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**株洲中车时代电气股份有限公司**

**ZHUZHOU CRRC 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 2016**

The board of directors (the “Board”) of Zhuzhou CRRC Times Electric Co., Ltd. (the “Company”) is pleased to announce the unaudited operating results of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2016 set out (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi yuan) as follows.

### **Consolidated Statement of Financial Position**

*30 September 2016*

	<b>30 September 2016</b> <i>(Unaudited)</i>	<b>31 December 2015</b> <i>(Audited)</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and bank balances	<b>4,675,894,136</b>	3,403,680,982
Bills receivable	<b>2,296,937,491</b>	3,944,289,710
Trade receivables	<b>6,954,438,967</b>	3,967,858,997
Prepayments	<b>340,310,736</b>	194,032,905
Other receivables	<b>107,569,745</b>	154,434,789
Inventories	<b>3,644,689,234</b>	3,069,080,313
Other current assets	<b>754,420,062</b>	3,269,523,254
<b>Total current assets</b>	<b><u>18,774,260,371</u></b>	<b><u>18,002,900,950</u></b>
<b>NON-CURRENT ASSETS</b>		
Available-for-sale financial asset	<b>900,000</b>	900,000
Long-term receivables	<b>37,621,630</b>	11,178,796
Long-term equity investments	<b>298,325,790</b>	221,873,090
Fixed assets	<b>2,714,343,823</b>	1,762,830,047
Construction in progress	<b>209,211,794</b>	209,114,557
Intangible assets	<b>639,332,496</b>	689,151,256
Development expenditure	<b>2,072,470</b>	663,534
Goodwill	<b>521,194,907</b>	575,023,668
Deferred tax assets	<b>324,751,911</b>	279,780,338
Other non-current assets	<b>65,264,523</b>	58,910,923
<b>Total non-current assets</b>	<b><u>4,813,019,344</u></b>	<b><u>3,809,426,209</u></b>
<b>TOTAL ASSETS</b>	<b><u>23,587,279,715</u></b>	<b><u>21,812,327,159</u></b>

**Consolidated Statement of Financial Position (continued)**  
**30 September 2016**

	<b>30 September 2016</b> <i>(Unaudited)</i>	31 December 2015 <i>(Audited)</i>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Short-term borrowings	137,874,638	53,636,349
Bills payable	1,322,218,009	1,733,675,268
Trade payables	2,809,125,567	2,432,533,665
Advances from customers	868,604,908	888,730,895
Employee benefits payable	283,548,555	50,365,378
Interests payable	3,732,967	2,504,772
Taxes payable	290,913,395	250,178,115
Other payables	479,352,520	295,070,864
Current portion of non-current liabilities	10,735,127	16,207,531
Provisions	300,807,940	367,927,119
Deferred income	111,925,321	59,304,497
<b>Total current liabilities</b>	<b><u>6,618,838,947</u></b>	<b><u>6,150,134,453</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	1,063,518,313	1,025,396,909
Long-term payables	107,507,290	116,298,371
Provisions	508,339,082	514,732,436
Deferred income	243,230,368	228,974,815
Deferred tax liabilities	82,621,095	100,187,611
<b>Total non-current liabilities</b>	<b><u>2,005,216,148</u></b>	<b><u>1,985,590,142</u></b>
<b>Total liabilities</b>	<b><u>8,624,055,095</u></b>	<b><u>8,135,724,595</u></b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	1,175,476,637	1,175,476,637
Capital reserve	3,352,123,130	3,352,123,130
Other comprehensive income	(175,808,735)	(41,391,233)
Special reserve	11,378,594	7,520,445
Surplus reserve	1,287,411,227	1,149,501,481
Retained earnings	9,067,983,970	7,829,036,380
<b>Total equity attributable to shareholders of the Parent</b>	<b><u>14,718,564,823</u></b>	<b><u>13,472,266,840</u></b>
<b>Non-controlling interests</b>	<b><u>244,659,797</u></b>	<b><u>204,335,724</u></b>
<b>Total shareholders' equity</b>	<b><u>14,963,224,620</u></b>	<b><u>13,676,602,564</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>23,587,279,715</u></b>	<b><u>21,812,327,159</u></b>

**Consolidated Statement of Profit or Loss**  
*For the nine months ended 30 September 2016*

	For the nine months ended 30 September 2016 (Unaudited)	For the nine months ended 30 September 2015 (Unaudited)
<b>Revenue</b>	<b>9,654,596,314</b>	8,823,685,941
Less: Cost of sales	<b>5,969,865,346</b>	5,209,189,205
Business taxes and surcharges	<b>53,179,197</b>	50,820,402
Selling expenses	<b>381,271,663</b>	392,376,412
Administrative expenses	<b>1,210,040,717</b>	1,035,753,660
Finance costs	<b>62,332,101</b>	(3,740,215)
Asset impairment losses	<b>106,674,950</b>	117,485,515
Add: Investment income	<b>89,472,320</b>	101,693,163
Including: share of profits and losses of associates and joint ventures	<b>44,900,164</b>	44,100,048
Operating profit	<b>1,960,704,660</b>	2,123,494,125
Add: Non-operating income	<b>253,642,985</b>	139,686,090
Less: Non-operating expenses	<b>1,035,554</b>	7,643,309
<b>Total profit</b>	<b>2,213,312,091</b>	2,255,536,906
Less: Income tax expense	<b>287,323,031</b>	319,368,716
<b>Net profit</b>	<b>1,925,989,060</b>	1,936,168,190
Net profit attributable to shareholders of the Parent	<b>1,905,821,822</b>	1,932,163,793
Non-controlling interests	<b>20,167,238</b>	4,004,397
Other comprehensive income, net of tax		
Other comprehensive income attributable to shareholders of the Parent, net of tax		
Other comprehensive income to be reclassified to profit or loss in subsequent periods Exchange fluctuation reserve	<b>(134,417,502)</b>	3,483,289
Total other comprehensive income attributable to non-controlling interests, net of tax	<b>(4,017,381)</b>	642,189
<b>Total comprehensive income</b>	<b>1,787,554,177</b>	1,940,293,668
Including:		
Total comprehensive income attributable to shareholders of the Parent	<b>1,771,404,320</b>	1,935,647,082
Total comprehensive income attributable to non-controlling interests	<b>16,149,857</b>	4,646,586
Earnings per share (Yuan/Share)		
Basic	<b>1.62</b>	1.64
Diluted	<b>1.62</b>	1.64

The Group's revenue increased by RMB830.9 million or 9.4% from RMB8,823.7 million for the nine months ended 30 September 2015 to RMB9,654.6 million for the nine months ended 30 September 2016.

The Group's gross profit increased by RMB70.2 million or 1.9% from RMB3,614.5 million for the nine months ended 30 September 2015 to RMB3,684.7 million for the nine months ended 30 September 2016. The Group's gross profit margin decreased from 41.0% for the nine months ended 30 September 2015 to 38.2% for the nine months ended 30 September 2016. 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 decreased by RMB26.4 million or 1.4% from RMB1,932.2 million for the nine months ended 30 September 2015 to RMB1,905.8 million for the nine months ended 30 September 2016. The decrease in net profit attributable to the shareholders of the Parent was mainly attributable to the increase in research and development costs.

The Group's earnings per share decreased by RMB0.02 or 1.2% from RMB1.64 for the nine months ended 30 September 2015 to RMB1.62 for the nine months ended 30 September 2016.

As at the date of this announcement, the immediate controlling shareholder of the Company is CRRC Zhuzhou Institute Co., Ltd ("CRRC ZELRI") and the ultimate shareholder is CRRC Group ("CRRC Group"). CRRC Group holds approximately 55.91% interest in CRRC Corporation Limited which holds approximately 51.95% equity interest in the Company through its four subsidiaries and holds, through CRRC ZELRI, CSR Zhuzhou Electric Locomotive Research Institute (Hong Kong) Co., Ltd. CRRC Investment & Leasing Co., Ltd. and CRRC Zhuzhou Locomotive Co., Ltd. approximately 50.16%, 0.14%, 0.80% and 0.85% equity interest in the Company, respectively.

### **Review by Audit Committee**

The Group's unaudited results for the nine months ended 30 September 2016 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 the 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 (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

By Order of the Board  
**Ding Rongjun**  
Chairman

Zhuzhou, China, 18 October 2016

*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 non-executive director is Deng Huijin, our other executive directors are Liu Ke'an and Yan Wu, our non-executive director is Ma Yunkun, and our independent non-executive directors are Chan Kam Wing, Clement, Pao Ping Wing, and Liu Chunru.*