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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 2018

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 2018 set out (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi yuan) as follows.

### Consolidated Statement of Financial Position

30 September 2018

	<b>30 September 2018</b>	31 December 2017
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and bank balances	5,900,295,066	3,807,870,646
Held-for-trading financial asset	410,370,677	–
Derivative financial assets	8,504,000	–
Bills receivable and trade receivables	8,767,083,519	11,234,254,663
Prepayments	436,530,422	351,818,771
Other receivables	119,747,354	175,057,776
Inventories	4,480,593,930	3,498,039,948
Contract assets	34,691,461	–
Other current assets	2,364,598,193	2,545,606,214
	<b>22,522,414,622</b>	<b>21,612,648,018</b>
<b>Total current assets</b>	<b>22,522,414,622</b>	<b>21,612,648,018</b>

**Consolidated Statement of Financial Position (continued)**

30 September 2018

	30 September 2018 (Unaudited)	31 December 2017 (Audited)
<b>NON-CURRENT ASSETS</b>		
Long-term receivables	44,983,656	68,963,685
Long-term equity investments	276,463,399	270,226,834
Available-for-sale financial asset	–	900,000
Other equity instrument investment	900,000	–
Fixed assets	2,621,423,127	2,718,043,237
Construction in progress	274,800,250	236,723,437
Intangible assets	673,842,363	698,630,503
Development expenditure	130,481,858	113,520,722
Goodwill	477,506,312	454,291,856
Long-term deferred expenses	22,910,042	12,396,018
Deferred tax assets	366,032,075	372,796,918
Other non-current assets	114,028,534	90,507,247
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<b>Total non-current assets</b>	<b>5,003,371,616</b>	<b>5,037,000,457</b>
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<b>TOTAL ASSETS</b>	<b>27,525,786,238</b>	<b>26,649,648,475</b>
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<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Short-term borrowings	210,425,623	202,427,360
Bills payable and trade payables	5,785,597,803	5,454,698,714
Advances from customers	–	856,636,427
Contract liabilities	593,530,143	–
Employee benefits payable	239,469,787	47,223,201
Taxes payable	141,786,573	214,197,481
Other payables	474,921,965	556,316,992
Current portion of non-current liabilities	204,732,363	291,790,393
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<b>Total current liabilities</b>	<b>7,650,464,257</b>	<b>7,623,290,568</b>
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<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	108,199,118	99,427,028
Long-term payables	119,375,682	119,375,682
Provisions	249,476,916	334,208,148
Deferred income	344,762,095	346,645,279
Deferred tax liabilities	38,784,301	70,136,010
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<b>Total non-current liabilities</b>	<b>860,598,112</b>	<b>969,792,147</b>
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<b>Total liabilities</b>	<b>8,511,062,369</b>	<b>8,593,082,715</b>
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**Consolidated Statement of Financial Position (continued)***30 September 2018*

	<b>30 September 2018</b> <b>(Unaudited)</b>	31 December 2017 <b>(Audited)</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	<b>1,175,476,637</b>	1,175,476,637
Capital reserve	<b>3,369,786,541</b>	3,369,786,541
Other comprehensive income	<b>(112,083,390)</b>	(116,467,835)
Special reserve	<b>18,322,634</b>	13,569,337
Surplus reserve	<b>1,765,252,682</b>	1,598,210,193
Retained earnings	<b>12,508,390,113</b>	11,723,779,095
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<b>Total equity attributable to shareholders of the Parent</b>	<b>18,725,145,217</b>	17,764,353,968
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<b>Non-controlling interests</b>	<b>289,578,652</b>	292,211,792
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<b>Total shareholders' equity</b>	<b>19,014,723,869</b>	18,056,565,760
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<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>27,525,786,238</b>	26,649,648,475
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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

*For the nine months ended 30 September 2018*

	<b>For the nine months ended 30 September 2018 (Unaudited)</b>	For the nine months ended 30 September 2017 (Unaudited)
<b>Revenue</b>	<b>9,273,863,967</b>	9,525,688,372
Less: Cost of sales	<b>5,680,180,499</b>	5,938,362,855
Taxes and surcharges	<b>70,686,984</b>	80,044,773
Selling expenses	<b>504,843,925</b>	453,402,960
Administrative expenses	<b>477,880,439</b>	477,305,278
Research and development expenses	<b>942,848,431</b>	889,619,810
Finance costs	<b>(27,298,887)</b>	(18,620,268)
Including: Interest expenses	<b>4,567,510</b>	2,092,101
Interest income	<b>(48,358,952)</b>	(21,402,810)
Asset impairment losses	<b>3,728,995</b>	140,882,579
Credit impairment losses	<b>89,404,782</b>	–
Add: Other income	<b>204,882,262</b>	197,952,632
Investment income	<b>29,051,175</b>	43,640,475
Including: share of profits and losses of associates and joint ventures	<b>(6,418,499)</b>	20,776,089
Gains on fair value changes	<b>8,527,253</b>	2,700,538
Gains/(losses) on disposal of non-current assets	<b>2,118,261</b>	350,702
<b>Operating profit</b>	<b>1,776,167,750</b>	1,809,334,732
Add: Non-operating income	<b>11,583,138</b>	42,502,457
Less: Non-operating expenses	<b>1,544,496</b>	23,344,707
<b>Total profit</b>	<b>1,786,206,392</b>	1,828,492,482
Less: Income tax expense	<b>280,939,895</b>	271,708,144
<b>Net profit</b>	<b><u>1,505,266,497</u></b>	<b><u>1,556,784,338</u></b>
Including: Net profit of the acquire attributable to shareholders of the Parent prior to business combination involving entities under common control	<b>–</b>	<b>(2,864,109)</b>

**Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)**

*For the nine months ended 30 September 2018*

	<b>For the nine months ended 30 September 2018 (Unaudited)</b>	For the nine months ended 30 September 2017 (Unaudited)
(i) Net profit classified by business continuity:		
1. Net profit from continuing operations	<b>1,505,266,497</b>	1,556,784,338
2. Net profit from discontinued operations	–	–
(ii) Net profit classified by ownership:		
1. Net profit attributable to non-controlling interests	<b>24,677,710</b>	38,529,260
2. Net profit attributable to shareholders of the Parent	<b>1,480,588,787</b>	1,518,255,078
Other comprehensive income, net of tax:		
Other comprehensive income attributable to shareholders of the Parent, net of tax	<b>4,384,446</b>	(10,939,953)
(i) Items that will not be reclassified to profit or loss	–	–
(ii) Items that may be reclassified to profit or loss		
1. Fair value losses on financial assets at fair value through other comprehensive income	<b>(27,941,262)</b>	–
2. Exchange fluctuation reserve	<b>32,325,708</b>	(10,939,953)
Other comprehensive income attributable to non-controlling interests, net of tax	<b>394,638</b>	(40,649)
<b>Total comprehensive income:</b>	<b>1,510,045,581</b>	1,545,803,736
Including:		
Total comprehensive income attributable to shareholders of the Parent	<b>1,484,973,233</b>	1,507,315,125
Total comprehensive income attributable to non-controlling interests	<b>25,072,348</b>	38,488,611
Earnings per share (Yuan/Share)		
Basic earnings per share	<b>1.26</b>	1.29
Diluted earnings per share	<b>N/A</b>	N/A

The Group's revenue decreased by RMB251.8 million or 2.6% from RMB9,525.7 million for the nine months ended 30 September 2017 to RMB9,273.9 million for the nine months ended 30 September 2018.

The Group's gross profit increased by RMB6.4 million or 0.2% from RMB3,587.3 million for the nine months ended 30 September 2017 to RMB3,593.7 million for the nine months ended 30 September 2018. The Group's gross profit margin increased from 37.7% for the nine months ended 30 September 2017 to 38.8% for the nine months ended 30 September 2018. The gross profit margin was mainly due to the change of product sales structure.

Net profit attributable to the shareholders of the Parent decreased by RMB37.7 million or 2.5% from RMB1,518.3 million for the nine months ended 30 September 2017 to RMB1,480.6 million for the nine months ended 30 September 2018. 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 RMB0.03 or 2.3% from RMB1.29 for the nine months ended 30 September 2017 to RMB1.26 for the nine months ended 30 September 2018.

As at 30 September 2018, 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 53.03% equity interest in CRRC Corporation Limited which holds approximately 52.38% equity interest in the Company through its three subsidiaries and holds, through CRRC ZELRI, CRRC Investment & Leasing Co., Ltd., CRRC Zhuzhou Locomotive Co., Ltd. and CRRC Hong Kong Capital Management Co., Limited approximately 50.16%, 0.80%, 0.85% and 0.57% equity interest in the Company, respectively.

#### **REVIEW BY AUDIT COMMITTEE**

The Group's unaudited results for the nine months ended 30 September 2018 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  
**Li Donglin**  
Chairman

Zhuzhou, China, 30 October 2018

*As at the date of this announcement, our chairman of the Board and executive director is Li Donglin, our vice chairman of the Board and executive director is Yang Shouyi, 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 Gao Feng.*