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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 THREE MONTHS ENDED 31 MARCH 2011

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 three months ended 31 March 2011 which have been prepared in accordance with the International Financial Reporting Standards, set out as follows (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi):

Consolidated Statement of Comprehensive Income

	For the three months ended 31 March	
	2011 (<i>unaudited</i>) RMB'000	2010 (<i>unaudited</i>) RMB'000
REVENUE	1,994,589	1,031,891
Cost of sales	(1,181,655)	(641,746)
Gross profit	812,934	390,145
Other income and gains	11,936	9,483
Selling and distribution costs	(101,599)	(60,717)
Administrative expenses	(166,425)	(150,435)
Other expenses	(77)	(6,033)

	For the three months ended 31 March	
	2011	2010
	<i>(unaudited)</i>	<i>(unaudited)</i>
	RMB'000	RMB'000
PROFIT FROM OPERATIONS	556,769	182,443
Finance costs	(4,214)	(1,557)
Share of profits and losses of:		
A jointly-controlled entity	11,230	1,471
Associates	<u>2,518</u>	<u>156</u>
PROFIT BEFORE TAX	566,303	182,513
Income tax expense	<u>(96,053)</u>	<u>(30,539)</u>
PROFIT FOR THE PERIOD	470,250	151,974
Profit attributable to:		
Owners of the parent	472,415	151,904
Non-controlling interests	<u>(2,165)</u>	<u>70</u>
	<u>470,250</u>	<u>151,974</u>
DIVIDEND	<u>—</u>	<u>—</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (basic)	<u>RMB0.44</u>	<u>RMB0.14</u>

Consolidated Statement of Financial Position
31 March 2011

	31 March 2011 <i>(unaudited)</i> RMB'000	31 December 2010 <i>(audited)</i> RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,388,535	1,377,759
Prepaid land lease payments	99,988	100,047
Goodwill	50,760	49,209
Other intangible assets	56,772	59,115
Investment in a jointly-controlled entity	133,922	122,692
Investments in associates	47,163	45,012
Available-for-sale investments	400	400
Deferred tax assets	43,678	43,678
Other non-current assets	43,427	43,427
	<u>1,864,645</u>	<u>1,841,339</u>
Total non-current assets		
CURRENT ASSETS		
Inventories	1,784,033	1,590,491
Trade receivables	2,352,311	901,236
Bills receivable	580,557	791,449
Prepayments, deposits and other receivables	461,362	206,375
Financial assets at fair value through profit and loss	—	—
Pledged deposits	102,061	111,980
Cash and cash equivalents	754,257	1,569,479
	<u>6,034,581</u>	<u>5,171,010</u>
Total current assets		
CURRENT LIABILITIES		
Trade payables	1,286,295	1,012,637
Bills payable	170,741	196,087
Other payables and accruals	426,946	392,017
Provision for warranties	120,991	83,370
Interest-bearing bank and other borrowings	502,348	500,739
Government grants	47,667	50,585
Tax payable	224,818	132,823
	<u>2,779,806</u>	<u>2,368,258</u>
Total current liabilities		

	31 March 2011 (unaudited) RMB'000	31 December 2010 (audited) RMB'000
NET CURRENT ASSETS	<u>3,254,775</u>	<u>2,802,752</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>5,119,420</u>	<u>4,644,091</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	2,976	2,333
Government grants	37,361	34,970
Provision for warranties	91,150	91,150
Deferred tax liabilities	<u>12,899</u>	<u>12,899</u>
Total non-current liabilities	<u>144,386</u>	<u>141,352</u>
NET ASSETS	<u>4,975,034</u>	<u>4,502,739</u>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	1,084,256	1,084,256
Reserves	3,464,696	2,990,969
Proposed final dividend	<u>330,698</u>	<u>330,698</u>
	4,879,650	4,405,923
Non-controlling interests	<u>95,384</u>	<u>96,816</u>
TOTAL EQUITY	<u>4,975,034</u>	<u>4,502,739</u>

The Group's revenue for the three months ended 31 March 2011 increased by RMB962.7 million from RMB1,031.9 million in the same period last year to RMB1,994.6 million, representing an increase of 93.3%.

The Group's gross profit for the three months ended 31 March 2011 increased by RMB422.8 million from RMB390.1 million in the same period last year to RMB812.9 million, representing an increase of 108.4%. The Group's gross profit margin for the three months ended 31 March 2011 increased from 37.8% in the same period last year

to 40.8%. The change in gross profit margin was mainly due to the change in product sales mix, the economies of scale of our products and the effects of the cost efficiency measures.

Profit attributable to owners of the parent of the Group for the three months ended 31 March 2011 increased by RMB320.5 million from RMB151.9 million in the same period last year to RMB472.4 million, representing an increase of 211.0%.

Earnings per share (basic) attributable to ordinary equity holders of the parent of the Group for the three months ended 31 March 2011 increased by RMB0.30 from RMB0.14 in the same period last year to RMB0.44, representing an increase of 214.3%.

As at 31 March 2011, net assets of the Group was RMB4,975.0 million, cash and cash equivalents of the Group accounted for 9.6% of total assets, with a current ratio of 2.2.

The Group has adopted the gearing ratio, which is net debt divided by total capital plus net debt, to monitor its capital. Net debt included interest-bearing borrowings, trade payables, bills payable, other payables and accruals, less cash and cash equivalents. As at 31 March 2011, the Group's gearing ratio was 25.1%.

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 55.07% equity interests in CSR Corporation Limited which in turn holds approximately 56.17% equity interests in the Company through its three subsidiaries, i.e., approximately 54.38%, 0.87% and 0.92% through CSR ZELRI, CSR Investment & Leasing Co., Ltd. and CSR Zhuzhou Electric Locomotive Co., Ltd. respectively. In addition, CSRG holds approximately 0.87% equity interests in the Company through its subsidiary CSR Qishuyan Locomotive & Rolling Stock Works.

Review by Audit Committee

The Group's unaudited results for the three months ended 31 March 2011 and this results announcement have been reviewed and confirmed by the audit committee of the Board.

General

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

By Order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 21 April 2011

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 De Huijin, our other executive director is Li Donglin, our other non-executive directors are Yan Wu and Ma Yunkun, and our independent non-executive directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing, Tan XiaoŌao and Liu Chunru.