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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 FIRST QUARTER ENDED 31 MARCH 2009**

The Board of Directors (the “Board”) of China Railway Group Limited (the “Company”) announces the unaudited results (the “First Quarterly Results”) of the Company and its subsidiaries (the “Group”) for the first quarter ended 31 March 2009 (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.

1. IMPORTANT NOTICE

- 1.1 The Board of Directors and the Supervisory Committee of the Company and its directors (“Director”), supervisors (“Supervisor”) and senior management warrant that there are no false representations or misleading statements contained in, or material omissions from, this report, and severally and jointly accept responsibility for the authenticity, accuracy and completeness of the information contained herein.
- 1.2 All the Directors of the Company attended the Board meeting.
- 1.3 The financial report of the Company for the first quarter has not been audited.
- 1.4 Mr. SHI Dahua, Person in charge of the Company, Ms. LI Jiansheng, Person in charge of accounting affairs and Mr. YANG Liang, Person in charge of the accounting department (head of accounting), hereby warrant the authenticity and completeness of the financial information contained in this quarterly report.

2. CORPORATE INFORMATION

2.1 Main Accounting Data and Financial Indicators

	At the end of the Reporting Period (RMB)	At the end of the previous year (RMB)	Change (%)
Total assets ('000)	<u>267,222,748.00</u>	<u>252,095,731.00</u>	<u>6</u>
Total equity ('000)	<u>57,158,571.00</u>	<u>56,166,051.00</u>	<u>1.77</u>
Net assets per share attributable to equity holders of the Company	<u>2.68</u>	<u>2.64</u>	<u>1.52</u>
		From the beginning of the year to the end of the Reporting Period (RMB)	Change compared with the same period in the previous year (%)
Net cash flow from operating activities ('000)		2,976,424.00	219
Net cash flow from operating activities per share		<u>0.14</u>	<u>219</u>
		From the beginning of the year to the end of the Reporting Period (RMB)	Change compared with the same period in the previous year (%)
Net profit attributable to equity holders of the Company ('000)	982,310.00	982,310.00	86.61
Basic earnings per share	0.05	0.05	150
Basic earnings per share (excluding non-recurring profits and losses)	0.04	0.04	100

Upon the deduction of non-recurring profit and loss items and amount:

	From the beginning of the year to the end of the Reporting Period (RMB'000)
Non-recurring profit and loss items	
Gains or losses from the disposal of non-current assets	-7,693
Government grant as included in profit and loss of current period, other than those closely relating to the Company's business and subject to a fixed amount or norm under a national standard	4,567
Fund usage fees from non-financial enterprises as included in profit and loss of current period	61,563
Debt restructuring gains and losses	641
Gains or losses on changes in fair value arising from held-for-trading financial assets and held-for-trading financial liabilities held (excluding the valid hedging business relating to the Company's business), as well as investment gains from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	51,572
All other non-operating income and expenses	6,343
Impact of minority interests	-20
Impact of income tax	-14,238
Net income and expenses arising from donation	<u>-1,120</u>
Total	<u><u>101,615</u></u>

2.2 Number of Shareholders and Particulars of Shareholding of Top 10 Shareholders Without Selling Restrictions as at the End of the Reporting Period

Total number of shareholders by the end of the Reporting Period	1,129,486 (including 34,225 holders of H shares)
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Particulars of shareholding of the top 10 shareholders of tradable shares without selling restrictions

Name of shareholder (full name)	Total number of tradable shares held without selling restrictions as at the end of the Reporting Period (Share)	Type of shares
HKSCC Nominees Limited (Note)	4,139,830,923	Overseas listed foreign shares
China Life Insurance Co., Ltd. — Bonus — Individual Bonus — 005L-FH002 Hu	74,245,560	RMB-denominated ordinary shares
Bank of Communications — E Fund 50 Index Fund	61,800,740	RMB-denominated ordinary shares
Industrial Bank Co., Ltd. — Industrial Trend Investment Mixed Fund	46,644,071	RMB-denominated ordinary shares
Industrial and Commercial Bank of China — SSE 50 Exchange Traded Fund	43,835,951	RMB-denominated ordinary shares
Industrial and Commercial Bank of China — Southern Longyuan Industrial Theme Equity Security Investment Fund	41,500,695	RMB-denominated ordinary shares
China Construction Bank — China International Fund Management China Advantage Security Investment Fund	40,017,888	RMB-denominated ordinary shares
Agricultural Bank of China — Invesco Great Wall Monopolistic Resource Security Investment Fund	37,999,821	RMB-denominated ordinary shares
Bank of China — Invesco Great Wall Top Revenue Open-end Security Investment Fund	37,417,156	RMB-denominated ordinary shares
Bank of China — Jia Shi SSE-SZSE 300 Index Security Investment Fund	33,001,984	RMB-denominated ordinary shares

Note: The H shares held by HKSCC Nominees Limited are held on behalf of various clients.

3. SIGNIFICANT EVENTS

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

Applicable Not applicable

Item	At the end of the Reporting Period (RMB'000)	At the end of the previous same period in the previous year (RMB'000)	Change (%)	Explanation
Trade receivables	41,748,632	50,197,476	-16.83	Shorter payment period due to the Company's increased efforts in recovering debts
Prepayments	18,645,075	14,258,150	30.77	Expansion of the Company's operating scale
Bills payables	6,027,259	3,530,336	70.73	Increase in bill usage
Receipts in advance	47,550,940	39,627,597	19.99	Expansion of the Company's operating scale
Operating revenue	60,105,836	35,166,865	70.92	Expansion of the Company's operating scale
Operating cost	53,826,237	30,996,789	73.65	Expansion of the Company's operating scale
Administrative expenses	2,463,389	1,614,270	52.6	Expansion of the Company's operating scale
Financial expenses	533,937	736,297	-27.48	No foreign exchange loss incurred for the Reporting Period
Net cash from operating activities	2,976,424	-2,510,027	218.58	Shorter payment period due to the Company's increased efforts in recovering debts

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

√ Applicable

□ Not applicable

During the Reporting Period, the progress of the material litigation as disclosed in the 2008 annual report of the Company in respect of the guarantee provided by China Railway Construction Group Co., Ltd. (“China Railway Construction”) for the loan of RMB220 million of Shenzhen Wanghai Yikang Industry Development Co., Ltd. (“Wanghai Yikang”) lent by Shenzhen Development Bank Co., Ltd., Shenzhen Bao’an Sub-branch is as follows:

On 19 January 2009, China Railway Construction entered into a written agreement with Shenzhen Lvgem Co., Ltd. (“Lvgem Group”), Shenzhen Lvgem Estate Development Co., Ltd. (“Lvgem Estate Development”), Shenzhen Jinshunlai Investment Co., Ltd. (“Shenzhen Jinshunlai”), Wanghai Yikang and Wanghai Yikang Restructuring Office relating to the release of China Railway Construction from its guarantee responsibility or the replacement of the guarantor, and the counter-guarantee. The parties to the agreement agreed to replace the guarantee provided by China Railway Construction for the loan of RMB220 million of Wanghai Yikang lent by Shenzhen Development Bank, by pre-selling the properties of the Zhong Cheng Tian Yi project owned by Lvgem Estate Development to Shenzhen Development Bank or by other manner, and Shenzhen Bao’an Sub-branch shall issue the letter of release from the guarantee responsibility to China Railway Construction. Shenzhen Lvgem Group, Lvgem Estate Development and Shenzhen Jinshunlai had undertaken joint liabilities to provide counter-guarantee to China Railway Construction until the guarantee responsibility of China Railway Construction has been released. If China Railway Construction discharges its guarantee responsibility to Shenzhen Bao’an Sub-branch, China Railway Construction shall be entitled to claim for the full amount so discharged from any of the three counterparties to the aforementioned agreement.

On 20 February 2009, Shenzhen Bao’an Sub-branch has delivered the Letter of Release of Guarantee to China Railway Construction regarding such guarantee and the main contents are as follows: Shenzhen Bao’an Sub-branch has released China Railway Construction from its joint and several liabilities in respect of its guarantee for the aforementioned loan and China Railway Construction shall cease to undertake the guarantee responsibility affirmed in the Civil Written Order (2004) Yue Gao Fa Min Er Chu Zi No. 35 issued by Guangdong Provincial High People’s Court and the Written Order (2008) Min Yi Zhong Zi No. 89 issued by the Supreme People’s Court, with effect from 20 February 2009. And such release is unconditional and irrevocable.

As a result, the responsibility of China Railway Construction under the guarantee provided for the loan of RMB220 million of Wanghai Yikang to Shenzhen Bao’an Sub-branch had been released and the litigation was concluded.

3.3 Fulfillment of Undertakings Made by the Company, Shareholders and Ultimate Controllers

Applicable Not applicable

China Railway Engineering Corporation, the controlling shareholder of the Company, made the following undertakings at the time of the initial public offering of the Company:

1. China Railway Engineering Corporation will not transfer or appoint others to manage the A Shares of the Company held by it within 36 months since the listing of the A shares of the Company on the Shanghai Stock Exchange. Once the period of undertaking expires, the aforesaid shares may be traded and transferred in the market. However, if the H Shares of the Company are successfully issued, the conversion of the Company's shares held by China Railway Engineering Corporation into H Shares for placing or for trading in the market after undergoing the relevant procedures is not subject to the lock-up period mentioned above.
2. Upon the establishment of the Company in accordance with the law, China Railway Engineering Corporation and its subsidiaries other than the Company do not in any form, directly or indirectly, engage in or participate in or procure the engagement or participation in any businesses that compete, or are likely to compete with the core businesses of the Company and its subsidiaries. If China Railway Engineering Corporation or its subsidiaries other than the Company become(s) aware of any new business opportunity which directly or indirectly competes, or is likely to compete, with the core businesses of the Company, it shall notify the Company in writing of such business opportunity immediately upon becoming aware of it, and warrants that priority and a pre-emptive right of first refusal in respect of the business opportunity shall be available to the Company or its subsidiaries. If China Railway Engineering Corporation or any of its subsidiaries intends to transfer, sell, lease or license or otherwise assign to any third parties or permit them any new business opportunity, assets or interests that it may acquire in future and which may compete or is likely to compete, directly or indirectly, with the core businesses of the Company, China Railway Engineering Corporation warrants that such business opportunity, assets or interests will first be offered to the Company or its subsidiaries.

China Railway Engineering Corporation fully fulfilled the above undertakings during the Reporting Period.

3.4 Warnings and Explanations on Loss Forecast or Significant Changes in Net Accumulative Profit from the Beginning of the Year to the End of the Next Reporting Period

Applicable Not applicable

3.5 Execution of cash dividend policy during the Reporting Period

Pursuant to the “Decisions Concerning Certain Amendments in Regulating the Distribution of the Cash Dividend by Listed Companies” issued by China Securities Regulatory Commission, the Company has made the following amendments to the dividend policy under the Article of Association of the Company: “Article 226 — The Company may distribute dividend in cash or in specie (or both). The Company may distribute interim cash dividend. The profit distribution policies of the Company should be consistent and stable.” Such amendments are subject to approval by the 2008 Annual General Meeting.

No profit was distributed by the Company in 2008 as the Company did not have enough distributable reserves for profit distribution in 2008.

4. 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.

5. 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 2009 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
SHI Dahua
Chairman

Beijing, PRC, 28 April 2009

As at the date of this announcement, the executive Directors of the Company are SHI Dahua (Chairman), LI Changjin and BAI Zhongren; the non-executive Director is WANG Qiuming; and the independent non-executive Directors are HE Gong, ZHANG Qinglin, GONG Huazhang, WANG Taiwen and SUN Patrick.

APPENDIX

Consolidated Balance Sheet

31 March 2009

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Current assets:		
Cash and cash equivalents	58,852,396	49,376,246
Settlement reserves		
Loans to others		
Held-for-trading financial assets	75,625	141,206
Bills receivables	525,650	487,819
Trade receivables	41,748,632	50,197,476
Advance to suppliers	18,645,075	14,258,150
Premiums receivables		
Reinsurance receivables		
Reinsurance policy reserve receivables		
Interest receivables	18,373	18,351
Dividend receivables	5,749	5,749
Other receivables	15,064,978	13,293,129
Buying back the financial assets sold		
Inventories	68,916,355	63,626,896
Loans and receivables due within one year	856,290	892,250
Non-current assets due within one year		
Other current assets		
Total current assets	204,709,123	192,297,272

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Non-current assets:		
Loans and receivables		
Available-for-sale financial assets	1,272,663	963,363
Held-to-maturity investment		
Loans and receivables	908,281	914,271
Long-term receivables	510,017	76,745
Long-term equity investment	7,815,791	7,546,658
Investment properties	1,742,345	1,819,504
Fixed assets	20,304,650	19,985,378
Construction in progress	3,361,617	2,646,228
Materials held for construction of fixed assets	1,194,656	991,010
Fixed assets to be disposal of	2,188	2,098
Productive biological assets		
Oil and gas assets		
Intangible assets	20,960,060	20,896,169
Development cost	1,656	1,645
Goodwill	835,530	835,542
Long-term deferred expenses	34,270	41,529
Deferred income tax assets	2,500,995	2,553,630
Other non-current assets	1,068,906	524,689
Total non-current assets	62,513,625	59,798,459
Total assets	267,222,748	252,095,731

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Current liabilities:		
Short-term borrowings	37,277,884	32,511,544
Loans from central bank		
Deposits taking and deposits in peers		
Borrowed funds		
Held-for-trading financial liabilities	42,450	80,144
Short-term bonds payables	800,000	600,000
Bills payables	6,027,259	3,530,336
Trade payables	57,788,062	63,545,071
Receipts in advance	47,550,940	39,627,597
Fund from disposal of repurchased financial assets		
Handling fees and commission payable		
Accrued payroll and welfare	1,713,790	1,942,367
Taxes payables	4,216,913	4,412,538
Interest payables		111,962
Dividend payables	156,385	165,124
Other payables	16,638,894	14,309,878
Accrued liabilities	2,584	2,708
Reinsurance payables		
Reserve for insurance contracts		
Agent brokerage fee		
Agent underwriting fee		
Non-current liabilities due within one year	4,594,238	4,700,564
Trust deposits	10,472	10,328
Other current liabilities	400,000	
Total current liabilities	177,219,871	165,550,161

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Non-current liabilities:		
Long-term borrowings	18,415,862	16,829,020
Bonds payables		
Long-term payables	7,817,355	7,869,428
Specific accounts payable	24,320	11,000
Deferred income	108,220	137,678
Accrued liabilities	82,912	82,631
Deferred income tax liabilities	415,540	397,821
Other non-current liabilities	153,431	123,127
Total non-current liabilities	27,017,640	25,450,705
Total liabilities	204,237,511	191,000,866
Shareholders' equity:		
Share capital	21,299,900	21,299,900
Capital reserve	30,529,227	30,622,339
Less: Reserved shares		
Statutory reserves	672,296	672,296
Trust indemnity and risk reserves	64,935	60,810
General risk reserves		
Accumulated profits	4,602,972	3,521,685
Exchange translation reserve	-10,759	-10,979
Equity attributable to equity holders of the Company	57,158,571	56,166,051
Minority interests	5,826,666	4,928,814
Total equity	62,985,237	61,094,865
Total liabilities and equity	267,222,748	252,095,731

Legal Representative of the Company: SHI Dahua

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang

Balance Sheet of the Company

31 March 2009

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Current assets:		
Cash and cash equivalents	17,046,249	17,582,147
Held-for-trading financial assets	30,963	31,883
Bills receivables		1,200
Trade receivables	871,521	3,307,294
Advance to suppliers	1,320,023	1,155,829
Interest receivables		
Dividend receivables	317,063	325,753
Other receivables	4,533,050	3,740,278
Inventories	1,384,177	460,126
Loans and receivables due within one year	45,480	45,480
Non-current assets due within one year		
Other current assets		
Total current assets	25,548,526	26,649,990

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Loans and receivables	344,744	344,744
Long-term receivables		
Long-term equity investments	46,896,442	46,578,238
Investment properties		
Fixed assets	71,787	70,698
Construction in progress	3,590	748
Materials held for construction of fixed assets		
Fixed assets to be disposed of		
Productive biological assets		
Oil and gas assets		
Intangible assets	32,346	33,948
Development cost		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	185,793	201,802
Other non-current assets	910,801	910,801
Total non-current assets	48,445,503	48,140,979
Total Assets	73,994,029	74,790,969

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Current liabilities:		
Short-term borrowings	448,668	479,113
Held-for-trading financial liabilities		
Bills payables		
Trade payables	1,446,538	2,649,310
Receipts in advance	2,052,666	1,914,971
Accrued payroll and welfare	5,220	8,336
Taxes payables	13,739	19,961
Interest payables		
Dividend payables		
Other payables	8,841,798	8,624,243
Non-current liabilities due within one year	29,525	29,525
Other current liabilities		
Total current liabilities	12,838,154	13,725,459
Non-current liabilities:		
Long-term borrowings	92,025	92,025
Bonds payables		
Long-term payables	33,183	33,183
Specific accounts payable		
Deferred income	3,676	3,906
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	128,884	129,114
Total liabilities	12,967,038	13,854,573

Item	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period
Shareholders' equity:		
Share capital	21,299,900	21,299,900
Capital reserve	41,553,541	41,553,541
Less: Reserved shares		
Statutory reserves		
Accumulated profits	-1,828,334	-1,919,050
Exchange translation reserve	1,884	2,005
Total equity	61,026,991	60,936,396
Total liabilities and equity	73,994,029	74,790,969

Legal Representative of the Company: SHI Dahua

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang

Consolidated Income Statement

January–March 2009

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting period	Previous period
1. Revenue	60,105,836	35,166,865
Including: Operating revenue	60,105,836	35,166,865
Interest income		
Insurance premiums earned		
Handling fees and commission		
2. Total operating costs	58,866,573	34,675,598
Including: Cost of sales	53,826,237	30,996,789
Interest expenses		
Handling fees and commission expenses		
Insurance premiums refunded		
Net payment for claims		
Net reserve for insurance policies		
Bonus paid for insurance policies		
Reinsurance cost		
Sales tax	1,787,684	1,028,262
Selling expenses	196,863	225,373
Administrative expenses	2,463,389	1,614,270
Financial expenses	533,937	736,297
Impairment losses on assets	58,463	74,607
Add: Gains from changes in fair value (loss is marked with “-”)	1,805	-2,156
Investment income (loss is marked with “-”)	30,965	187,775
Including: Share of results of jointly controlled entities and associates		
Foreign exchange gains (loss is marked with “-”)		
3. Operating profit (loss is marked with “-”)	1,272,033	676,886
Add: Non-operating income	36,938	71,509
Less: Non-operating expenses	22,716	18,491
Including: Net losses from the disposal of non-current assets		

Item	Reporting period	Previous period
4. Profit before taxation		
(total loss is marked with “-”)	1,286,255	729,904
Less: Income tax expenses	266,728	97,515
5. Net profit (net loss is marked with “-”)	1,019,527	632,389
Profit attributable to equity holders of the Company	982,310	526,403
Minority interests	37,217	105,986
6. Earnings per share:		
(I) Basic earnings per share	0.05	0.02
(II) Diluted earnings per share		

Legal Representative of the Company: SHI Dahua

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang

Company Income Statement

January–March 2009

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting period	Previous period
1. Revenue	3,099,446	124,189
Less: Cost of sales	2,997,363	111,767
Sales tax	4,942	2,949
Selling expenses		
Administrative expenses	42,810	54,271
Financial expenses	-53,100	386,668
Impairment losses on assets	-1,348	
Add: Gains from changes in fair value (loss is marked with “-”)	-513	
Investment income (loss is marked with “-”)	517	162,741
Including: Share of results of jointly controlled entities and associates	517	
2. Operating profit (loss is marked with “-”)	107,435	-267,377
Add: Non-operating income	95	30
Less: Non-operating expenses	805	2,502
Including: Net losses from the disposal of non-current assets		
3. Profit before taxation (total loss is marked with “-”)	106,725	-269,849
Less: Income tax expenses	16,009	-40,477
4. Net profit (net loss is marked with “-”)	90,716	-229,372

Legal Representative of the Company: SHI Dahua

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang

Consolidated Cash Flow Statement

January–March 2009

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting period	Previous period
1. Cash Flow from Operating Activities:		
Cash received from sales of goods or services rendered	76,440,192	50,010,770
Net increase in customer deposits and interbank placement		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Cash received from premiums of existing insurance policies		
Net cash received from reinsurance business		
Net increase in reserves and investment from policy holders		
Net increase in disposal of trading financial assets		
Cash received from interests, handling fees and commission		
Net increase in borrowed funds		
Net increase in funds for repurchase of business		
Receipt of tax refund	20,630	20,519
Cash received relating to other operating activities	2,552,469	19,204,537
Sub-total of cash inflows from operating activities	79,013,291	69,235,826
Cash paid for goods and services received	63,143,931	45,664,012
Net increase in loans and advances to customers		
Net increase in deposit with central bank and peers		
Cash paid for claims under existing insurance policies		
Cash paid for interests, handling fees and commission		
Cash paid for bonus of insurance policies		
Cash paid to and on behalf of employees	3,955,544	3,531,140
Tax payments	2,269,379	1,731,573
Cash paid relating to other operating activities	6,668,013	20,819,128
Sub-total of cash outflows from operating activities	76,036,867	71,745,853
Net cash flow from operating activities	2,976,424	-2,510,027

Item	Reporting period	Previous period
2. Cash Flow from Investing Activities:		
Cash received from disposal of investments	89,538	65,460
Cash received from return on investments	30,965	37,850
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	398,980	26,954
Net cash received from disposal of subsidiaries or other operating business divisions		15,973
Other cash receipts relating to investing activities		425,287
Sub-total of cash inflows from investing activities	519,483	571,524
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,256,070	2,654,580
Cash paid for acquisitions of investments	1,060,428	1,257,126
Net increase in secured loans		
Net cash payments for acquisition of subsidiaries or other operating business divisions		101,500
Other cash payments relating to investing activities		581,188
Sub-total of cash outflows from investing activities	3,316,498	4,594,394
Net cash flow from investing activities	-2,797,015	-4,022,870
3. Cash Flow from Financing Activities:		
Cash received from investors	1,507,616	2,239,842
Including: Cash received by subsidiaries as investment by minority shareholders		2,000
Cash received from borrowings	12,797,918	12,014,859
Cash received from bond issue		
Other cash receipts relating to financing activities	593,873	
Sub-total of cash inflows from financing activities	14,305,534	14,848,574
Cash paid for repayments of borrowings	6,244,736	7,974,848
Cash for dividends and profit distribution or interest payment	134,574	546,429
Including: Dividends and profits paid to minority shareholders by subsidiaries		9
Other cash payments relating to financing activities		720,937
Sub-total of cash outflows from financing activities	6,379,310	9,242,214
Net cash flow from financing activities	7,926,224	5,606,360

Item	Reporting period	Previous period
4. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	-28,356	-538,368
5. Net Increase in Cash and Cash Equivalents	8,077,277	-1,464,905
Add: Balances of cash and cash equivalents at the beginning of the period	46,846,395	58,629,570
6. Balances of Cash and Cash Equivalents at the End of the Period	54,923,672	57,164,665

Legal Representative of the Company: SHI Dahua

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang

Company Cash Flow Statement

January—March 2009

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting period	Previous period
1. Cash flow from operating activities:		
Cash received from sales of goods or services rendered	3,228,642	1,621,995
Receipt of tax refund	30	542
Cash received relating to other operating activities	2,077,113	14,191,443
Sub-total of cash inflows from operating activities	5,305,785	15,813,980
Cash paid for goods and services received	2,085,984	1,345,363
Cash paid to and on behalf of employees	23,036	30,993
Tax payments	40,174	3,727
Cash paid relating to other operating activities	3,285,899	15,120,435
Sub-total of cash outflows from operating activities	5,435,093	16,500,518
Net cash flow from operating activities	-129,308	-686,538
2. Cash flow from investing activities:		
Cash received from disposal of investments	8,690	13,507
Cash received from return on investments		403
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries or other operating business divisions		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	8,690	13,910
Cash paid for acquisitions of fixed assets, intangible assets and other long-term assets	1,358	365
Cash paid for acquisitions of investments	350,000	1,014,385
Net cash paid for acquisition of subsidiaries or other operating business divisions		
Cash paid relating to other investing activities		
Sub-total of cash outflows from investing activities	351,358	1,014,750
Net cash flow from investing activities	-342,668	-1,000,840

Item	Reporting period	Previous period
3. Cash flow from financing activities:		
Cash received from investors		
Cash received from borrowings		
Cash received relating to other financing activities		210
Sub-total of cash inflows from financing activities		210
Cash paid for repayments of borrowings	30,445	7,000
Cash for dividends and profit distribution or interest payment.		441
Cash paid relating to other financing activities		1
Sub-total of cash outflows from financing activities	30,445	7,442
Net cash flow from financing activities	-30,445	-7,232
4. Effect of foreign exchange rate changes on cash and cash equivalents	-33,477	-526,555
5. Net increase in cash and cash equivalents	-535,898	-2,221,165
Add: Balances of cash and cash equivalents at the beginning of the period	17,582,147	30,257,374
6. Balance of cash and cash equivalents at the end of the period	17,046,249	28,036,209

Legal Representative of the Company: SHI Dahua

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang