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 2021

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 2021 (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 reviewed this quarterly report.

1.3 Mr. CHEN Yun, 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 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 After adjustment	Before adjustment	Change compared with previous year *(%)*
Total assets	1,264,599,965	1,200,122,108	1,200,122,108	5.37
Net assets attributable to shareholders of the Company	261,619,496	255,344,830	255,344,830	2.46

	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous years to the end of the previous reporting period After adjustment	Before adjustment	Change compared with the same period of previous year *(%)*
Net cash generated from operating activities	-29,835,219	-38,846,596	-38,846,596	N/A

	From the beginning of the year to the end of the Reporting Period	From the beginning of the previous years to the end of the previous reporting period		Change compared with the same period of previous year
		After adjustment	Before adjustment	*(%)*
Revenue	236,241,102	156,348,355	156,348,355	51.10
Profit attributable to the shareholders of the Company	6,485,448	3,585,324	3,585,324	80.89
Profit attributable to shareholders of the Company excluding non-recurring gains and losses	6,317,922	3,484,270	3,484,270	81.33
Weighted average net assets yield (%)	2.78	1.69	1.69	increased by 1.09 percentage points
Basic earnings per share *(RMB/share)*	0.238	0.132	0.132	80.30%
Diluted earnings per share *(RMB/share)*	0.238	0.132	0.132	80.30%

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	62,239
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	155,362
Interest income received from non-financial enterprises as included in profit and loss of current period	96,111
Debt restructuring gains or losses	28,674
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	6
Other net non-operating income and expenses	-119,163
Impact of minority interests (after tax)	139
Impact of income tax	-55,842
Total	167,526

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

Total number of shareholders 565,475

Particulars of shareholdings of top ten shareholders

Unit: Share

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 *(Note 1)*	11,598,764,390	47.21	0	None	0	State-owned legal entity
HKSCC Nominees Limited *(Note 2)*	4,009,255,299	16.32	0	None	0	Other
China Securities Finance Corporation Limited	619,264,325	2.52	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 *(Note 3)*	363,829,157	1.48	0	None	0	Other
Central Huijin Asset Management Ltd.	235,455,300	0.96	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
China Structural Reform Fund Co., Ltd.	173,296,399	0.71	0	None	0	State-owned legal entity

Particulars of shareholding of the top ten shareholders without selling restrictions

Unit: Share

Name of shareholder	Number of tradable shares held without selling restrictions	Type and quantity of shares Type of shares	Quantity
China Railway Engineering Group Company Limited *(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)*	4,009,255,299	Overseas listed foreign shares	4,009,255,299
China Securities Finance Corporation Limited	619,264,325	RMB-dominated ordinary shares	619,264,325
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 *(Note 3)*	363,829,157	RMB-dominated ordinary shares	363,829,157
Central Huijin Asset Management Ltd.	235,455,300	RMB-dominated ordinary shares	235,455,300
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
China Structural Reform Fund Co., Ltd.	173,296,399	RMB-dominated ordinary shares	173,296,399

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	China Railway Engineering Group Company Limited, 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		

Notes:

1. *11,598,764,390 shares of the Company held by China Railway Engineering Group Company Limited include 11,434,370,390 A shares and 164,394,000 H shares of the Company.*

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 China Railway Engineering Group Company Limited.*

3. *A shares held by Hong Kong Securities Clearing Company Limited are held on behalf of its various clients.*

4. *The numbers shown in the table are based on the register of member of the Company as at 31 March 2021.*

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 2021, the global pandemic continued to spread and the international environment became increasingly complicated, bringing great uncertainty and instability to the global epidemic control and economic landscape. Despite the challenges brought by the increased risk of pandemic spread in winter and spring and the uncertainties overseas, the Chinese government has consolidated and expanded its achievements in coordinating normalized epidemic prevention and control and economic and social development. The new development pattern with domestic circulation as the mainstay and domestic and international dual circulation reinforcing each other is being established at an accelerated pace. China's economy continued to steadily recover, and the development momentum continued to pick up, ensuring a good start in the 14th Five-Year Plan period. According to the data published by the National Bureau of Statistics of China, in the first quarter of 2021, China's fixed asset investment (excluding rural households) was RMB9,599.4 billion, representing a year-on-year increase of 25.6%, among which, infrastructure investment increased by 29.7% year-on-year and investment in the real estate sector increased by 25.6% year-on-year. The fixed asset investment has steadily recovered, and the average two-year growth of investment in high-tech industries and social sectors performed well above the average. On the whole, the internal driving force, supply quality, and market entity vitality of the domestic economy has continuously improved, and the economy is expected to maintain steady and stable development throughout the year. At the same time, China's economy is exhibiting a recovery featured by high quality and green environment. The industrial structure is being continuously optimized and upgraded, and the goals of "peaking carbon dioxide emissions" and "carbon neutrality" are pushing forward the transformation to a clean and low-carbon society. There will be a lot of investment opportunities in new infrastructure, new urbanization initiatives and major infrastructure projects, traditional industrial transformation, emerging industries, and green environmental protection. The Company will continue to seek development in both its traditional areas of strength and the new and emerging areas and seize opportunities for growth in an effort to achieve higher quality development.

3.2 Overall Operation of the Company in the First Quarter

During the Reporting Period, the Company focused on achieving the established targets of the year and actively implemented reforms and seized opportunities to strengthen its operations and development through various measures, while striving for high-quality development and continuously promoting transformation and upgrades. In the first quarter, the value of the new contracts was RMB329.23 billion, representing a year-on-year decrease of 2.5%; the value of contract backlog was RMB3,780.97 billion, representing an increase of 1.5% compared with the end of last year. During the Reporting Period, as people were encouraged to stay on during the Spring Festival, the Company seized this opportunity to optimize the organization of production, steadily improve operational efficiency and push forward the projects under construction in an orderly manner. During the first quarter, the Company achieved a total operating revenue of RMB237.041 billion, representing a year-on-year increase of 50.94%; the Company’s overall gross profit margin was 9.70%, representing a year-on-year increase of 0.16 percentage point; the Company's four types of expenses as a percentage of revenue was 5.34%, representing a year-on-year decrease of 0.28 percentage point; the Company’s net profit attributable to shareholders of the Company was RMB6.485 billion, representing a year-on-year increase of 80.89%; and the Company’s basic earnings per share was RMB0.238, representing a year-on-year increase of 80.30%.

In terms of business segments, the operating revenue of the infrastructure construction segment was RMB207.458 billion, representing a year-on-year increase of 55.03%; the gross profit margin of the infrastructure construction segment was 8.08%, representing a year-on-year increase of 0.86 percentage point, which was mainly due to the increase in revenue from highway and municipal work business which have higher gross profit margin. For the survey, design and consulting services segment, the operating revenue was RMB4.343 billion, representing a year-on-year increase of 16.48%; the gross profit margin was 23.74%, representing a year-on-year decrease of 0.34 percentage point. For the engineering equipment and component manufacturing segment, the operating revenue was RMB6.333 billion, representing a year-on-year increase of 51.10%; the gross profit margin was 19.78%, representing a year-on-year decrease of 2.46 percentage points. For the property development segment, the operating revenue was RMB5.160 billion, representing a year-on-year increase of 18.81%; the gross profit margin was 27.52%, representing a year-on-year decrease of 6.89 percentage points. For the other businesses segment, the operating revenue was RMB13.747 billion, representing a year-on-year increase of 25.39%; the gross profit margin was 18.37%, representing a year-on-year increase of 0.12 percentage point, in particular, the gross profit margin of mining development segment increased by 8.94 percentage points due to the increase in price of non-ferrous metals.

3.3 Major Operation Information of the Company in the First Quarter

3.3.1 Value of New Contracts

Unit:' 00,000,000 Currency: RMB

Business segments		January to March 2021 Number of new projects	January to March 2021 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*)		1,087	2,799.9	1,087	2,799.9	-7.3
Including	Railway	273	526.9	273	526.9	-6.7
	Highway	73	343.1	73	343.1	-53.4
	Municipal works and others	741	1,929.9	741	1,929.9	12.2
Survey, design and consulting services			46.3		46.3	-5.9
Engineering equipment and component manufacturing			141.6		141.6	66.8
Property development (*Note 2*)			100.2		100.2	200.0
Other businesses			204.3		204.3	9.3
Total			3,292.3		3,292.3	-2.5

Notes:

1. *the aggregate value of new contracts of the infrastructure construction business for 2021 includes an amount of RMB27.45 billion for the value of new contracts in relation to the infrastructure investment projects (PPP, BOT, etc.), decreasing by 35.3% 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

As at the end of the Reporting Period, the Company's contract backlog amounted to RMB3,780.97 billion, representing an increase of 1.5% as compared with that as at the end of last year, among which RMB3,537.31 billion was from infrastructure construction segment, which represents an increase of 1.2% as compared with that as at the end of last year; RMB56.62 billion was from survey, design and consulting services segment, which represents an increase of 1.3% as compared with that as at the end of last year; RMB79.3 billion was from engineering equipment and component manufacturing segment, which represents an increase of 11.1% as compared with that as at the end of last year; RMB107.75 billion was from other businesses, which represents an increase of 2.8% 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: '000 Currency: RMB

Item	At the end of the Reporting Period	At the end of the previous reporting period	Change *(%)*	Explanation of the Change
Cash and cash equivalents	142,310,897	174,768,285	-18.57	The first reason for the decrease was due to the payments of project, labor and material costs in a short period of time before the Spring Festival; the second reason for the decrease was the increase in the prepayments of materials and project costs in order to speed up the production progress after the Spring Festival.

Item	At the end of the Reporting Period	At the end of the previous reporting period	Change *(%)*	Explanation of the Change
Accounts receivables	120,648,587	107,876,645	11.84	The first reason for the increase was the normal increase in the balance of accounts receivable due to the expansion in operating scale; the second reason for the increase was that some project owners were late in making payments.
Inventories	220,438,206	192,661,730	14.42	The first reason for the increase was a certain increase in inventory of real estate projects resulting from increased investment in real estate project development; the second reason for the increase was the increase in the reserves of raw materials in order to ensure the production progress in relation to the construction projects after the Spring Festival and to respond to the rising price of raw materials.
Contract assets	140,714,531	125,041,827	12.53	The first reason for the increase was the normal push by an increase in revenues; the second reason for the increase was that some project owners had not officially issued approval of project inspection.
Short-term borrowings	71,341,799	52,701,736	35.37	The main reason for the increase was to replenish the working capital.
Bills payables	85,804,858	77,353,532	10.93	The main reason for the increase was the promotion of settlement by bills by taking full advantage of the Company's good commercial credibility.

Item	At the end of the Reporting Period	At the end of the previous reporting period	Change (%)	Explanation of the Change
Long-term borrowings	137,881,328	119,970,402	14.93	The main reason for the increase was to match the needs to invest in infrastructure investment projects.
Minority interests	66,882,161	57,849,425	15.61	The main reason for the increase was the increase in investment by minority shareholders in infrastructure investment projects.

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 2021 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
Chen Yun
Chairman

29 April 2021

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Yun (Chairman), Mr. CHEN Wenjian and Mr. WANG Shiqi; the non-executive director of the Company is Mr. WEN Limin; the independent non-executive directors of the Company are Mr. CHUNG Shui Ming Timpson, Mr. ZHANG Cheng and Mr. XIU Long.

APPENDIX

I FINANCIAL STATEMENTS

Consolidated Balance Sheet
31 March 2021

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	31 March 2021	31 December 2020
Current assets:		
Cash and cash equivalents	142,310,897	174,768,285
Trading financial assets	4,792,617	5,057,604
Derivative financial assets	160,000	160,000
Bills receivables	8,266,189	5,537,542
Accounts receivables	120,648,587	107,876,645
Accounts receivables financing	606,647	522,438
Advances to suppliers	35,058,040	30,290,318
Other receivables	33,387,314	31,666,203
Among which: Interests receivables	740,362	702,514
Dividends receivables	18,215	15,795
Inventories	220,438,206	192,661,730
Contract assets	140,714,531	125,041,827
Non-current assets due within one year	27,722,240	28,612,838
Other current assets	42,910,571	39,591,506
Total current assets	777,015,839	741,786,936
Non-current assets:		
Debt investments	21,562,662	18,772,757
Long-term receivables	43,068,140	41,141,254
Long-term equity investments	81,359,421	78,497,380
Investments in other equity instruments	11,335,232	9,668,029
Other non-current financial assets	13,995,713	10,563,975
Investment properties	14,537,427	14,503,633
Fixed assets	64,523,088	65,458,033
Construction in progress	7,137,484	5,938,983
Right-of-use assets	1,889,288	1,892,218
Intangible assets	83,594,180	77,620,259
Development expenditures	86,463	60,041
Goodwill	1,411,891	1,411,891
Long-term deferred expenses	1,188,268	1,216,585
Deferred income tax assets	9,553,823	9,332,666

Consolidated Balance Sheet (Continued)

Item	31 March 2021	31 December 2020
Other non-current assets	132,341,046	122,257,468
Total non-current assets	487,584,126	458,335,172
Total assets	1,264,599,965	1,200,122,108
Current liabilities:		
Short-term borrowings	71,341,799	52,701,736
Deposits received	1,950,328	3,395,951
Trading financial liabilities	58,729	64,902
Bills payables	85,804,858	77,353,532
Accounts payables	311,370,903	307,211,812
Advances from customers	416,772	392,551
Contract liabilities	133,482,564	124,659,610
Accrued payrolls	3,063,262	3,776,514
Taxes payables	11,424,772	11,827,806
Other payables	74,778,041	74,392,819
Among which: Interests payables	149,358	246,709
Dividends payables	507,419	206,723
Non-current liabilities due within one year	21,255,587	25,679,713
Other current liabilities	24,870,506	23,687,405
Total current liabilities	739,818,121	705,144,351
Non-current liabilities:		
Long-term borrowings	137,881,328	119,970,402
Bonds payables	38,278,369	41,705,388
Lease liabilities	1,286,141	1,236,781
Long-term payables	13,498,744	13,451,123
Long-term accrued payrolls	2,448,890	2,481,586
Accrued liabilities	522,862	561,991
Deferred income	870,839	879,501
Deferred income tax liabilities	1,448,633	1,453,770
Other non-current liabilities	44,381	42,960
Total non-current liabilities	196,280,187	181,783,502
Total liabilities	936,098,308	886,927,853

Consolidated Balance Sheet (Continued)

Item	**31 March 2021**	**31 December 2020**
Owners' Equity (or Shareholders' Equity):		
Paid-up capital (or Share capital)	24,570,929	24,570,929
Other equity instruments	47,224,230	46,738,385
Including: Preference shares	0	0
Perpetual notes	47,224,230	46,738,385
Capital reserve	55,424,641	55,424,641
Other comprehensive income	-1,176,027	-1,076,346
Surplus reserve	11,585,080	11,585,080
General risk reserve	3,002,250	2,977,541
Accumulated profits	120,988,393	115,124,600
Owners' equity (or Shareholders' equity)	261,619,496	255,344,830
Minority interests	66,882,161	57,849,425
Total owners' equity (or shareholders' equity)	328,501,657	313,194,255
Total liabilities and owners' equity (or shareholders' equity)	1,264,599,965	1,200,122,108

Person in charge of the Company: CHEN Yun
Person in charge of accounting affairs: SUN Cui
Person in charge of the accounting department: HE Wen

Company Balance Sheet
31 March 2021

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	31 March 2021	31 December 2020
Current assets:		
Cash and cash equivalents	20,803,862	47,355,242
Trading financial assets	48,126	45,367
Accounts receivables	14,076,234	13,874,575
Advances to suppliers	2,921,981	3,092,510
Other receivables	11,801,551	12,209,842
Among which: Interests receivables	0	0
Dividends receivables	341,779	2,278,436
Inventories	12,423	9,881
Contract assets	5,017,798	6,278,211
Non-current assets due within one year	3,155,587	2,945,419
Other current assets	67,426,572	63,162,918
Total current assets	125,264,134	148,973,965
Non-current assets:		
Debt investments	20,678,995	21,700,392
Long-term receivables	1,070,640	972,315
Long-term equity investments	252,657,040	250,597,276
Investments in other equity instruments	2,060,233	2,060,233
Other non-current financial assets	4,695,287	391,287
Investment properties	120,412	121,327
Fixed assets	257,223	264,773
Construction in progress	84,530	22,399
Right-of-use assets	43,446	44,011
Intangible assets	596,864	606,437
Long-term deferred expenses	73,609	73,842
Deferred income tax assets	789,929	783,886
Other non-current assets	3,361,267	3,617,217
Total non-current assets	286,489,475	281,255,395
Total assets	411,753,609	430,229,360

Company Balance Sheet (Continued)

Item	31 March 2021	31 December 2020
Current liabilities:		
Short-term borrowings	13,000,000	8,450,000
Accounts payables	27,692,229	31,770,969
Contract liabilities	9,963,609	10,171,008
Accrued payrolls	11,259	20,380
Taxes payables	559,311	563,046
Other payables	87,663,706	99,764,701
Among which: Interests payables	0	0
Dividends payables	246,709	246,709
Non-current liabilities due within one year	7,564,363	9,988,554
Other current liabilities	1,475,893	2,640,843
Total current liabilities	147,930,370	163,369,501
Non-current liabilities:		
Long-term borrowings	3,657,130	3,652,490
Bonds payables	28,449,158	31,947,674
Lease liabilities	33,313	35,468
Long-term payables	19,783,609	19,857,857
Long-term accrued payrolls	9,978	11,620
Deferred income	3,889	11,880
Total non-current liabilities	51,937,077	55,516,989
Total liabilities	199,867,447	218,886,490
Owners' Equity (or Shareholders' Equity):		
Paid-up capital (or Share capital)	24,570,929	24,570,929
Other equity instruments	47,224,230	46,738,385
Including: Preference shares	0	0
Perpetual notes	47,224,230	46,738,385
Capital reserve	60,821,684	60,821,684
Other comprehensive income	-122,509	-140,461
Surplus reserve	10,913,699	10,913,699
Accumulated profits	68,478,129	68,438,634
Total owners' equity (or shareholders' equity)	211,886,162	211,342,870
Total liabilities and owners' equity (or shareholders' equity)	411,753,609	430,229,360

Person in charge of the Company: CHEN Yun
Person in charge of accounting affairs: SUN Cui
Person in charge of the accounting department: HE Wen

Consolidated Income Statement
January – March 2021

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	First Quarter of 2021	First Quarter of 2020
1. Total operating revenue	237,040,835	157,046,359
Including: Revenue	236,241,102	156,348,355
Interest income	286,757	283,134
Handling fees and commission revenue	512,976	414,870
2. Total operating costs	227,957,074	151,803,245
Including: Cost of sales	213,879,781	141,929,115
Interest expenses	160,666	130,015
Tax and surcharges	1,262,578	918,618
Selling expenses	1,165,313	824,918
Administrative expenses	6,064,418	5,169,404
Research and development expenses	3,846,137	1,504,112
Finance expenses	1,578,181	1,327,063
Among which: Interest expenses	1,751,321	1,574,174
Interest income	550,941	362,245
Add: Other gains	249,372	82,476
Investment gains (loss is marked with "-")	334,177	68,984
Among which: Investment gains from associates and joint ventures	550,994	52,110
Gain on derecognition of financial assets carried at amortised cost	-448,346	-311,805
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 "-")	-61,428	3,180
Impairment on credit losses (loss is marked with "-")	-650,644	-470,828
Impairment loss on assets (loss is marked with "-")	-200,880	-122,784
Gain on disposal of assets (loss is marked with "-")	73,901	112,557
3. Profit from operation (loss is marked with "-")	8,828,259	4,916,699
Add: Non-operating income	138,793	70,713
Less: Non-operating expenses	229,608	91,645

Consolidated Income Statement (Continued)

Item	First Quarter of 2021	First Quarter of 2020
4. Profit before tax (loss is marked with "-")	8,737,444	4,895,767
Less: Income tax expense	1,716,235	1,047,384
5. Net profit (net loss is marked with "-")	7,021,209	3,848,383
(1) By operation continuity		
1. Net profit from continuing operation (net loss is marked with "-")	7,021,209	3,848,383
2. Net profit from discontinued operation (net loss is marked with "-")	0	0
(2) By ownership		
1. Net profit attributable to shareholders of the Company (net loss is marked with "-")	6,485,448	3,585,324
2. Minority interests (net loss is marked with "-")	535,761	263,059
6. Other comprehensive income, net of tax	-28,535	-205,590
(1) Other comprehensive income attributable to shareholders of the Company, net of tax	-65,516	71,919
1. Other comprehensive income which will not be reclassified to profit or loss	53,073	-72,451
(i) Changes in remeasurement of defined benefit obligations	0	0
(ii) Other comprehensive income which will not be reclassified to profit or loss under the equity method	15,864	0
(iii) Changes in fair value of investments in other equity instruments	46,205	-86,477
(iv) Changes in fair value of enterprise credit risk	-8,996	14,026
2. Other comprehensive income which will be reclassified to profit or loss	-118,589	144,370
(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) Impairment on credit losses of other debt investments	0	0
(v) Cash flow hedge reserve	0	-3,621
(vi) Differences on translation of financial statements prepared in foreign currencies	-118,589	147,991
(vii) Others	0	0

Consolidated Income Statement (Continued)

Item		First Quarter of 2021	First Quarter of 2020
	(2) Other comprehensive income attributable to minority interests, net of tax	36,981	-277,509
7.	**Total comprehensive income**	6,992,675	3,642,793
	(1) Total comprehensive income attributable to shareholders of the Company	6,419,932	3,657,243
	(2) Total comprehensive income attributable to minority interests	572,743	-14,450
8.	**Earnings per share:**		
	(1) Basic earnings per share *(RMB/share)*	0.238	0.132
	(2) Diluted earnings per share *(RMB/share)*	0.238	0.132

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.

Person in charge of the Company: CHEN Yun
Person in charge of accounting affairs: SUN Cui
Person in charge of the accounting department: HE Wen

Company Income Statement
January – March 2021

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	First Quarter of 2021	First Quarter of 2020
1. Revenue	13,325,874	8,945,967
Less: Cost of sales	12,333,366	8,286,763
Tax and surcharges	22,984	5,779
Administrative expenses	145,056	89,510
Research and development expenses	5,890	7,173
Finance expenses	916,771	635,288
Among which: Interest expenses	965,082	667,541
Interest income	114,816	62,327
Add: Other gains	123	11
Investment gains (loss is marked with “-”)	816,487	965,552
Among which: Investment gains from associates and joint ventures	0	0
Gain on derecognition of financial assets carried at amortised cost	0	0
Hedging income on net exposure (loss is marked with “-”)	0	0
Gain on changes in fair value (loss is marked with “-”)	2,759	-8,890
Impairment on credit losses (loss is marked with “-”)	-30,772	-30,729
Impairment loss on assets (loss is marked with “-”)	3,843	-1,206
Gain on disposal of assets (loss is marked with “-”)	0	0
2. Profit from operation (loss is marked with “-”)	694,247	846,192
Add: Non-operating income	6,238	3,042
Less: Non-operating expenses	0	30,000
3. Profit before tax (loss is marked with “-”)	700,485	819,234
Less: Income tax expense	175,145	131,616
4. Net profit (net loss is marked with “-”)	525,340	687,618
(1) Net profit from continuing operation (net loss is marked with “-”)	525,340	687,618
(2) Net profit from discontinued operation (net loss is marked with “-”)	0	0

Company Income Statement (Continued)

Item	First Quarter of 2021	First Quarter of 2020
5. Other comprehensive income, net of tax	17,952	-37,669
(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	17,952	-37,669
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. Impairment on credit losses of other debt investments	0	0
5. Cash flow hedge reserve	0	0
6. Differences on translation of financial statements prepared in foreign currencies	17,952	-37,669
7. Others	0	0
6. Total comprehensive income	543,291	649,949
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

Person in charge of the Company: CHEN Yun
Person in charge of accounting affairs: SUN Cui
Person in charge of the accounting department: HE Wen

Consolidated Cash Flow Statement
January – March 2021

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item		First Quarter of 2021	First Quarter of 2020
1.	**Cash flow from operating activities:**		
	Cash received from sales of goods or services rendered	250,825,166	172,173,183
	Net increase in deposits from customers and peers	0	0
	Cash received from interests, handling fees and commission	799,733	698,004
	Receipt of tax refund	359,585	71,952
	Cash received relating to other operating activities	4,058,399	4,542,366
	Sub-total of cash inflows from operating activities	256,042,883	177,485,505
	Cash paid for goods and services received	250,424,504	190,661,682
	Net increase in loans and advances to customers	349,368	380,977
	Decrease in deposits received	1,445,623	0
	Cash paid for interests, handling fees and commission	160,666	130,015
	Cash paid to and on behalf of employees	20,513,595	15,048,878
	Tax payments	8,451,235	6,472,710
	Cash paid relating to other operating activities	4,533,111	3,637,839
	Sub-total of cash outflows from operating activities	285,878,102	216,332,101
	Net cash flow from operating activities	-29,835,219	-38,846,596
2.	**Cash flow from investing activities:**		
	Cash received from disposal of investments	1,548,930	1,593,795
	Cash received from return on investments	293,909	131,164
	Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	73,901	112,557
	Cash received from disposal of subsidiaries and other business units	0	0
	Cash received relating to other investing activities	246,025	2,505,169
	Sub-total of cash inflows from investing activities	2,162,765	4,342,685
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	10,237,477	9,662,490
	Cash paid for acquisitions of investments	10,485,900	5,933,156
	Net increase in secured loans	0	0
	Net cash payments for acquisition of subsidiaries or other business units	0	147,232
	Cash paid relating to other investing activities	0	0
	Sub-total of cash outflows from investing activities	20,723,377	15,742,878
	Net cash flow from investing activities	-18,560,612	-11,400,193

Consolidated Cash Flow Statement (Continued)

Item		First Quarter of 2021	First Quarter of 2020
3.	**Cash flow from financing activities:**		
	Cash received from investors	9,032,736	12,512,703
	Including: Cash received by subsidiaries for investment by minority shareholders	9,032,736	12,512,703
	Cash received from borrowings	39,191,547	42,551,885
	Cash received relating to other financing activities	0	0
	Sub-total of cash inflows from financing activities	48,224,283	55,064,588
	Cash paid for repayment of borrowings	13,693,731	15,967,172
	Cash paid for dividends, profit distribution or interest payment	1,954,666	1,490,537
	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	15,648,397	17,457,709
	Net cash flow from financing activities	32,575,886	37,606,879
4.	**Effect of foreign exchange rate changes on cash and cash equivalents**	162,557	151,887
5.	**Net increase in cash and cash equivalents**	-15,657,388	-12,488,023
	Add: Balances of cash and cash equivalents at the beginning of the period	145,463,712	138,185,607
6.	**Balances of cash and cash equivalents at the end of the period**	129,806,324	125,697,584

Person in charge of the Company: CHEN Yun
Person in charge of accounting affairs: SUN Cui
Person in charge of the accounting department: HE Wen

Company Cash Flow Statement
January – March 2021

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item		First Quarter of 2021	First Quarter of 2020
1.	**Cash flow from operating activities:**		
	Cash received from sales of goods or services rendered	13,194,056	11,276,484
	Cash received from tax refund	0	0
	Cash received relating to other operating activities	131,732	1,683,325
	Sub-total of cash inflows from operating activities	13,325,788	12,959,809
	Cash paid for goods and services received	20,503,965	11,972,741
	Cash paid to and on behalf of employees	201,275	144,725
	Tax payments	236,944	153,628
	Cash paid relating to other operating activities	11,736,315	12,024,686
	Sub-total of cash outflows from operating activities	32,678,499	24,295,780
	Net cash flow from operating activities	-19,352,711	-11,335,971
2.	**Cash flow from investing activities:**		
	Cash received from disposal of investments	2,204,957	4,115,622
	Cash received from return on investments	675,547	171,954
	Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	0	90
	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	2,880,504	4,287,666
	Cash paid for acquisitions of fixed assets, intangible assets and other long-term assets	62,132	2,011
	Cash paid for acquisitions of investments	7,698,826	8,975,455
	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	7,760,958	8,977,466
	Net cash flow from investing activities	-4,880,454	-4,689,800

Company Cash Flow Statement (Continued)

Item		First Quarter of 2021	First Quarter of 2020
3.	**Cash flow from financing activities:**		
	Cash received from investors	0	0
	Cash received from borrowings	9,000,000	29,113,999
	Cash received relating to other financing activities	0	0
	Sub-total of cash inflows from financing activities	9,000,000	29,113,999
	Cash paid for repayment of borrowings	10,236,179	13,311,744
	Cash paid for dividends, profit distribution or interest payment	1,081,940	952,592
	Cash paid relating to other financing activities	0	1,171
	Sub-total of cash outflows from financing activities	11,318,119	14,265,507
	Net cash flow from financing activities	-2,318,119	14,848,492
4.	**Effect of foreign exchange rate changes on cash and cash equivalents**	-97	66
5.	**Net increase in cash and cash equivalents**	-26,551,381	-1,177,213
	Add: Balances of cash and cash equivalents at the beginning of the period	43,554,765	37,947,707
6.	**Balance of cash and cash equivalents at the end of the period**	17,003,384	36,770,494

Person in charge of the Company: CHEN Yun
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 LEASES STANDARD ON THE OPENING BALANCE OF FINANCIAL STATEMENTS IN THE YEAR OF FIRST ADOPTION SINCE 2021

Not applicable

III EXPLANATION ON COMPARATIVE FIGURES REGARDING THE RETROSPECTIVE ADJUSTMENTS ON FIRST ADOPTION OF NEW LEASES STANDARD SINCE 2021

Not applicable

IV AUDIT REPORT

Not applicable