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(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 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 nine months ended 30 September 2017 set out (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi yuan) as follows.

On 21 December 2016 and 2 August 2017, the Group completed the business combinations under common control of Zhuzhou National Engineering Research Centre of Converters Co., Ltd. and Shanghai CNR Yongdian Electronic Technology Co., Ltd. respectively, 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 30 September 2017

	30 September 2017 (Unaudited)	31 December 2016 (Audited, Restated)
ASSETS		
CURRENT ASSETS		
Cash and bank balances	4,479,647,656	3,203,179,230
Bills receivable	2,772,687,335	4,259,355,110
Trade receivables	8,130,966,897	5,317,077,521
Prepayments	410,316,082	217,778,955
Dividends receivable	25,000,000	–
Other receivables	131,120,037	129,865,639
Inventories	4,588,753,610	3,240,783,430
Other current assets	533,520,354	2,500,247,565
Total current assets	21,072,011,971	18,868,287,450

Consolidated Statement of Financial Position (continued)*30 September 2017*

	30 September 2017	31 December 2016
	(Unaudited)	(Audited, Restated)
ASSETS		
NON-CURRENT ASSETS		
Available-for-sale financial asset	900,000	900,000
Long-term receivables	41,493,428	49,932,355
Long-term equity investments	228,800,587	228,628,965
Fixed assets	2,693,961,920	2,825,302,353
Construction in progress	264,859,588	191,728,924
Intangible assets	592,873,797	635,362,222
Development expenditure	80,995,975	75,271,984
Goodwill	461,543,409	485,174,198
Deferred tax assets	319,899,837	301,219,923
Other non-current assets	96,045,521	73,467,821
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Total non-current assets	4,781,374,062	4,866,988,745
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TOTAL ASSETS	25,853,386,033	23,735,276,195
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Consolidated Statement of Financial Position (continued)

30 September 2017

	30 September 2017 (Unaudited)	31 December 2016 (Audited, Restated)
CURRENT LIABILITIES		
Short-term borrowings	169,851,084	159,166,033
Financial liabilities at fair value through profit or loss	3,435,228	6,135,766
Bills payable	1,641,143,938	1,835,369,575
Trade payables	4,238,283,723	2,787,057,010
Advances from customers	862,470,775	858,585,589
Employee benefits payable	258,019,350	37,150,187
Dividends payable	–	3,000,000
Interests payable	409,897	448,131
Taxes payable	148,813,101	278,319,759
Other payables	346,036,809	445,567,542
Current portion of non-current liabilities	1,779,258	1,586,759
Provisions	211,839,644	262,822,271
Deferred income	72,005,083	76,840,639
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Total current liabilities	7,954,087,890	6,752,049,261
NON-CURRENT LIABILITIES		
Long-term borrowings	101,086,699	101,317,364
Long-term payables	71,483,636	100,662,888
Provisions	295,889,976	339,462,724
Deferred income	282,450,632	292,301,752
Deferred tax liabilities	74,320,600	78,575,067
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Total non-current liabilities	825,231,543	912,319,795
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Total liabilities	8,779,319,433	7,664,369,056

Consolidated Statement of Financial Position (continued)*30 September 2017*

	30 September 2017 (Unaudited)	31 December 2016 (Audited, Restated)
SHAREHOLDERS' EQUITY		
Share capital	1,175,476,637	1,175,476,637
Capital reserve	3,372,640,263	3,382,700,429
Other comprehensive income	(100,577,501)	(89,637,548)
Special reserve	17,269,031	11,211,581
Surplus reserve	1,528,786,202	1,416,051,748
Retained earnings	10,786,324,637	9,911,430,941
Total equity attributable to shareholders of the Parent	16,779,919,269	15,807,233,788
Non-controlling interests	294,147,331	263,673,351
Total shareholders' equity	17,074,066,600	16,070,907,139
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	25,853,386,033	23,735,276,195

Consolidated Statement of Profit or Loss
For the nine months ended 30 September 2017

	For the nine months ended 30 September 2017 (Unaudited)	For the nine months ended 30 September 2016 (Unaudited, Restated)
Revenue	9,525,688,372	9,861,001,823
Less: Cost of sales	5,938,362,855	6,127,262,426
Taxes and surcharges	80,044,773	53,690,491
Selling expenses	453,402,960	396,057,188
Administrative expenses	1,366,925,088	1,244,092,707
Finance costs	(18,620,268)	68,592,560
Asset impairment losses	140,882,579	123,071,581
Add: Gains on fair value changes	(2,700,538)	–
Investment income	43,640,475	85,741,377
Including: share of profits and losses of associates and joint ventures	20,776,089	44,900,164
Other income	197,952,632	–
Operating profit	1,808,984,030	1,933,976,247
Add: Non-operating income	42,853,159	262,943,026
Less: Non-operating expenses	23,344,707	1,262,293
Total profit	1,828,492,482	2,195,656,980
Less: Income tax expense	271,708,144	287,536,950
Net profit	1,556,784,338	1,908,120,030
Net profit attributable to shareholders of the Parent	1,518,255,078	1,892,558,807
Non-controlling interests	38,529,260	15,561,223

Consolidated Statement of Profit or Loss (continued)*For the nine months ended 30 September 2017*

	For the nine months ended 30 September 2017 (Unaudited)	For the nine months ended 30 September 2016 (Unaudited, Restated)
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	<u>(10,939,953)</u>	<u>(134,417,502)</u>
Total other comprehensive income attributable to non-controlling interests, net of tax	<u>(40,649)</u>	<u>(4,017,381)</u>
Total comprehensive income	<u>1,545,803,736</u>	<u>1,769,685,147</u>
Including:		
Total comprehensive income attributable to shareholders of the Parent	<u>1,507,315,125</u>	<u>1,758,141,305</u>
Total comprehensive income attributable to non-controlling interests	<u>38,488,611</u>	<u>11,543,842</u>
Earnings per share (Yuan/Share)		
Basic	<u>1.29</u>	<u>1.61</u>
Diluted	<u>1.29</u>	<u>1.61</u>

The Group's revenue decreased by RMB335.3 million or 3.4% from RMB9,861.0 million for the nine months ended 30 September 2016 (restated) to RMB9,525.7 million for the nine months ended 30 September 2017.

The Group's gross profit decreased by RMB146.4 million or 3.9% from RMB3,733.7 million for the nine months ended 30 September 2016 (restated) to RMB3,587.3 million for the nine months ended 30 September 2017. The Group's gross profit margin decreased from 37.9% for the nine months ended 30 September 2016 (restated) to 37.7% for the nine months ended 30 September 2017. The gross profit margin remained stable.

Net profit attributable to the shareholders of the Parent decreased by RMB374.3 million or 19.8% from RMB1,892.6 million for the nine months ended 30 September 2016 (restated) to RMB1,518.3 million for the nine months ended 30 September 2017. The decrease in net profit attributable to the shareholders of the Parent was mainly due to the decrease in the revenue during the year.

The Group's earnings per share decreased by RMB0.32 or 19.9% from RMB1.61 for the nine months ended 30 September 2016 (restated) to RMB1.29 for the nine months ended 30 September 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 55.62% equity 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 nine months ended 30 September 2017 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 the 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 (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

By order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 20 October 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 Zhang Xinning, and our independent non-executive directors are Chan Kam Wing, Clement, Pao Ping Wing, Liu Chunru, Chen Xiaoming and Ouyang Minggao.