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# 株洲南车时代电气股份有限公司

**中国南车 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 QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 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):

### **Condensed Consolidated Income Statement**

	<b>For the nine months ended 30 September</b>	
	<b>2011</b>	<b>2010</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>REVENUE</b>	<b>5,344,919</b>	4,006,831
Cost of sales	<b>(3,358,657)</b>	(2,464,699)
Gross profit	<b>1,986,262</b>	1,542,132
Other income and gains	<b>64,236</b>	31,495
Selling and distribution costs	<b>(271,373)</b>	(237,084)
Administrative expenses	<b>(581,703)</b>	(499,589)
Other expenses	<b>(1,291)</b>	(14,403)

	<b>For the nine months ended 30 September</b>	
	<b>2011</b>	<b>2010</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>PROFIT FROM OPERATIONS</b>	<b>1,196,131</b>	<b>822,551</b>
Finance costs	<b>(16,258)</b>	<b>(5,862)</b>
Share of profits and losses of:		
A jointly-controlled entity	<b>38,198</b>	<b>14,113</b>
An associate	<u><b>4,762</b></u>	<u><b>12,264</b></u>
<b>PROFIT BEFORE TAX</b>	<b>1,222,833</b>	<b>843,064</b>
Income tax expenses	<u><b>(186,776)</b></u>	<u><b>(133,981)</b></u>
<b>PROFIT FOR THE PERIOD</b>	<u><b>1,036,057</b></u>	<u><b>709,083</b></u>
<b>Project attributable to:</b>		
Owners of the parent	<b>1,037,114</b>	<b>707,987</b>
Non-controlling interests	<u><b>(1,057)</b></u>	<u><b>1,096</b></u>
	<u><b>1,036,057</b></u>	<u><b>709,083</b></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>		
— Basic and diluted	<u><b>RMB0.96</b></u>	<u><b>RMB0.65</b></u>

## Condensed Consolidated Balance Sheet

30 September 2011

	30 September 2011 (unaudited) RMB'000	31 December 2010 (audited) RMB'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,459,768	1,377,759
Prepaid land lease payments	99,168	100,047
Goodwill	47,862	49,209
Other intangible assets	55,898	59,115
Investments in a jointly-controlled entity	160,935	122,692
Investments in associates	45,666	45,012
Available-for-sale investments	400	400
Deferred tax assets	42,605	43,678
Other non-current assets	<u>43,081</u>	<u>43,427</u>
 Total non-current assets	 <u>1,955,383</u>	 <u>1,841,339</u>
<b>CURRENT ASSETS</b>		
Inventories	2,103,426	1,590,491
Trade receivables	2,166,833	901,236
Bills receivable	1,369,380	791,449
Prepayments, deposits and other receivables	833,796	206,375
Financial assets at fair value through profit and loss	—	—
Pledged deposits	44,634	111,980
Cash and cash equivalents	<u>428,133</u>	<u>1,569,479</u>
 Total current assets	 <u>6,946,202</u>	 <u>5,171,010</u>

	<b>30 September 2011 (unaudited) RMB'000</b>	31 December 2010 (audited) RMB'000
<b>CURRENT LIABILITIES</b>		
Trade payables	1,457,842	1,012,637
Bills payable	201,301	196,087
Other payables and accruals	740,356	392,017
Provision for warranties	93,718	83,370
Interest-bearing bank and other borrowings	811,804	500,739
Government grants	50,585	50,585
Tax payable	<u>180,580</u>	<u>132,823</u>
Total current liabilities	<u>3,536,186</u>	<u>2,368,258</u>
<b>NET CURRENT ASSETS</b>	<u>3,410,016</u>	<u>2,802,752</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>5,365,399</u>	<u>4,644,091</u>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	1,017	2,333
Government grants	33,190	34,970
Provision for warranties	126,626	91,150
Deferred tax liabilities	<u>16,942</u>	<u>12,899</u>
Total non-current liabilities	<u>177,775</u>	<u>141,352</u>
<b>NET ASSETS</b>	<u>5,187,624</u>	<u>4,502,739</u>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Issued capital	1,084,256	1,084,256
Reserves	4,010,012	2,990,969
Proposed final dividend	<u>—</u>	<u>330,698</u>
	<u>5,094,268</u>	<u>4,405,923</u>
<b>Non-controlling interests</b>	<u>93,356</u>	<u>96,816</u>
<b>TOTAL EQUITY</b>	<u>5,187,624</u>	<u>4,502,739</u>

The Group's revenue for the nine months ended 30 September 2011 increased by RMB1,338.1 million from RMB4,006.8 million in the same period last year to RMB5,344.9 million, representing an increase of 33.4%.

The Group's gross profit for the nine months ended 30 September 2011 increased by RMB444.2 million from RMB1,542.1 million in the same period last year to RMB1,986.3 million, representing an increase of 28.8%. The Group's gross profit margin for the nine months ended 30 September 2011 decreased from 38.5% in the same period last year to 37.2%, mainly attributable to the change in sales structure of product.

Profit attributable to equity holders of the parent for the nine months ended 30 September 2011 increased by RMB329.1 million from RMB708.0 million in the same period last year to RMB1,037.1 million, representing an increase of 46.5%.

Earnings per share (basic) attributable to ordinary equity holders of the parent of the Group for the nine months ended 30 September 2011 increased by RMB0.31 from RMB0.65 in the same period last year to RMB0.96, representing an increase of 47.7%.

As at 30 September 2011, net assets of the Group was RMB5,187.6 million, cash and cash equivalents of the Group accounted for 4.8% of total assets, with a current ratio of 1.9.

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 30 September 2011, the Group's gearing ratio was 28.2%.

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 55.09% 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.

## **Review by Audit Committee**

The Group's unaudited quarterly results for the nine months ended 30 September 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, 20 October 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 Deng Huijin, our other executive director is Li Donglin, our 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 and Liu Chunru.*