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中国南车

株洲南车时代电气股份有限公司

ZHUZHOU CSR TIMES ELECTRIC CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3898)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

The board of directors (the “Board”) of Zhuzhou CSR Times Electric Co., Ltd. (the “Company”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2014, set out (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi) as follows:

Consolidated Statement of Financial Position

30 September 2014

Renminbi Yuan

	30 September 2014 <i>(Unaudited)</i>	31 December 2013 <i>(Audited)</i>
ASSETS		
CURRENT ASSETS		
Cash and bank balances	2,884,886,305	3,136,090,686
Bills receivable	2,487,289,859	2,213,628,831
Trade receivables	4,231,702,322	2,693,866,426
Prepayments	219,903,157	98,175,195
Other receivables	90,663,895	58,087,799
Inventories	3,094,306,703	1,428,041,311
Held-to-maturity investments	1,113,817,808	1,100,000,000
Non-current assets due within one year	609,036	609,036
Other current assets	30,177,558	84,179,832
Total current assets	14,153,356,643	10,812,679,116
NON-CURRENT ASSETS		
Available-for-sale financial assets	900,000	900,000
Long-term receivables	28,034,895	31,660,131
Long-term equity investments	251,813,375	232,953,448
Fixed assets	1,669,787,413	1,595,275,624
Construction in progress	269,019,229	235,123,615
Intangible assets	218,391,878	233,054,144
Development expenditure	61,197,186	60,690,061
Goodwill	13,770,533	13,770,533
Deferred tax assets	176,527,128	129,399,467
Other non-current assets	81,610,476	52,976,184
Total non-current assets	2,771,052,113	2,585,803,207
TOTAL ASSETS	16,924,408,756	13,398,482,323

Consolidated Statement of Financial Position (continued)*30 September 2014**Renminbi Yuan*

	30 September 2014 <i>(Unaudited)</i>	31 December 2013 <i>(Audited)</i>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	30,697,298	31,172,421
Bills payable	1,449,309,505	928,918,770
Trade payables	2,444,857,925	1,749,671,703
Advances from customers	453,780,284	388,087,463
Employee benefits payable	312,795,993	88,860,161
Taxes payable	414,410,141	199,377,520
Dividends payable	—	—
Other payables	368,786,601	200,627,465
Non-current liabilities due within one year	<u>401,565,009</u>	<u>233,800,674</u>
Total current liabilities	<u>5,876,202,756</u>	<u>3,820,516,177</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	20,718,001	52,179,757
Deferred tax liabilities	14,567,107	15,383,539
Provisions	345,515,463	209,494,751
Other non-current liabilities	<u>140,912,667</u>	<u>150,787,851</u>
Total non-current liabilities	<u>521,713,238</u>	<u>427,845,898</u>
Total liabilities	<u>6,397,915,994</u>	<u>4,248,362,075</u>
SHAREHOLDERS' EQUITY		
Share capital	1,175,476,637	1,175,476,637
Capital reserve	3,353,084,095	3,354,300,202
Special reserve	2,832,495	1,148,151
Surplus reserve	719,661,828	624,621,343
Retained earnings	5,122,474,189	3,882,348,394
Exchange fluctuation reserve	(33,838,449)	(21,995,965)
Total equity attributable to shareholders of the Parent	<u>10,339,690,795</u>	<u>9,015,898,762</u>
Non-controlling interests	<u>186,801,967</u>	<u>134,221,486</u>
Total shareholders' equity	<u>10,526,492,762</u>	<u>9,150,120,248</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>16,924,408,756</u>	<u>13,398,482,323</u>

Consolidated Statement of Profit or Loss
For the nine months ended 30 September 2014
Renminbi Yuan

	For the nine months ended 30 September 2014 (Unaudited)	For the nine months ended 30 September 2013 (Unaudited)
Revenue	8,821,168,843	4,834,042,738
Less: Cost of sales	5,324,117,339	3,008,332,004
Business taxes and surcharges	61,634,870	30,968,125
Selling expenses	494,047,189	228,173,741
Administrative expenses	872,472,004	590,601,022
Finance costs	(34,295,593)	(32,242,303)
Asset impairment losses	173,676,520	31,529,873
Add: Investment income	108,956,914	838,434
including: share of profits of associates and a joint venture	<u>52,070,243</u>	<u>838,434</u>
Operating profit	2,038,473,428	977,518,710
Add: Non-operating income	91,384,960	23,043,814
Less: Non-operating expenses	<u>1,663,993</u>	<u>391,749</u>
Total profit	2,128,194,395	1,000,170,775
Less: Income tax expense	<u>380,506,266</u>	<u>157,775,797</u>
Net profit	<u>1,747,688,129</u>	<u>842,394,978</u>
Net profit attributable to shareholders of the Parent	<u>1,746,583,103</u>	<u>849,128,692</u>
Non-controlling interests	<u>1,105,026</u>	<u>(6,733,714)</u>
Earnings per share (Yuan/Share)		
Basic	<u>1.49</u>	<u>0.78</u>
Diluted	<u>1.49</u>	<u>0.78</u>

The Group's revenue increased by RMB3,987.2 million or 82.5% from RMB4,834.0 million for the nine months ended 30 September 2013 to RMB8,821.2 million for the nine months ended 30 September 2014.

The Group's gross profit increased by RMB1,671.4 million or 91.5% from RMB1,825.7 million for the nine months ended 30 September 2013 to RMB3,497.1 million for the nine months ended 30 September 2014. The Group's gross profit margin increased from 37.8% for the nine months ended 30 September 2013 to 39.6% for the nine months ended 30 September 2014. The change in gross profit margin was mainly due to the change of product sales mix.

Net profit attributable to the shareholders of the Parent increased by RMB897.5 million or 105.7% from RMB849.1 million for the nine months ended 30 September 2013 to RMB1,746.6 million for the nine months ended 30 September 2014. The increase in the net profit attributable to the shareholders of the Parent was mainly attributable to the increase in revenue.

The Group's earnings per share increased by RMB0.71 or 91.0% from RMB0.78 for the nine months ended 30 September 2013 to RMB1.49 for the nine months ended 30 September 2014.

As at the date of this announcement, the immediate controlling shareholder of the Company is CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd. ("CSR ZELRI") and the ultimate controlling shareholder of the Company is CSR Group ("CSRG"). CSRG holds approximately 57.16% equity interests in CSR Corporation Limited which in turn holds approximately 51.94% equity interests in the Company through its four subsidiaries, i.e., approximately 50.16%, 0.13%, 0.80% and 0.85% through CSR ZELRI, CSR Zhuzhou Electric Locomotive Research Institute (Hong Kong) Co., Limited, CSR Investment & Leasing Co., Ltd. and CSR Zhuzhou Electric Locomotive Co., Ltd. respectively.

Review by Audit Committee

The Group's unaudited results for the nine months ended 30 September 2014 and this results announcement have been reviewed and confirmed by the audit committee of the Board.

General

This announcement is made by the Company pursuant to Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09(2)(a) of the Listing Rules.

By Order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 24 October 2014

As at the date of this announcement, our chairman of the Board and executive director is Ding Rongjun, our vice chairman of the Board and executive director is Deng Huijin, our other executive directors are Li Donglin and Yan Wu, our non-executive director is Ma Yunkun, and our independent non-executive directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing, and Liu Chunru.