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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 2010

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 2010 (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)	342,650,570.00	312,572,996.00	9.62
Total equity ('000)	65,139,888.00	61,335,736.00	6.20
Net assets per share attributable to the equity holders of the Company	3.06	2.88	6.25

	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)	4,917,777.00	378.28
Net cash generated from operating activities per share	0.23	378.28

	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)	2,140,176.00	5,425,669.00	16.56
Basic earnings per share	0.10	0.25	11.11
Basic earnings per share (after non-recurring gains and losses)	0.09	0.24	12.76
Weighted average net assets yield (%)	3.35	8.58	increased by 0.23 percentage point
Weighted average net assets yield after non-recurring gains and losses (%)	3.01	8.13	increased by 0.08 percentage point

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	54,219
Tax refund, reduction or exemption beyond scope of approval or without official approval documents	290
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	116,857
Gains from the difference between investment cost and the recognized fair value of net asset of the investee when acquiring subsidiaries, associates and joint ventures	11,885
Debt restructuring gains and losses	1,224
Gains or losses on the part of transaction price exceeding fair value arising from obviously unfairly priced transaction	32,642
Gains or losses from matters irrelevant to normal business or contingent matters	-15,486
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 investment gains from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	44,251
Gains or losses from external entrusted loans	5,814
Other net non-operating income and expenditure	1,439
Other non-recurring gains and losses	48,202
Net donation income or expenditure	-1,896
Exchange gains or losses from H shares	83,758
Impact of income tax	-68,404
Impact of minority interests (after tax)	-31,650
Total	283,145

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 *847,115*

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
HKSCC Nominees Limited *(Note)*	4,144,005,540	Overseas listed foreign shares
ICBC — Southern Longyuan Industrial Theme Equity Securities Investment Fund	65,772,315	RMB-dominated ordinary shares
ICBC — SSE 50 Exchange Traded Fund	51,098,530	RMB-dominated ordinary shares
Bank of China — Harvest SSE-SZSE 300 Index Securities Investment Fund	32,463,362	RMB-dominated ordinary shares
China Pacific Property Insurance Co., Ltd. — Tradition — General — 013C — CT001 Hu	22,378,803	RMB-dominated ordinary shares
China Life Insurance Company Limited — Tradition — General — 005L — CT001 Hu	22,000,000	RMB-dominated ordinary shares
ICBC — ChinaAMC SSE-SZSE 300 Index Securities Investment Fund	21,900,000	RMB-dominated ordinary shares
Bill & Melinda Gates Foundation Trust	20,000,090	RMB-dominated ordinary shares
UBS AG	19,471,986	RMB-dominated ordinary shares
Guotai Jun'an – CCB – HSBC	18,440,194	RMB-dominated 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 year or the same period of previous year *(RMB'000)*	Change	Explanation
Advance to suppliers	24,241,456	17,709,332	36.89%	Expansion of the Company's operating scale and increase in number of new construction projects
Bonds payable	5,968,218	–	Not applicable	Issuance of corporate bonds in the Reporting Period
Finance expenses	783,309	171,349	357.14%	Foreign exchange gains in the same period of last year. Finance expenses decreased by excluding such foreign exchange gains

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

✓ Applicable □ Not Applicable

Value of new contracts entered into during the Reporting Period

The value of new contracts entered into by the Company during the Reporting Period reached RMB196.43 billion, representing an increase of 23.8% over the same period of last year. The value of new contracts entered into from January to September 2010 amounted to RMB568.9 billion, representing an increase of 36.8% over the same period of last year.

The value of new contracts entered into during the Reporting Period comprises of RMB179.35 billion from infrastructure construction business, representing an increase of 23.4% over the same period of last year, RMB2.31 billion from survey, design and consulting services business, representing a decrease of 21.2% over the same period of last year, and RMB3.69 billion from engineering equipment and component manufacturing business, representing an increase of 25.5% over the same period of last year.

The value of new contracts entered into from January to September 2010 comprises of RMB493.9 billion from infrastructure construction business, RMB7.63 billion from survey, design and consulting services business and RMB11.67 billion from engineering equipment and component manufacturing business, representing an increase of 30.2%, 27.9% and 23.5% over the same period of last year, respectively.

Contract backlog as at the end of the Reporting Period

As at the end of the Reporting Period, the Company's contract backlog amounted to RMB932.603 billion, among which RMB864.040 billion is from infrastructure construction business, RMB12.494 billion is from survey, design and consulting services business and RMB9.088 billion is from engineering equipment and component manufacturing business.

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

✓ Applicable □ Not Applicable

China Railway Engineering Corporation ("**CRECG**"), the controlling shareholder of the Company, made the following undertaking at the time of the initial public offering of shares of the Company:

1. CRECG will not transfer or engage others to manage the A Shares of the Company held by it within 36 months from the listing of A shares of the Company 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 the Company are successfully issued, the conversion of the Company's shares held by CRECG into H Shares for placing or for trading in the market after undergoing the relevant procedures will not be subjected to the lock-up period mentioned above.

2. Upon the establishment of the Company in accordance with the law, CRECG 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 CRECG 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 CRECG 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, CRECG warrants that such business opportunity, assets or interests will first be offered to the Company or its subsidiaries.

   During the Reporting Period, CRECG has strictly complied with the above undertaking.

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

1. The cash dividend policy of the Company specified in the Articles of Association: the profit distribution policy of the Company is to distribute dividends in cash or shares or both. The Company may distribute interim cash dividends. The profit distribution policy shall remain consistent and stable.

2. 2009 Profit Distribution Scheme of the Company adopted dividend distribution in cash. During the reporting period, the Company would pay a cash dividend of RMB0.63 (including tax) for every 10 Shares, with a total amount of RMB1.342 billion which represents 50% of distributable profit after special dividends of RMB2,404,896,000 declared to CRECG, the controlling shareholder, pursuant to the relevant financial policies and the resolutions of the first extraordinary general meeting in 2007. 2009 Profit Distribution Scheme was considered and approved at the 2009 annual general

meeting held by the Company on 29 June 2010. The announcement of profit distribution was published on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily published on 12 July 2010 and the website of Shanghai Stock Exchange. As of 11 August 2010, the Company's profit distribution of 2009 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 2010 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

29 October 2010

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

APPENDIX

Consolidated Balance Sheet
30 September 2010

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	42,671,279	51,775,637
Settlement reserves		
Loans to others		
Held-for-trading financial assets	60,102	80,715
Bills receivables	484,910	774,952
Trade receivables	71,839,430	66,275,825
Advance to suppliers	24,241,456	17,709,332
Premiums receivables		
Reinsurance receivables		
Reinsurance policy reserve receivables		
Interests receivables	13,717	18,149
Dividends receivables	42,689	19,528
Other receivables	13,950,205	18,009,856
Buying back the financial assets sold		
Inventories	106,616,545	82,373,927
Non-current assets due within one year	398,161	737,086
Other current assets	174,669	75,039
Total current assets	260,493,163	237,850,046

Consolidated Balance Sheet (Continued)

Item	Balance at the end of the Reporting Period	Balance at the beginning of the year
Non-current assets:		
Loans receivables	27,038	136,366
Available-for-sale financial assets	1,772,287	1,456,892
Held-to-maturity investments		
Long-term receivables	2,587,927	2,155,315
Long-term equity investments	8,424,647	7,909,504
Investment properties	2,388,856	2,289,172
Fixed assets	27,602,312	25,746,441
Construction in progress	2,332,074	2,947,999
Materials held for construction of fixed assets	654,541	627,748
Fixed assets to be disposed of	5,667	2,871
Productive biological assets		
Oil and gas assets		
Intangible assets	29,233,941	26,029,993
Development cost		
Goodwill	835,468	835,530
Long-term deferred expenses	78,190	51,483
Deferred income tax assets	2,746,166	2,819,237
Other non-current assets	3,468,293	1,714,399
Total non-current assets	82,157,407	74,722,950
Total assets	342,650,570	312,572,996
Current liabilities:		
Short-term borrowings	23,738,738	20,771,560
Borrowings from central bank		
Deposits taking and deposits in peers		
Borrowed funds		
Held-for-trading financial liabilities	96,481	98,000
Bills payables	9,761,192	5,460,916
Trade payables	104,028,767	89,330,710
Advance from customers	61,558,913	56,824,812
Fund from disposal of repurchased financial assets		
Handling fees and commission payable		
Accrued payroll and welfare	1,828,909	1,738,384
Taxes payables	6,644,176	5,502,022
Interests payables	203,762	64,268
Dividends payables	97,106	2,562,255
Other payables	10,102,286	18,924,690
Accrued liabilities due within one year	1,134	2,886
Reinsurance payables		
Reserve for insurance policies		
Agent brokerage fee		
Agent underwriting fee		
Non-current liabilities due within one year	7,607,634	5,406,405
Other current liabilities	1,937,580	3,813,046
Total current liabilities	227,606,678	210,499,954

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	30,183,196	27,151,207
Bonds payable	5,968,218	
Long-term payables	6,639,388	7,167,911
Specific accounts payable	11,000	11,000
Accrued liabilities	92,776	83,026
Deferred income tax liabilities	239,423	451,220
Other non-current liabilities	552,113	453,136
Total non-current liabilities	43,686,114	35,317,500
Total liabilities	271,292,792	245,817,454
Equity:		
Share capital	21,299,900	21,299,900
Capital reserve	30,812,941	31,320,902
Less: Reserved shares		
Specific reserve		
Surplus reserve	1,238,508	1,238,942
General risk reserve	94,631	85,100
Accumulated profits	11,756,510	7,395,285
Exchange translation reserve	-62,602	-4,393
Equity attributable to equity holders of the Company	65,139,888	61,335,736
Minority interests	6,217,890	5,419,806
Total equity	71,357,778	66,755,542
Total liabilities and equity	342,650,570	312,572,996

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 2010

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	6,204,772	12,601,365
Held-for-trading financial assets	44,990	51,437
Bills receivables	126,700	42,100
Trade receivables	2,502,726	3,965,653
Advance to suppliers	2,991,246	1,296,942
Interests receivables	11,253	11,253
Dividends receivables	25,808	3,186,110
Other receivables	12,010,885	11,866,634
Inventories	2,741,894	744,220
Non-current assets due within one year	349,495	160,450
Other current assets		
Total current assets	27,009,769	33,926,164
Non-current assets:		
Available-for-sale financial assets	1,149	
Held-to-maturity investments		
Long-term receivables	7,269,007	1,778,500
Long-term equity investments	59,327,901	51,592,792
Investment properties	145,247	
Fixed assets	251,583	47,434
Construction in progress	66,090	1,012,565
Materials held for construction of fixed assets		
Fixed assets to be disposed of		
Productive biological assets		
Oil and gas assets		
Intangible assets	715,373	39,637
Development cost		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	402,852	414,873
Other non-current assets		
Total non-current assets	68,179,202	54,885,801
Total assets	95,188,971	88,811,965

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	2,800,000	1,822,023
Held-for-trading financial liabilities		
Short-term bonds payables	1,700,000	
Bills payables	117,000	
Trade payables	3,918,828	3,919,696
Advance from customers	5,153,361	6,542,677
Accrued payroll and welfare	14,901	20,165
Taxes payables	-28,996	32,736
Interests payables	194,643	18,303
Dividends payables		2,404,896
Other payables	8,285,100	6,100,147
Non-current liabilities due within one year		27,791
Other current liabilities		1,700,000
Total current liabilities	22,154,837	22,588,434
Non-current liabilities:		
Long-term borrowings	1,067,834	67,360
Bonds payable	5,968,218	
Long-term payables	28,403	29,411
Specific accounts payable		
Deferred income	4,995	4,436
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	7,069,450	101,207
Total liabilities	29,224,287	22,689,641
Equity:		
Share capital	21,299,900	21,299,900
Capital reserve	41,529,398	41,553,541
Less: Reserved shares		
Specific reserve		
Surplus reserve	567,378	567,378
Exchange translation reserve	-733	
General risk reserve		
Accumulated profits	2,568,741	2,701,505
Total equity	65,964,684	66,122,324
Total liabilities and equity	95,188,971	88,811,965

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.	**Revenue**	102,041,210	93,458,503	294,763,482	241,378,768
	Including: Operating revenue	102,041,210	93,458,503	294,763,482	241,378,768
	Interest income				
	Premiums earned				
	Handling fees and commission				
2.	**Total operating costs**	99,434,273	91,303,077	287,934,318	235,461,196
	Including: Cost of sales	92,770,548	84,919,513	267,358,506	219,014,338
	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	3,422,847	3,143,964	9,495,030	7,712,069
	Selling and marketing expenses	323,176	265,777	946,026	760,840
	Administrative expenses	2,794,781	2,921,412	9,024,661	7,631,441
	Finance expenses	62,131	72,888	783,309	171,349
	Impairment losses	60,790	-20,477	326,786	171,159
	Add: Gain on fair value adjustment (loss is marked with "-")	-1,745	-3,656	-51,973	40,883
	Investment income (loss is marked with "-")	92,473	29,806	240,418	180,939
	Including: Share of results of jointly controlled entities and associates	169,521	17,185	89,772	38,591
	Foreign exchange gains (loss is marked with "-")				

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)
3.	**Profit from operations (loss is marked with "-")**	2,697,665	2,181,576	7,017,609	6,139,394
	Add: Non-operating income	76,681	178,237	307,480	332,531
	Less: Non-operating expenses	37,987	33,981	103,314	90,918
	Including: Loss on disposal of non-current assets	1,289	791	33,857	19,100
4.	**Profit before tax (loss is marked with "-")**	2,736,359	2,325,832	7,221,775	6,381,007
	Less: Income tax	454,217	348,643	1,386,604	1,181,507
5.	**Net profit (net loss is marked with "-")**	2,282,142	1,977,189	5,835,171	5,199,500
	Profit attributable to equity holders of the Company	2,140,176	1,836,101	5,425,669	4,923,383
	Minority interests	141,966	141,088	409,502	276,117
6.	**Earnings per share:**				
	(I) Basic earnings per share	0.10	0.09	0.25	0.23
	(II) Diluted earnings per share				
7.	**Other comprehensive income**	-104,689	-80,951	-255,639	233,955
8.	**Total comprehensive income**	2,177,453	1,896,238	5,579,532	5,433,455
	Total comprehensive income attributable to equity holders of the Company	2,005,312	1,803,876	5,135,170	5,161,383
	Total comprehensive income attributable to minority interests of the Company	172,141	92,362	444,362	272,072

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**	5,482,063	6,374,245	14,397,492	16,237,973
	Less: Cost of sales	5,294,387	6,206,984	13,899,500	15,803,314
	Business tax and surcharges	7,326	3,950	18,396	22,653
	Selling and marketing expenses		-5,249		
	Administrative expenses	71,606	60,683	256,673	173,150
	Finance expenses	-434,393	-395,080	-511,024	-1,241,167
	Impairment losses	922		105,457	1,822
	Add: Fair value adjustments (loss is marked with "-")	3,127	-3,333	-5,574	14,741
	Investment income (loss is marked with "-")	2,412	-3	605,532	2,564,614
	Including: Shares of results of jointly controlled entities and associates				
2.	**Profit from operations (loss is marked with "-")**	547,754	499,621	1,228,448	4,057,556
	Add: Non-operating income	-1,760	95	3,133	532
	Less: Non-operating expenses	9,303		10,407	814
	Including: Loss on disposal of non-current assets				
3.	**Profit before tax (loss is marked with "-")**	536,691	499,716	1,221,174	4,057,274
	Less: Income tax			12,044	149,322
4.	**Net profit (net loss is marked with "-")**	536,691	499,716	1,209,130	3,907,952
5.	**Earnings per share:**				
	(I) Basic earnings per share				
	(II) Diluted earnings per share				
6.	**Other comprehensive income**	-24,876	11	-24,876	-2,102
7.	**Total comprehensive income**	511,815	499,727	1,184,254	3,905,850

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

Consolidated Cash Flow Statement
January – September 2010

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	301,541,012	229,000,498
	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 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	90,615	58,050
	Cash received relating to other operating activities	1,420,917	190,322
	Sub-total of cash inflows from operating activities	303,052,544	229,248,870
	Cash paid for goods and services received	262,176,902	199,030,430
	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	17,424,423	9,907,564
	Tax payments	10,033,385	7,448,272
	Cash paid relating to other operating activities	8,500,057	11,834,377
	Sub-total of cash outflows from operating activities	298,134,767	228,220,643
	Net cash flow from operating activities	4,917,777	1,028,227

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	1,405,673	28,050
	Cash received from return on investments	786,566	742,133
	Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	313,618	179,064
	Net cash received from disposal of subsidiaries or other operating business divisions	172,592	11,881
	Other cash receipts relating to investing activities	149,877	1,464
	Sub-total of cash inflows from investing activities	2,828,326	962,592
	Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	9,292,345	12,360,563
	Cash paid for acquisitions of investments	2,742,161	745,628
	Net increase in secured loans		
	Net cash payments for acquisition of subsidiaries or other operating business divisions	1,141,291	
	Other cash payments relating to investing activities		
	Sub-total of cash outflows from investing activities	13,175,797	13,106,191
	Net cash flow from investing activities	-10,347,471	-12,143,599
3.	**Cash flow from financing activities:**		
	Cash received from investors	404,795	1,004,795
	Including: Cash received by subsidiaries as investment by minority shareholders	404,795	
	Cash received from borrowings	25,863,260	25,863,260
	Cash received from bond issue	5,966,000	
	Other cash receipts relating to financing activities		
	Sub-total of cash inflows from financing activities	32,234,055	26,868,055
	Cash paid for repayments of borrowings	25,416,778	16,238,936
	Cash paid for dividends, profit distribution or interest payment	6,517,271	1,941,043
	Including: Dividends and profits paid to minority shareholders by subsidiaries		
	Other cash payments relating to financing activities	214,571	
	Sub-total of cash outflows from financing activities	32,148,620	18,179,979
	Net cash flow from financing activities	85,435	8,688,076

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	286,811	963,671
5. Net increase in cash and cash equivalents	-5,057,448	-1,463,625
Add: Balances of cash and cash equivalents at the beginning of the period	47,728,727	46,846,395
6. Balances of cash and cash equivalents at the end of the period	42,671,279	45,382,770

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 2010

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	7,626,946	10,703,390
	Receipt of tax refund	107	351
	Cash received relating to other operating activities	29,642,915	18,420,251
	Sub-total of cash inflows from operating activities	37,269,968	29,123,992
	Cash paid for goods and services received	10,202,983	12,219,196
	Cash paid to and on behalf of employees	63,755	99,438
	Tax payments	175,756	42,896
	Cash paid relating to other operating activities	33,790,280	27,181,436
	Sub-total of cash outflows from operating activities	44,232,774	39,542,966
	Net cash flow from operating activities	-6,962,806	-10,418,974
2.	**Cash flow from investing activities:**		
	Cash received from disposal of investments		100,000
	Cash received from return on investments	3,798,818	2,866,152
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	472	20
	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	3,799,290	2,966,172
	Cash paid for acquisitions of fixed assets, intangible assets and other long-term assets	59,898	20,210
	Cash paid for acquisitions of investments	7,841,083	3,532,318
	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	7,900,981	3,552,528
	Net cash flow from investing activities	-4,101,691	-586,356

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	9,996,000	1,700,000
	Cash received relating to other financing activities	84,226	
	Sub-total of cash inflows from financing activities	10,080,226	1,700,000
	Cash paid for repayments of borrowings	1,700,000	12,783
	Cash paid for dividends, profit distribution or interest payment	3,777,390	2,228
	Cash paid relating to other financing activities	18,690	
	Sub-total of cash outflows from financing activities	5,496,080	15,011
	Net cash flow from financing activities	4,584,146	1,684,989
4.	**Effect of foreign exchange rate changes on cash and cash equivalents**	83,758	968,761
5.	**Net increase in cash and cash equivalents**	-6,396,593	-8,351,580
	Add: Balances of cash and cash equivalents at the beginning of the period	12,601,365	17,582,147
6.	**Balance of cash and cash equivalents at the end of the period**	6,204,772	9,230,567

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