0	0
(2)By ownership				
1. Net profit attributable to owners of the Company (net loss is marked with "-")	6,562,896	4,963,840	18,260,162	15,477,531
2. Minority interests (net loss is marked with "-")	440,114	494,899	1,141,342	1,244,092
6. Other comprehensive income, net of tax	-787,990	-271,501	-1,061,305	-239,744
(1) Other comprehensive income attributable to owners of the Company, net of tax	-711,433	-66,046	-938,296	-58,976
1. Other comprehensive income which will not be reclassified to profit or loss	-552,562	-55,607	-753,128	-71,089
(i) Changes in remeasurement of defined benefit obligations	752	9	-35,633	-659
(ii) Other comprehensive income which will not be reclassified to profit or loss under the equity method	124,479	0	124,479	0
(iii)Changes in fair value of investments in other equity instruments	-677,793	-55,616	-841,974.00	-70,430
(iv)Changes in fair value of enterprise credit risk	0	0	0	0
2. Other comprehensive income which will be reclassified to profit or loss	-158,871	-10,439	-185,168	12,113
(i) Other comprehensive income which will be reclassified to profit or loss under the equity method	-151	-8,909	440	38
(ii) Changes in fair value of other debt investments	0	0	0	0
(iii)Reclassification of financial assets recognized in other comprehensive income	0	0	0	0
(iv)Credit loss allowances for other debt investments	0	0	0	0
(v) Cash flow hedge reserve	35,475	110	35,475	110
(vi)Differences on translation of financial statements prepared in foreign currencies	-193,178	-4,834	-228,024	11,965
(vii)Others	-1,017	3,194	6,941	0
(2) Other comprehensive income attributable to minority interests, net of tax	-76,557	-205,455	-123,009	-180,768

Consolidated Income Statement (Continued)

Item	Third quarter of 2020 (July-September)	Third quarter of 2019 (July-September)	First three quarters of 2020 (January-September)	First three quarters of 2019 (January-September)
7. Total comprehensive income	6,215,017	5,187,238	18,340,196	16,481,879
(1) Total comprehensive income attributable to owners of the Company	5,851,463	4,897,794	17,321,866	15,418,555
(2) Total comprehensive income attributable to minority interests	363,554	289,444	1,018,330	1,063,324
8. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.265	0.214	0.690	0.613
(2) Diluted earnings per share (RMB/share)	0.265	0.214	0.690	0.613

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

Company Income Statement
January-September 2020

Prepared by China Railway Group Limited

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

Item	Third quarter of 2020 (July-September)	Third quarter of 2019 (July-September)	First three quarters of 2020 (January-September)	First three quarters of 2019 (January-September)
1. Revenue	20,795,598	14,123,537	46,649,049	36,511,062
Less: Cost of sales	19,650,630	13,022,373	43,938,309	34,099,787
Tax and surcharges	22,639	8,569	56,996	56,848
Selling expenses	0	0	0	0
Administrative expenses	123,638	137,344	334,183	330,563
Research and development expenditures	3,536	6,894	11,911	8,766
Finance expenses	623,382	768,431	2,082,971	1,982,980
Among which: Interest expenses	1,043,083	664,505	2,552,533	1,964,165
Interest income	105,845	36,142	248,412	144,972
Add: Other gains	633	31	2,330	31
Investment income (loss is marked with "-")	1,128,330	11,442,014	3,468,993	13,713,562
Among which: Investment income on associates and joint ventures	0	0	146,307	111,031
Gain on derecognition of financial assets carried at amortized costs	0	-32,365	-361,921	-323,904
Hedging income on net exposure (loss is marked with "-")	0	0	0	0
Gain on changes in fair value (loss is marked with "-")	-307	-5,211	-11,342	-3,065
Impairment on credit losses (loss is marked with "-")	-5,952	-191,845	-570,730	-20,139
Impairment loss on assets (loss is marked with "-")	0	0	0	0
Gain on disposal of assets (loss is marked with "-")	33	0	-7	0
2. Profit from operations (loss is marked with "-")	1,494,510	11,424,915	3,113,923	13,722,507
Add: Non-operating income	4	12,611	3,072	14,035
Less: Non-operating expenses	0	0	133,854	16,040
3. Profit before tax (loss is marked with "-")	1,494,514	11,437,526	2,983,141	13,720,502
Less: Income tax expense	225,699	224,361	326,293	649,522

Company Income Statement (Continued)

Item	Third quarter of 2020 (July-September)	Third quarter of 2019 (July-September)	First three quarters of 2020 (January-September)	First three quarters of 2019 (January-September)
4. Net profit (net loss is marked with "-")	1,268,815	11,213,165	2,656,848	13,070,980
(1) Net profit from continuing operation (net loss is marked with "-")	1,268,815	11,213,165	2,656,848	13,070,980
(2) Net profit from discontinued operation (net loss is marked with "-")	0	0	0	0
5. Other comprehensive income, net of tax	31,078	-21,012	-57,774	-2,727
(1) Other comprehensive income which will not be reclassified to profit or loss	1	0	-50,042	21,773
1. Changes in remeasurement of defined benefit obligations	0	0	-190	0
2. Other comprehensive income which cannot be reclassified to profit or loss under the equity method	0	0	0	0
3. Changes in fair value of investments in other equity instruments	1	0	-49,852	21,773
4. Changes in fair value of enterprise credit risks	0	0	0	0
(2) Other comprehensive income which will be reclassified to profit or loss	31,077	-21,012	-7,732	-24,500
1. Other comprehensive income which will be reclassified to profit or loss under the equity method	0	0	0	2
2. Changes in fair value of other debt investments	0	0	0	0
3. Reclassification of financial assets recognized in other comprehensive income	0	0	0	0
4. Credit loss allowances for other debt investments	0	0	0	0
5. Cash flow hedge reserve	0	0	0	0
6. Differences on translation of financial statements prepared in foreign currencies	31,077	-21,012	-7,732	-24,502
7. Others	0	0	0	0
6. Total comprehensive income	1,299,893	11,192,152	2,599,074	13,068,252
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: ZHANG Zongyan
Person in charge of accounting affairs: SUN Cui
Person in charge of the accounting department: HE Wen

Consolidated Cash Flow Statement
January – September 2020

Prepared by China Railway Group Limited

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

Item	First three quarters of 2020 (January-September)	First three quarters of 2019 (January-September)
1. Cash flow from operating activities:		
Cash received from sales of goods and services rendered	745,640,790	617,841,257
Net increase in deposits from customer and peers	2,120,767	0
Net increase in borrowings from central banks	0	956,724
Net decrease in loans and advances to customers	0	844,532
Cash received from interests, handling fees and commission	2,231,777	2,449,938
Receipt of tax refund	350,549	331,952
Cash received relating to other operating activities	7,058,399	8,542,366
Sub-total of cash inflows from operating activities	757,402,282	630,966,769
Cash paid for purchase of goods and services received	675,798,584	579,894,183
Net increase in loans and advances to customers	1,749,368	603,678
Cash paid for interests, handling fees and commission	416,567	494,579
Cash paid to and on behalf of employees	48,182,060	44,093,744
Tax payments	18,030,126	17,150,211
Cash paid relating to other operating activities	51,034,715	29,646,849
Sub-total of cash outflows from operating activities	795,211,420	671,883,244
Net cash flow from operating activities	-37,809,138	-40,916,475
2. Cash flow from investing activities:		
Cash received from disposal of investments	5,160,050	6,972,203
Cash received from return on investments	628,011	1,263,065
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	712,688	647,832
Net cash receipts from disposal of subsidiaries and other business units	2,463,640	0
Cash received relating to other investing activities	4,241,433	3,305,169
Sub-total of cash inflows from investing activities	13,205,822	12,188,269
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	23,784,825	9,258,527
Cash paid for acquisition of investments	26,156,417	29,648,323
Cash paid relating to other investing activities	4,987,136	0
Sub-total of cash outflows from investing activities	54,928,378	38,906,850
Net cash flow from investing activities	-41,722,556	-26,718,581

Consolidated Cash Flow Statement(Continued)

Item	First three quarters of 2020 (January-September)	First three quarters of 2019 (January-September)
3. Cash flow from financing activities:		
Cash received from investors	19,201,860	1,920,299
Among which: Cash received by subsidiaries for investment by minority shareholders	19,201,860	1,920,299
Cash received from borrowings	152,756,702	106,078,735
Cash received relating to other financing activities	36,042,455	16,493,921
Sub-total of cash inflows from financing activities	208,001,017	124,492,955
Cash paid for repayment of borrowings	119,532,644	61,332,549
Cash paid for dividends, profit distribution or interest payment	9,156,905	9,617,567
Among which: Dividends and profits paid to minority shareholders by subsidiaries	508,882	240,255
Cash paid relating to other financing activities	3,935,577	4,409,435
Sub-total of cash outflows from financing activities	132,625,126	75,359,551
Net cash flow from financing activities	75,375,891	49,133,404
4. Effect of foreign exchange rate changes on cash and cash equivalents	84,964	235,752
5. Net increase in cash and cash equivalents	-4,070,839	-18,265,900
Add: Balances of cash and cash equivalents at the beginning of the period	138,185,607	117,767,642
6. Balances of cash and cash equivalents at the end of the period	134,114,768	99,501,742

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

Company Cash Flow Statement
January – September 2020

Prepared by China Railway Group Limited

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

Item	First three quarters of 2020 (January-September)	First three quarters of 2019 (January-September)
1. Cash flow from operating activities:		
Cash received from sales of goods and services rendered	48,717,696	38,572,605
Receipt of tax refund	0	0
Cash received relating to other operating activities	952,113	203,474
Sub-total of cash inflows from operating activities	49,669,809	38,776,079
Cash paid for purchase of goods and services received	37,649,413	33,818,777
Cash paid to and on behalf of employees	494,148	464,770
Tax payments	1,005,505	958,857
Cash paid relating to other operating activities	3,240,663	13,805,837
Sub-total of cash outflows from operating activities	42,389,729	49,048,241
Net cash flow from operating activities	7,280,080	-10,272,162
2. Cash flow from investing activities:		
Cash received from disposal of investments	11,858,217	11,439,416
Cash received from return on investments	2,298,456	13,046,927
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	138	0
Cash received relating to other investing activities	0	0
Sub-total of cash inflows from investing activities	14,156,811	24,486,343
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	55,108	12,430
Cash paid for acquisition of investments	33,241,403	18,844,246
Cash paid relating to other investing activities	0	0
Sub-total of cash outflows from investing activities	33,296,511	18,856,676
Net cash flow from investing activities	-19,139,700	5,629,667

Company Cash Flow Statement (Continued)

Item	First three quarters of 2020 (January-September)	First three quarters of 2019 (January-September)
3. Cash flow from financing activities:		
Cash received from investors	0	0
Cash received from borrowings	47,741,828	37,264,379
Cash received relating to other financing activities	15,600,000	0
Sub-total of cash inflows from financing activities	63,341,828	37,264,379
Cash paid for repayment of borrowings	31,755,100	25,054,000
Cash paid for dividends, profit distribution or interest payment	6,229,615	4,880,764
Cash paid relating to other financing activities	9,001,458	26,843,817
Sub-total of cash outflows from financing activities	46,986,173	56,778,581
Net cash flow from financing activities	16,355,655	-19,514,202
4. Effect of foreign exchange rate changes on cash and cash equivalents	120,721	140,202
5. Net increase in cash and cash equivalents	4,616,756	-24,016,495
Add: Balances of cash and cash equivalents at the beginning of the period	37,947,707	45,423,524
6. Balance of cash and cash equivalents at the end of the period	42,564,463	21,407,029

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

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