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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 2011**

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 (the “**Group**”) for the third quarter ended 30 September 2011 (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, 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 responsibility for the authenticity, accuracy and completeness of the information contained in this report.
- 1.2 All the Directors of the Company attended the Board meeting.
- 1.3 The financial report of the Company for the third quarter has not been audited.
- 1.4

Person in charge of the Company	LI Changjin
Person in charge of accounting affairs	LI Jiansheng
Person in charge of the accounting department (head of accounting)	YANG Liang

Mr. LI Changjin, 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 report.

2 CORPORATE INFORMATION

2.1 Main Accounting Data and Financial Indicators

Currency: RMB

	At the end of the Reporting Period	At the end of the previous year	Change (%)
Total assets ('000)	<u>441,904,995.00</u>	<u>389,306,350.00</u>	<u>13.51</u>
Total equity ('000)	<u>68,890,766.00</u>	<u>66,752,068.00</u>	<u>3.20</u>
Net assets per share attributable to the equity holders of the Company (RMB/share)	<u>3.23</u>	<u>3.13</u>	<u>3.19</u>
	From the beginning of the year to the end of the Reporting Period (January to September)		Change compared with the same period of previous year (%)
Net cash generated from operating activities ('000)	<u>-24,272,759.00</u>		<u>N/A</u>
Net cash generated from operating activities per share (RMB/share)	<u>-1.14</u>		<u>N/A</u>

	Reporting Period (July to September)	From the beginning of the year to the end of the Reporting Period (January to September)	Change compared with the same period of previous year (%)
Profit attributable to the equity holders of the Company ('000)	1,139,991.00	3,626,923.00	-48.59
Basic earnings per share (RMB/share)	0.05	0.17	-50.00
Basic earnings per share (after non-recurring gains and losses) (RMB/share)	0.05	0.16	-44.44
Weighted average net assets yield (%)	1.67	5.35	decreased by 1.68 percentage points
Weighted average net assets yield after non-recurring gains and losses (%)	1.67	4.93	decreased by 1.34 percentage points

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

Unit: '000 Currency: RMB

Item	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	9,122
Government grant as included in profit and loss of current period, other than those closely relating to business of enterprises and subject to a fixed amount or norm under a national standard	150,284
Debt restructuring gains and losses	125
Gains or losses on changes in fair value arising from held-for-trading financial assets and held-for-trading financial liabilities (excluding the valid hedging business relating to the Company's business), as well as gains from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	96,268
Other net non-operating income and expenditure	93,819
Impact of income tax	-58,736
Impact of minority interests (after tax)	-7,553
Total	283,329

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

Unit: Share

Total number of shareholders as at the end of the Reporting Period 780,687

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	Type of shares
China Railway Engineering Corporation	11,950,010,000	RMB-denominated ordinary shares
HKSCC Nominees Limited	4,139,684,746	Overseas listed foreign shares
ICBC – SSE 50 Exchange Traded Fund	47,909,900	RMB-denominated ordinary shares
Changjiang Securities Company Limited	35,129,804	RMB-denominated ordinary shares
Bank of China – Harvest SSE-SZSE 300 Index Securities Investment Fund	27,843,551	RMB-denominated ordinary shares
Bill & Melinda Gates Foundation Trust	25,000,090	RMB-denominated ordinary shares
China Life Insurance Company Limited – Tradition – General – 005L – CT001 Hu	22,000,000	RMB-denominated ordinary shares
Guotai Junan Securities Co.Ltd., Client Credit Trading Guarantee Securities Account	21,015,602	RMB-denominated ordinary shares
ICBC – China AMC SSE-SZSE 300 Index Securities Investment Fund	18,000,000	RMB-denominated ordinary shares
Guotai Jun'an – CCB – HSBC	17,566,216	RMB-denominated ordinary shares
Statement on the connected relations and concerted actions between the shareholders above	China Railway Engineering Corporation, the controlling shareholder, does not have connected relations and is not a concerted party with the above other 9 shareholders. The SSE 50 Exchange Traded Fund and the China AMC SSE-SZSE 300 Index Securities Investment Fund are under the management of China Asset Management Co., Ltd.. Save as disclosed above, the Company is not aware of any connected relationships or concerted-action relationships between the above shareholders.	

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 or the Reporting Period (RMB'000)	At the end of the previous reporting period or the previous reporting period (RMB'000)	Change (%)	Explanation
Bills receivables	1,518,731	884,936	71.62%	Increase in amount of bill payment made by the clients
Advances to suppliers	29,449,051	20,769,004	41.79%	Increase in materials trading business
Other receivables	21,761,287	18,313,981	18.82%	Expansion of the Company's operating scale
Construction in progress	4,566,677	3,078,785	48.33%	Increase in scale of construction in progress
Bonds payables	19,929,443	11,933,494	67.00%	Issuance of corporate bonds in the Reporting Period
Revenue	335,787,695	294,763,482	13.92%	Expansion of the Company's operating scale
Cost of sales	304,894,918	267,358,506	14.04%	Expansion of the Company's operating scale
Finance expenses	2,236,069	783,309	185.46%	Increase in borrowings of the Company resulting in an increase in funding cost
Profit attributable to equity holders of the Company	3,626,923	5,425,669	-33.15%	Decrease of gross profit margin and increase of financial expenses resulting in a decrease in profit
Net cash flow from operating activities	-24,272,759	4,917,777	N/A	Funding pressure of project owners resulting in slow repayment pursuant to contracts and project progress

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

√ Applicable □ Not Applicable

3.2.1 Value of new contracts entered into during the Reporting Period

The value of new contracts entered into by the Group during the Reporting Period reached RMB119 billion, representing a decrease of 39.4% over the same period of last year. The value of new contracts during the Reporting Period comprises of RMB89.71 billion from infrastructure construction business, representing a decrease of 50% over the same period of last year, RMB2.49 billion from survey, design and consulting services business, representing an increase of 7.8% over the same period of last year, and RMB2.69 billion from engineering equipment and component manufacturing business, representing a decrease of 27.1% over the same period of last year.

The value of new contracts entered into from January to September 2011 amounted to RMB357.7 billion, representing a decrease of 37.1% over the same period last year. The value of new contracts entered into from January to September 2011 comprises of RMB266.78 billion from infrastructure construction business (the railway business of the Company has won the bid of RMB17.67 billion from the primary market, representing a share of 52.2% of the total amount of bid opening for primary market), representing a decrease of 46% over the same period last year, RMB7.96 billion from survey, design and consulting services business, representing an increase of 4.3% over the same period last year and RMB12.99 billion from engineering equipment and component manufacturing business, representing an increase of 11.3% over the same period of last year.

Contract backlog as at the end of the Reporting Period

As at the end of the Reporting Period, the Group's contract backlog amounted to RMB984.085 billion, among which RMB855.264 billion is from infrastructure construction business, RMB14.393 billion is from survey, design and consulting services business and RMB10.752 billion is from engineering equipment and component manufacturing business.

3.2.2 Explanatory note on the proposal of private placement of A shares

The Company published an announcement on 11 August 2011 and its 2011 Interim Report on 31 August 2011, providing an explanatory note on the execution of the Proposal of Private Placement of A Shares to Target Investors by the Company. Please refer to Company's announcement for details.

3.2.3 Explanatory note of Poland A2 Project

An explanatory note of the dispute between the consortium established by China Overseas Engineering Group Co., Ltd., and China Railway Tunnel Group Co., Ltd., (both of which are subsidiaries of the Company) and two other third parties (the “Consortium”) and General Directorate of National Roads and Motorways of Poland (the “Project Owner”), in relation to the Sections A and C of the A2 Motorway Project in Poland (the “Poland A2 Project”) in which the Consortium won the bid, is set out in the Company’s 2011 Interim Report published on 31 August 2011. Recently, the Project Owner filed to the Warsaw district court (the “Court”) and the Court has issued an order of payment demanding the Consortium to pay 128,913,671 Polish Zloty (equivalent to approximately USD41,319,808) as the penalty under the contract plus appropriate interest. The legal counsel of the Consortium has filed an objection against the order of payment from the Court, and in accordance with Polish law, the order of payment ceased to have legal effect. The proceedings will now continue as normal civil litigation, and the Company will continue to take active measures through legal means to protect the legal rights and interests of the Company.

As of 30 September 2011, the total losses of the Group for the A2 Project is RMB0.644 billion, representing an increase of losses of RMB0.094 billion in this quarter. The main reasons for the increase in losses are settlement cost paid for certain sub-contracts of the project and administrative expense incurred for project settlement in this quarter.

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

Applicable Not Applicable

Undertaking	Details of undertaking	Performance status
Undertaking made by China Railway Engineering Corporation	1. China Railway Engineering Corporation will not transfer or engage others to manage the A Shares of China Railway Group Limited held by it within 36 months from the listing of A Shares of the China Railway Group Limited on the Shanghai Stock Exchange. Once the period of the undertaking expires, the aforesaid shares may be traded and transferred in the market. However, if the H Shares of China Railway Group Limited are successfully issued, the conversion of the shares of China Railway Group Limited held by China Railway Engineering Corporation into H Shares for placing or for trading in the market after undergoing the relevant procedures will not be subject to the lock-up period mentioned above.	China Railway Engineering Corporation has strictly complied with the above undertaking.

Undertaking	Details of undertaking	Performance status
	<p>2. Upon the establishment of China Railway Group Limited in accordance with the law, China Railway Engineering Corporation and its subsidiaries (other than China Railway Group Limited) will 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 China Railway Group Limited and its subsidiaries. If China Railway Engineering Corporation or its subsidiaries (other than China Railway Group Limited) become(s) aware of any new business opportunity which directly or indirectly competes, or is likely to compete, with the core businesses of China Railway Group Limited, it shall notify China Railway Group Limited 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 China Railway Group Limited 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 China Railway Group Limited, China Railway Engineering Corporation warrants that such business opportunity, assets or interests will first be offered to China Railway Group Limited or its subsidiaries.</p>	

3.4 Warnings and Explanations on Loss Forecast or Significant Changes in Net 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

During the Reporting Period, the Company would pay 25% of the distributable profits as dividends to its shareholders by paying a cash dividend of RMB0.55 (including tax) for every 10 shares (with a total amount of RMB1.1725 billion), pursuant to the profit distribution resolution adopted at the 2010 annual general meeting which was held on 16 June 2011. The announcement of profit distribution was published on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily published on 12 July 2011 and the website of Shanghai Stock Exchange. As of 2 August 2011, the Company's 2010 profit distribution scheme was fully completed.

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 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 2011 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
LI Changjin
Chairman

30 October 2011

As at the date of this announcement, the executive directors of the Company are LI Changjin (Chairman), BAI Zhongren and YAO Guiqing; the non-executive director is HAN Xiuguo; and the independent non-executive directors are HE Gong, GONG Huazhang, WANG Taiwen and SUN Patrick.

APPENDIX

Consolidated Balance Sheet

30 September 2011

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 year
Current assets:		
Cash and cash equivalents	47,786,178	57,150,920
Settlement reserves		
Loans to others		
Held-for-trading financial assets	124,681	152,990
Bills receivables	1,518,731	884,936
Trade receivables	96,154,847	81,472,233
Advances to suppliers	29,449,051	20,769,004
Premiums receivables		
Reinsurance receivables		
Reinsurance policy reserve receivables		
Interests receivables	39,113	30,746
Dividends receivables	78,421	33,362
Other receivables	21,761,287	18,313,981
Buying back the financial assets sold		
Inventories	148,412,660	118,968,504
Non-current assets due within one year	451,468	453,763
Other current assets	165,045	241,163
Total current assets	345,941,482	298,471,602

Consolidated Balance Sheet (Continued)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the year
Non-current assets:		
Entrusted loans and advances receivables	58,000	47,000
Available-for-sale financial assets	1,680,117	1,205,025
Held-to-maturity investments		
Long-term receivables	2,180,774	2,680,034
Long-term equity investments	8,650,968	8,146,222
Investment properties	2,769,001	2,677,565
Fixed assets	31,243,993	31,014,799
Construction in progress	4,566,677	3,078,785
Materials held for construction of fixed assets	175,361	350,779
Fixed assets to be disposed of	14,045	3,870
Productive biological assets		
Oil and gas assets		
Intangible assets	34,216,676	33,161,092
Development cost		
Goodwill	869,098	864,858
Long-term deferred expenses	216,805	211,916
Deferred income tax assets	3,079,576	2,735,359
Other non-current assets	6,242,422	4,657,444
Total non-current assets	95,963,513	90,834,748
Total assets	441,904,995	389,306,350
Current liabilities:		
Short-term borrowings	47,294,236	25,403,691
Borrowings from central bank		
Deposits taking and deposits from peers		
Borrowed funds		
Held-for-trading financial liabilities	78,441	92,778
Bills payables	14,506,626	9,669,320
Trade payables	138,470,768	127,046,546
Advances from customers	51,827,769	53,153,966
Fund from disposal of repurchased financial assets		
Handling fees and commission payable		
Accrued payroll	2,313,645	1,894,648
Taxes payables	8,407,077	7,945,896
Interests payables	837,743	387,694
Dividends payables	133,664	117,445
Other payables	24,527,425	22,249,374
Accrued liabilities due within one year	2,886	2,886
Reinsurance payables		
Reserve for insurance policies		
Agent brokerage fee		
Agent underwriting fee		
Non-current liabilities due within one year	3,614,839	9,733,744
Other current liabilities	5,424,422	6,702,143
Total current liabilities	297,439,541	264,400,131

Consolidated Balance Sheet (Continued)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the year
Non-current liabilities:		
Long-term borrowings	40,336,390	30,981,795
Bonds payables	19,929,443	11,933,494
Long-term payables	6,171,864	6,641,082
Specific accounts payable	11,000	11,000
Accrued liabilities	201,129	134,171
Deferred income tax liabilities	671,413	620,823
Other non-current liabilities	686,933	691,973
Total non-current liabilities	68,008,172	51,014,338
Total liabilities	365,447,713	315,414,469
Equity:		
Share capital	21,299,900	21,299,900
Capital reserve	30,513,798	30,654,109
Less: Reserved shares		
Specific reserve		
Surplus reserve	1,614,347	1,607,081
General risk reserve	119,458	111,144
Accumulated profits	15,509,269	13,147,694
Exchange translation reserve	-166,006	-67,860
Equity attributable to equity holders of the Company	68,890,766	66,752,068
Minority interests	7,566,516	7,139,813
Total equity	76,457,282	73,891,881
Total liabilities and equity	441,904,995	389,306,350

Legal representative of the Company: LI Changjin

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang

Company Balance Sheet
30 September 2011

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 year
Current assets:		
Cash and cash equivalents	9,504,789	6,669,200
Held-for-trading financial assets	24,071	40,195
Bills receivables	39,500	81,370
Trade receivables	3,839,368	5,238,780
Advances to suppliers	3,310,319	3,254,399
Interests receivables	23,445	23,444
Dividends receivables	153,422	2,875,292
Other receivables	10,015,276	8,770,286
Inventories	2,489,020	1,087,294
Non-current assets due within one year	151,886	373,096
Other current assets		
Total current assets	29,551,096	28,413,356
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables	19,380,167	14,847,174
Long-term equity investments	65,146,907	60,824,729
Investment properties	141,917	144,414
Fixed assets	370,585	291,242
Construction in progress	8,749	7,500
Materials held for construction of fixed assets		
Fixed assets to be disposed of		
Productive biological assets		
Oil and gas assets		
Intangible assets	686,300	707,811
Development cost		
Goodwill		
Long-term deferred expenses	104,489	127,283
Deferred income tax assets	167,706	167,706
Other non-current assets		
Total non-current assets	86,006,820	77,117,859
Total assets	115,557,916	105,531,215

Company Balance Sheet (Continued)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the year
Current liabilities:		
Short-term borrowings	2,850,000	461,258
Held-for-trading financial liabilities		
Bills payables		168,200
Trade payables	6,885,247	4,708,224
Advances from customers	4,561,037	5,446,523
Accrued payroll	11,332	18,422
Taxes payables	292,066	263,269
Interests payables	813,703	361,448
Dividends payables		
Other payables	2,810,299	5,801,657
Non-current liabilities due within one year	9,248	16,001
Other current liabilities	5,000,000	6,679,900
Total current liabilities	23,232,932	23,924,902
Non-current liabilities:		
Long-term borrowings	1,346,695	1,346,428
Bonds payables	19,929,443	11,933,494
Long-term payables	19,293	24,257
Specific accounts payable		
Deferred income	5,124	5,150
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	21,300,555	13,309,329
Total liabilities	44,533,487	37,234,231
Equity:		
Share capital	21,299,900	21,299,900
Capital reserve	41,380,344	41,384,361
Less: Reserved shares		
Specific reserve		
Surplus reserve	935,951	935,951
General risk reserve		
Accumulated profits	7,408,551	4,676,772
Exchange translation reserve	-317	
Total equity	71,024,429	68,296,984
Total liabilities and equity	115,557,916	105,531,215

Legal representative of the Company: LI Changjin
 Person in charge of accounting affairs: LI Jiansheng
 Person in charge of the accounting department: YANG Liang

Consolidated Income Statement

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting Period (July– September)	Reporting period of previous year (July– September)	From the beginning of the current year to the end of the Reporting Period (January– September)	From the beginning to the end of the reporting period of previous year (January– September)
1. Total operating revenue	112,892,642	99,095,688	335,787,695	294,763,482
Including: Revenue	112,892,642	99,095,688	335,787,695	294,763,482
Interest income				
Premiums earned				
Handling fees and commission revenue				
2. Total operating costs	111,358,466	96,436,881	330,944,410	287,934,318
Including: Cost of sales	102,351,889	89,910,560	304,894,918	267,358,506
Interest expenses				
Handling fees and commission expenses				
Premiums refunded				
Net payment for claims				
Net reserve for insurance policies				
Bonus paid for insurance policies				
Reinsurance cost				
Business tax and surcharges	3,323,210	3,362,372	10,376,329	9,495,030
Selling and marketing expenses	398,957	323,163	1,192,846	946,026
Administrative expenses	4,395,827	2,753,257	11,933,785	9,024,661
Finance expenses	894,926	58,433	2,236,069	783,309
Impairment losses on assets	-6,343	29,096	310,463	326,786

Consolidated Income Statement (Continued)

Item	Reporting Period (July– September)	Reporting period of previous year (July– September)	From the beginning of the current year to the end of the Reporting Period (January– September)	From the beginning to the end of the reporting period of previous year (January– September)
Add: Gain on fair value adjustments (loss is marked with “-”)	-10,510	-1,745	-32,522	-51,973
Investment income (loss is marked with “-”) Including: Share of results of jointly controlled entities and associates	172,800	92,907	293,503	240,418
Foreign exchange gains (loss is marked with “-”)				
3. Profit from operations (loss is marked with “-”)	1,696,466	2,749,969	5,104,266	7,017,609
Add: Non-operating income	94,114	74,293	324,062	307,480
Less: Non-operating expenses Including: Loss on disposal of non-current assets	37,079	14,000	125,348	103,314
	-16,277	1,289	7,098	33,857
4. Profit before tax (loss is marked with “-”)	1,753,501	2,810,262	5,302,980	7,221,775
Less: Income tax	591,821	450,799	1,404,170	1,386,604
5. Net profit (net loss is marked with “-”)	1,161,680	2,359,463	3,898,810	5,835,171
Profit attributable to equity holders of the Company	1,139,991	2,217,497	3,626,923	5,425,669
Minority interests	21,689	141,966	271,887	409,502

Consolidated Income Statement (Continued)

Item	Reporting Period (July– September)	Reporting period of previous year (July– September)	From the beginning of the current year to the end of the Reporting Period (January– September)	From the beginning to the end of the reporting period of previous year (January– September)
6. Earnings per share:				
(I) Basic earnings per share	0.05	0.10	0.17	0.25
(II) Diluted earnings per share				
7. Other comprehensive income	5,837	-104,689	-80,850	-255,639
8. Total comprehensive income	1,167,517	2,254,774	3,817,960	5,579,532
Total comprehensive income attributable to equity holders of the Company	1,136,297	2,082,633	3,542,469	5,135,170
Total comprehensive income attributable to minority interests	31,220	172,141	275,491	444,362

Legal representative of the Company: LI Changjin

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang

Company Income Statement

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	Reporting Period (July– September)	Reporting period of previous year (July– September)	From the beginning of the current year to the end of the Reporting Period (January– September)	From the beginning to the end of the reporting period of previous year (January– September)
1. Revenue	3,478,201	5,482,063	9,876,014	14,397,492
Less: Cost of sales	3,368,323	5,294,387	9,504,776	13,899,500
Business tax and surcharges	3,299	7,326	13,934	18,396
Selling and marketing expenses				
Administrative expenses	85,181	71,606	274,740	256,673
Finance expenses	-114,701	-434,393	-241,150	-511,024
Impairment losses on assets	196	922	58,603	105,457
Add: Fair value adjustments (loss is marked with “-”)	-7,179	3,127	-15,485	-5,574
Investment income (loss is marked with “-”) Including: Shares of results of jointly controlled entities and associates		2,412	3,721,829	605,532
2. Profit from operations (loss is marked with “-”)	128,724	547,754	3,971,455	1,228,448
Add: Non-operating income	-74	-1,760	753	3,133
Less: Non-operating expenses Including: Loss on disposal of non-current assets	522	9,303	578	10,407
3. Profit before tax (loss is marked with “-”)	128,128	536,691	3,971,630	1,221,174
Less: Income tax	139,671		64,897	12,044

Company Income Statement (Continued)

Item	Reporting Period (July– September)	Reporting period of previous year (July– September)	From the beginning of the current year to the end of the Reporting Period (January– September)	From the beginning to the end of the reporting period of previous year (January– September)
4. Net profit (net loss is marked with “-”)	-11,543	536,691	3,906,733	1,209,130
5. Earnings per share:				
(I) Basic earnings per share				
(II) Diluted earnings per share				
6. Other comprehensive income	4,017			-24,876
7. Total comprehensive income	-7,526	511,815	3,906,733	1,184,254

Legal representative of the Company: LI Changjin
 Person in charge of accounting affairs: LI Jiansheng
 Person in charge of the accounting department: YANG Liang

Consolidated Cash Flow Statement

January – September 2011

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	From the beginning of the current year to the end of the Reporting Period (January–September)	From the beginning to the end of the reporting period of previous year (January–September)
1. Cash flow from operating activities:		
Cash received from sales of goods or services rendered	313,418,115	301,541,012
Net increase in deposits from customers and peers		
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 from policy holders and investment		
Net increase in disposal of held-for-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	173,576	90,615
Cash received relating to other operating activities	2,800,577	1,420,917
Sub-total of cash inflows from operating activities	316,392,268	303,052,544
Cash paid for goods and services received	301,225,336	262,176,902
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	19,020,808	17,424,423
Tax payments	12,837,343	10,033,385
Cash paid relating to other operating activities	7,581,540	8,500,057
Sub-total of cash outflows from operating activities	340,665,027	298,134,767
Net cash flow from operating activities	-24,272,759	4,917,777

Consolidated Cash Flow Statement (Continued)

Item	From the beginning of the current year to the end of the Reporting Period (January– September)	From the beginning to the end of the reporting period of previous year (January– September)
2. Cash flow from investing activities:		
Cash received from disposal of investments	2,186,633	1,405,673
Cash received from return on investments	642,709	786,566
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	304,897	313,618
Net cash received from disposal of subsidiaries or other operating business divisions	83,534	172,592
Cash received relating to other investing activities	41,962	149,877
Sub-total of cash inflows from investing activities	3,259,735	2,828,326
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	10,072,860	9,292,345
Cash paid for acquisition of investments	3,409,687	2,742,161
Net increase in secured loans		
Net cash payments for acquisition of subsidiaries or other operating business divisions	865,281	1,141,291
Cash paid relating to other investing activities		
Sub-total of cash outflows from investing activities	14,347,828	13,175,797
Net cash flow from investing activities	-11,088,093	-10,347,471
3. Cash flow from financing activities:		
Cash received from investors	273,377	404,795
Including: Cash received by subsidiaries for investment by minority shareholders	273,377	404,795
Cash received from borrowings	59,710,838	25,863,260
Cash received from bond issuance	8,380,000	5,966,000
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities	68,364,215	32,234,055
Cash paid for repayment of borrowings	36,463,910	25,416,778
Cash paid for dividends, profit distribution or interest payment	5,503,937	6,517,271
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	321,770	214,571
Sub-total of cash outflows from financing activities	42,289,617	32,148,620
Net cash flow from financing activities	26,074,598	85,435

Consolidated Cash Flow Statement (Continued)

Item	From the beginning of the current year to the end of the Reporting Period (January–September)	From the beginning to the end of the reporting period of previous year (January–September)
4. Effect of foreign exchange rate changes on cash and cash equivalents	-78,488	286,811
5. Net increase in cash and cash equivalents	-9,364,742	-5,057,448
Add: Balances of cash and cash equivalents at the beginning of the period	57,150,920	47,728,727
6. Balances of cash and cash equivalents at the end of the period	47,786,178	42,671,279

Legal representative of the Company: LI Changjin

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang

Company Cash Flow Statement

January – September 2011

Prepared by China Railway Group Limited

(All amounts expressed in RMB thousand, unaudited)

Item	From the beginning of the current year to the end of the Reporting Period (January–September)	From the beginning to the end of the reporting period of previous year (January–September)
1. Cash flow from operating activities:		
Cash received from sales of goods or services rendered	10,699,652	7,626,946
Receipt of tax refund	16	107
Cash received relating to other operating activities	34,670,016	29,642,915
Sub-total of cash inflows from operating activities	45,369,684	37,269,968
Cash paid for goods and services received	8,885,064	10,202,983
Cash paid to and on behalf of employees	63,849	63,755
Tax payments	321,048	175,756
Cash paid relating to other operating activities	43,415,871	33,790,280
Sub-total of cash outflows from operating activities	52,685,832	44,232,774
Net cash flow from operating activities	-7,316,148	-6,962,806
2. Cash flow from investing activities:		
Cash received from disposal of investments		
Cash received from return on investments	6,741,106	3,798,818
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	563	472
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	6,741,669	3,799,290
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	77,066	59,898
Cash paid for acquisition of investments	4,877,282	7,841,083
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	4,954,348	7,900,981
Net cash flow from investing activities	1,787,321	-4,101,691

Company Cash Flow Statement (Continued)

Item	From the beginning of the current year to the end of the Reporting Period (January– September)	From the beginning to the end of the reporting period of previous year (January– September)
3. Cash flow from financing activities:		
Cash received from investors		
Cash received from borrowings	2,850,000	9,996,000
Cash received from bond issuance	7,980,000	
Cash received relating to other financing activities	19,953	84,226
Sub-total of cash inflows from financing activities	10,849,953	10,080,226
Cash paid for repayment of borrowings	1,713,028	1,700,000
Cash paid for dividends, profit distribution or interest payment	1,544,515	3,777,390
Cash paid relating to other financing activities	1,276	18,690
Sub-total of cash outflows from financing activities	3,258,819	5,496,080
Net cash flow from financing activities	7,591,134	4,584,146
4. Effect of foreign exchange rate changes on cash and cash equivalents	-48,161	83,758
5. Net increase in cash and cash equivalents	2,014,146	-6,396,593
Add: Balances of cash and cash equivalents at the beginning of the period	12,220,013	12,601,365
6. Balance of cash and cash equivalents at the end of the period	14,234,159	6,204,772

Legal representative of the Company: LI Changjin

Person in charge of accounting affairs: LI Jiansheng

Person in charge of the accounting department: YANG Liang