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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 NINE MONTHS ENDED 30 SEPTEMBER 2012**

The board of directors (the “Board”) of Zhuzhou CSR 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 2012, as set out (unless the context otherwise requires, the figures contained in this announcement are denominated in Renminbi) as follows:

In accordance with the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” which was published by the Stock Exchange of Hong Kong Limited (“the Hong Kong Stock Exchange”) in December 2010, upon approval by the general meeting of the Company, the Company decided to prepare the financial statements in accordance with “Accounting Standards for Business Enterprises” issued by the Ministry of Finance of the People’s Republic of China (the “PRC”) and the relevant regulations for information disclosure at the Hong Kong Stock Exchange commencing from the 2011 financial year. The Company re-present the relevant financial information for the nine months ended 30 September 2011 in this announcement has been restated in accordance with the “Accounting Standards for Business Enterprises”.

Consolidated Balance Sheet

30 September 2012

ASSETS

	30 September 2012 <i>(Unaudited)</i>	31 December 2011 <i>(Audited)</i>
CURRENT ASSETS		
Cash and bank balances	844,543,921	2,157,721,027
Bills receivable	1,062,944,121	1,051,609,300
Trade receivables	2,481,836,295	1,119,253,348
Prepayments	167,748,282	109,766,313
Other receivables	69,673,690	103,373,942
Inventories	1,709,306,663	1,668,583,237
Non-current assets due within one year	1,092,595	1,092,595
Other current assets	<u>29,576,130</u>	<u>326,745,808</u>
Total current assets	<u>6,366,721,697</u>	<u>6,538,145,570</u>
NON-CURRENT ASSETS		
Long-term receivables	1,503,283	1,772,676
Long-term equity investments	260,420,225	202,853,768
Fixed assets	1,394,573,378	1,367,692,631
Construction in progress	197,306,099	135,340,542
Intangible assets	198,523,436	200,313,770
Development expenditure	43,525,878	39,322,801
Goodwill	59,789,231	58,694,931
Deferred income tax assets	59,662,765	59,717,549
Other non-current assets	<u>73,678,339</u>	<u>50,325,133</u>
Total non-current assets	<u>2,288,982,634</u>	<u>2,116,033,801</u>
TOTAL ASSETS	<u>8,655,704,331</u>	<u>8,654,179,371</u>

Consolidated Balance Sheet (continued)

30 September 2012

LIABILITIES AND SHAREHOLDERS' EQUITY

	30 September 2012 <i>(Unaudited)</i>	31 December 2011 <i>(Audited)</i>
CURRENT LIABILITIES		
Short-term borrowings	30,877,200	139,000,000
Short-term bonds payable	—	500,000,000
Bills payable	543,356,338	448,604,661
Trade payables	1,324,928,384	906,553,647
Receipts in advance	229,880,630	351,164,281
Employee remuneration payable	140,703,944	15,390,522
Taxes payable	116,039,681	286,584,166
Interest payable	—	12,468,969
Dividend payable	—	—
Other payables	185,199,850	134,599,283
Non-current liabilities due within one year	<u>129,380,488</u>	<u>125,258,321</u>
Total current liabilities	<u>2,700,366,515</u>	<u>2,919,623,850</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	38,565,623	57,075,276
Deferred income tax liabilities	17,156,031	15,725,481
Provisions	134,093,983	134,147,121
Other non-current liabilities	<u>51,252,891</u>	<u>89,923,075</u>
Total non-current liabilities	<u>241,068,528</u>	<u>296,870,953</u>
Total liabilities	<u>2,941,435,043</u>	<u>3,216,494,803</u>
SHAREHOLDERS' EQUITY		
Share capital	1,084,255,637	1,084,255,637
Capital reserve	1,693,508,949	1,693,508,949
Surplus reserve	411,597,046	350,134,445
Retained earnings	2,417,263,923	2,218,523,143
Exchange differences on translation of foreign operations	(18,375,622)	(29,761,317)
Total equity attributable to shareholders of the parent	<u>5,588,249,933</u>	<u>5,316,660,857</u>
Minority interests	<u>126,019,355</u>	<u>121,023,711</u>
Total shareholders' equity	<u>5,714,269,288</u>	<u>5,437,684,568</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>8,655,704,331</u>	<u>8,654,179,371</u>

Consolidated Income Statement

For the nine months ended 30 September

	For the nine months ended 30 September 2012 (Unaudited)	For the nine months ended 30 September 2011 (Unaudited)
Revenue	4,396,411,280	5,412,867,699
Less: Cost of sales	2,945,345,984	3,346,366,712
Business taxes and surcharges	34,169,043	30,172,784
Selling expenses	175,258,937	271,373,003
Administrative expenses	597,622,996	577,405,648
Finance costs	2,343,957	14,534,432
Asset impairment losses	41,615,256	34,467,927
Add: Investment income including: share of profits of an associate and a jointly controlled entity	<u>78,737,344</u> <u>57,566,457</u>	<u>44,238,435</u> <u>42,959,468</u>
Operating profit	678,792,451	1,182,785,628
Add: Non-operating income	54,520,082	41,055,590
Less: Non-operating expenses	383,310	1,404,690
Total profit	732,929,223	1,222,436,528
Less: Income tax expense	<u>111,801,907</u>	<u>186,775,821</u>
Net profit	<u><u>621,127,316</u></u>	<u><u>1,035,660,707</u></u>
Net profit attributable to shareholders of the parent	<u><u>628,850,296</u></u>	<u><u>1,036,717,617</u></u>
Minority interests	<u>(7,722,980)</u>	<u>(1,056,910)</u>
Earnings per share (Yuan/Share)		
Basic	<u><u>0.58</u></u>	<u><u>0.96</u></u>
Diluted	<u><u>0.58</u></u>	<u><u>0.96</u></u>

The Group's revenue for the nine months ended 30 September 2012 decreased by RMB1,016.5 million from RMB5,412.9 million for the nine months ended 30 September 2011 to RMB4,396.4 million, representing a decrease of 18.8%.

The Group's gross profit for the nine months ended 30 September 2012 decreased by RMB615.4 million from RMB2,066.5 million for the nine months ended 30 September 2011 to RMB1,451.1 million. The Group's gross profit margin for the nine months ended 30 September 2012 decreased from 38.2% for the nine months ended 30 September 2011 to 33.0%, mainly attributable to the change in sales structure of products.

Net profit attributable to shareholders of the parent for the nine months ended 30 September 2012 decreased by RMB407.8 million from RMB1,036.7 million for the nine months ended 30 September 2011 to RMB628.9 million, mainly attributable to the decrease of revenue.

The Group's earnings per share (basic) for the nine months ended 30 September 2012 decreased by RMB0.38 from RMB0.96 for the same period last year to RMB0.58, representing a decrease of 39.6%.

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 57.10% 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 results for the nine months ended 30 September 2012 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
Chairman
Ding Rongjun

Zhuzhou, China, 22 October 2012

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.