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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 THREE MONTHS ENDED 31 MARCH 2017

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 three months ended 31 March 2017 set out (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi yuan) as follows.

On 21 December 2016, the Group completed the business combinations under common control of Zhuzhou National Engineering Research Centre of Converters Co., Ltd., hence the related information of the year 2016 was restated in order to conform the presentation and accounting treatment of the year.

Consolidated Statement of Financial Position 31 March 2017

	31 March 2017 <i>(Unaudited)</i>	31 December 2016 <i>(Audited)</i>
ASSETS		
CURRENT ASSETS		
Cash and bank balances	3,977,695,196	3,201,134,282
Bills receivable	3,572,816,511	4,259,355,110
Trade receivables	6,918,697,266	5,317,077,521
Prepayments	269,478,253	217,252,783
Other receivables	164,296,007	129,788,537
Inventories	3,464,544,542	3,238,717,660
Other current assets	<u>733,312,397</u>	<u>2,497,038,994</u>
Total current assets	<u>19,100,840,172</u>	<u>18,860,364,887</u>
NON-CURRENT ASSETS		
Available-for-sale financial assets	900,000	900,000
Long-term receivables	40,618,229	49,932,355
Long-term equity investments	238,247,711	228,628,965
Fixed assets	2,793,957,837	2,823,518,651
Construction in progress	181,712,527	191,728,924
Intangible assets	618,453,362	633,354,186
Development expenditure	75,695,973	75,271,984
Goodwill	481,638,011	485,174,198
Deferred tax assets	302,751,884	301,219,923
Other non-current assets	<u>94,175,368</u>	<u>73,467,821</u>
Total non-current assets	<u>4,828,150,902</u>	<u>4,863,197,007</u>
TOTAL ASSETS	<u>23,928,991,074</u>	<u>23,723,561,894</u>

Consolidated Statement of Financial Position (continued)

31 March 2017

	31 March 2017 (Unaudited)	31 December 2016 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	141,406,174	159,166,033
Financial liabilities at fair value through profit or loss	2,929,175	6,135,766
Bills payable	1,507,855,142	1,835,369,575
Trade payables	3,047,412,403	2,786,933,694
Advances from customers	773,249,699	858,585,589
Employee benefits payable	101,451,123	36,619,390
Dividends payable	3,000,000	3,000,000
Interests payable	409,897	448,131
Taxes payable	172,262,547	278,261,744
Other payables	402,926,403	445,525,339
Current portion of non-current liabilities	861,189	1,586,759
Provisions	245,546,680	262,822,271
Deferred income	72,685,719	76,840,639
Total current liabilities	<u>6,471,996,151</u>	<u>6,751,294,930</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	100,188,000	101,317,364
Long-term payables	100,662,888	100,662,888
Provisions	334,979,216	339,462,724
Deferred income	291,562,881	292,301,752
Deferred tax liabilities	77,499,296	78,575,067
Total non-current liabilities	<u>904,892,281</u>	<u>912,319,795</u>
Total liabilities	<u>7,376,888,432</u>	<u>7,663,614,725</u>
SHAREHOLDERS' EQUITY		
Share capital	1,175,476,637	1,175,476,637
Capital reserve	3,341,900,430	3,341,900,430
Other comprehensive income	(92,616,729)	(89,637,548)
Special reserve	13,628,853	11,211,581
Surplus reserve	1,416,051,748	1,416,051,748
Retained earnings	10,425,202,086	9,944,778,161
Total equity attributable to shareholders of the Parent	<u>16,279,643,025</u>	<u>15,799,781,009</u>
Non-controlling interests	<u>272,459,617</u>	<u>260,166,160</u>
Total shareholders' equity	<u>16,552,102,642</u>	<u>16,059,947,169</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>23,928,991,074</u>	<u>23,723,561,894</u>

Consolidated Statement of Profit or Loss
For the three months ended 31 March 2017

	For the three months ended 31 March 2017 (Unaudited)	For the three months ended 31 March 2016 (Unaudited) (Restated)
Revenue	2,437,209,127	2,450,385,781
Less: Cost of sales	1,493,412,947	1,499,086,579
Taxes and surcharges	20,590,216	2,458,812
Selling expenses	112,588,338	114,810,764
Administrative expenses	356,938,644	293,475,337
Finance costs	(919,038)	77,421,892
Asset impairment losses	19,996,845	43,757,702
Losses on fair value changes	(3,206,591)	—
Add: Investment income	24,017,339	42,643,407
Including: share of profits and losses of associates and joint ventures	9,612,784	19,310,018
Operating profit	461,825,105	462,018,102
Add: Non-operating income	92,862,916	199,197,424
Less: Non-operating expenses	1,181,115	379,396
Total profit	553,506,906	660,836,130
Less: Income tax expense	59,904,428	88,250,363
Net profit	493,602,478	572,585,767
Net profit attributable to shareholders of the Parent	480,423,925	567,240,051
Non-controlling interests	13,178,553	5,345,716
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	(2,979,181)	(22,399,546)
Total other comprehensive income attributable to non-controlling interests, net of tax	(885,097)	(2,962,911)
Total comprehensive income	489,738,200	547,223,310
Including:		
Total comprehensive income attributable to shareholders of the Parent	477,444,744	544,840,505
Total comprehensive income attributable to non-controlling interests	12,293,456	2,382,805
Earnings per share (Yuan/Share)		
Basic	0.41	0.48
Diluted	0.41	0.48

The Group's revenue decreased by RMB13.2 million or 0.5% from RMB2,450.4 million for the three months ended 31 March 2016 (restated) to RMB2,437.2 million for the three months ended 31 March 2017.

The Group's gross profit decreased by RMB7.5 million or 0.8% from RMB951.3 million for the three months ended 31 March 2016 (restated) to RMB943.8 million for the three months ended 31 March 2017. The Group's gross profit margin decreased from 38.8% for the three months ended 31 March 2016 (restated) to 38.7% for the three months ended 31 March 2017. The gross profit margin remained stable.

Net profit attributable to the shareholders of the Parent decreased by RMB86.8 million or 15.3% from RMB567.2 million for the three months ended 31 March 2016 (restated) to RMB480.4 million for the three months ended 31 March 2017. The decrease in net profit attributable to the shareholders of the Parent was mainly attributable to the decrease in the refunds of tax during the year.

The Group's earnings per share decreased by RMB0.07 or 14.6% from RMB0.48 for the three months ended 31 March 2016 (restated) to RMB0.41 for the three months ended 31 March 2017.

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 55.63% interest in CRRC Corporation Limited which holds approximately 51.81% equity interest in the Company through its three subsidiaries and holds, through CRRC ZELRI, CRRC Investment & Leasing Co., Ltd. and CRRC Zhuzhou Locomotive Co., Ltd. approximately 50.16%, 0.80% and 0.85% equity interest in the Company, respectively.

Review by Audit Committee

The Group's unaudited results for the three months ended 31 March 2017 and this results announcement have been reviewed and confirmed by the audit committee of the Board.

General Information

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 (“Listing Rules”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and Rule 13.09(1) of the Listing Rules.

By Order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 21 April 2017

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 Li Donglin, 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, Liu Chunru and Chen Xiaoming.