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中国南车

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 2014

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 2014, set out (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi) as follows:

Consolidated Statement of Financial Position

31 March 2014

	31 March 2014 <i>(Unaudited)</i>	31 December 2013 <i>(Audited)</i>
ASSETS		
CURRENT ASSETS		
Cash and bank balances	2,913,716,496	3,136,090,686
Bills receivable	1,632,611,990	2,213,628,831
Trade receivables	3,844,782,484	2,693,866,426
Prepayments	157,298,115	98,175,195
Other receivables	83,877,311	58,087,799
Inventories	2,246,526,012	1,428,041,311
Non-current assets due within one year	609,036	609,036
Other current assets	38,189,120	84,179,832
Held-to maturity investments	1,054,150,685	1,100,000,000
Total current assets	<u>11,971,761,249</u>	<u>10,812,679,116</u>
NON-CURRENT ASSETS		
Financial assets available-for-sale	900,000	900,000
Long-term receivables	31,274,757	31,660,131
Long-term equity investments	241,193,037	232,953,448
Fixed assets	1,638,312,942	1,595,275,624
Construction in progress	213,275,552	235,123,615
Intangible assets	228,508,974	233,054,144
Development expenditure	60,690,061	60,690,061
Goodwill	13,770,533	13,770,533
Deferred tax assets	138,775,546	129,399,467
Other non-current assets	49,470,149	52,976,184
Total non-current assets	<u>2,616,171,551</u>	<u>2,585,803,207</u>
TOTAL ASSETS	<u>14,587,932,800</u>	<u>13,398,482,323</u>

Consolidated Statement of Financial Position (continued)*31 March 2014*

	31 March 2014 <i>(Unaudited)</i>	31 December 2013 <i>(Audited)</i>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	16,500,786	31,172,421
Bills payable	850,310,496	928,918,770
Trade payables	2,435,328,913	1,749,671,703
Receipts in advance	441,642,607	388,087,463
Employee benefits payable	107,998,910	88,860,161
Taxes payable	264,993,114	199,377,520
Other payables	317,501,965	200,627,465
Non-current liabilities due within one year	<u>254,115,762</u>	<u>233,800,674</u>
Total current liabilities	<u>4,688,392,553</u>	<u>3,820,516,177</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	69,020,527	52,179,757
Deferred tax liabilities	14,750,464	15,383,539
Provisions	209,488,365	209,494,751
Other non-current liabilities	<u>149,361,123</u>	<u>150,787,851</u>
Total non-current liabilities	<u>442,620,479</u>	<u>427,845,898</u>
Total liabilities	<u>5,131,013,032</u>	<u>4,248,362,075</u>
SHAREHOLDERS' EQUITY		
Share capital	1,175,476,637	1,175,476,637
Capital reserve	3,354,300,202	3,354,300,202
Special reserve	1,148,151	1,148,151
Surplus reserve	624,621,343	624,621,343
Retained earnings	4,199,017,695	3,882,348,394
Exchange fluctuation reserve	(30,362,044)	(21,995,965)
Total equity attributable to shareholders of the Parent	<u>9,324,201,984</u>	<u>9,015,898,762</u>
Non-controlling interests	<u>132,717,784</u>	<u>134,221,486</u>
Total shareholders' equity	<u>9,456,919,768</u>	<u>9,150,120,248</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>14,587,932,800</u>	<u>13,398,482,323</u>

Consolidated Statement of Profit or Loss

For the three months ended 31 March 2014

	For the three months ended 31 March 2014 (Unaudited)	For the three months ended 31 March 2013 (Unaudited)
Revenue	2,015,149,707	961,735,568
Less: Cost of sales	1,307,836,775	643,699,589
Business taxes and surcharges	2,188,030	2,014,594
Selling expenses	82,303,403	60,371,326
Administrative expenses	254,609,800	162,786,250
Finance costs	(4,098,878)	(16,097,442)
Asset impairment losses	17,501,525	17,579,194
Add: Investment income including: share of profits and losses of associates and a joint venture	23,289,588 8,239,588	(1,816,686) (1,816,686)
Operating profit	378,098,640	89,565,371
Add: Non-operating income	1,859,798	5,139,302
Less: Non-operating expenses	359	82,580
Total profit	379,958,079	94,622,093
Less: Income tax expense	65,210,777	19,168,052
Net profit	314,747,302	75,454,041
Net profit attributable to shareholders of the Parent	316,669,300	81,197,438
Non-controlling interests	(1,921,998)	(5,743,397)
Earnings per share (Yuan/Share)		
Basic	0.27	0.07
Diluted	0.27	0.07

The Group's revenue increased by RMB1,053.4 million or 109.5% from RMB961.7 million for the three months ended 31 March 2013 to RMB2,015.1 million for the three months ended 31 March 2014.

The Group's gross profit increased by RMB389.3 million or 122.4% from RMB318.0 million for the three months ended 31 March 2013 to RMB707.3 million for the three months ended 31 March 2014. The Group's gross profit margin increased from 33.1% for the three months ended 31 March 2013 to 35.1% for the three months ended 31 March 2014. The change in gross profit margin was mainly attributable to the change in the sales structure of products.

Net profit attributable to the shareholders of the Parent increased by RMB235.5 million or 290.0% from RMB81.2 million for the three months ended 31 March 2013 to RMB316.7 million for the three months ended 31 March 2014. The increase in the net profit attributable to the shareholders of the Parent was mainly attributable to the increase in revenue and increase in investment income.

The Group's earnings per share increased by RMB0.20 or 285.7% from RMB0.07 for the three months ended 31 March 2013 to RMB0.27 for the three months ended 31 March 2014.

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 57.16% equity interests in CSR Corporation Limited which in turn holds approximately 51.81% equity interests in the Company through its three subsidiaries, i.e., approximately 50.16%, 0.80% and 0.85% 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 three months ended 31 March 2014 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 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 (Cap. 571) and Rule 13.09(2)(a) of the Listing Rules.

By Order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 14 April 2014

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 Deng Huijin, our other Executive Director are Li Donglin and Yan Wu, our Non-executive Directors is Ma Yunkun, and our Independent Non-executive Directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing and Liu Chunru.