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株洲中车时代电气股份有限公司

ZHUZHOU CRRC 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 2016

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 three months ended 31 March 2016 set out (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi yuan) as follows.

Consolidated Statement of Financial Position

31 March 2016

	31 March 2016 <i>(Unaudited)</i>	31 December 2015 <i>(Audited)</i>
ASSETS		
CURRENT ASSETS		
Cash and bank balances	4,323,556,083	3,403,680,982
Bills receivable	2,853,128,328	3,944,289,710
Trade receivables	5,578,323,324	3,967,858,997
Prepayments	251,211,239	194,032,905
Other receivables	135,195,963	154,434,789
Inventories	3,440,438,452	3,069,080,313
Other current assets	<u>2,084,487,338</u>	<u>3,269,523,254</u>
Total current assets	<u>18,666,340,727</u>	<u>18,002,900,950</u>
NON-CURRENT ASSETS		
Available-for-sale financial assets	900,000	900,000
Long-term receivables	8,017,748	11,178,796
Long-term equity investments	246,172,821	221,873,090
Fixed assets	1,730,356,423	1,762,830,047
Construction in progress	224,196,413	209,114,557
Intangible assets	670,096,585	689,151,256
Development expenditure	663,534	663,534
Goodwill	558,654,008	575,023,668
Deferred tax assets	298,030,549	279,780,338
Other non-current assets	<u>58,714,015</u>	<u>58,910,923</u>
Total non-current assets	<u>3,795,802,096</u>	<u>3,809,426,209</u>
TOTAL ASSETS	<u>22,462,142,823</u>	<u>21,812,327,159</u>

Consolidated Statement of Financial Position (continued)

31 March 2016

	31 March 2016 (Unaudited)	31 December 2015 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	99,325,389	53,636,349
Bills payable	1,395,907,472	1,733,675,268
Trade payables	2,665,188,491	2,432,533,665
Advances from customers	897,340,291	888,730,895
Employee benefits payable	123,779,435	50,365,378
Interests payable	3,553,816	2,504,772
Taxes payable	196,040,769	250,178,115
Other payables	396,611,026	295,070,864
Current portion of non-current liabilities	18,001,834	16,207,531
Provisions	360,193,002	367,927,119
Deferred income	116,214,497	59,304,497
Total current liabilities	6,272,156,022	6,150,134,453
NON-CURRENT LIABILITIES		
Long-term borrowings	1,059,827,263	1,025,396,909
Long-term payables	116,298,371	116,298,371
Provisions	516,451,036	514,732,436
Deferred income	179,348,941	228,974,815
Deferred tax liabilities	94,449,290	100,187,611
Total non-current liabilities	1,966,374,901	1,985,590,142
Total liabilities	8,238,530,923	8,135,724,595
SHAREHOLDERS' EQUITY		
Share capital	1,175,476,637	1,175,476,637
Capital reserve	3,352,123,130	3,352,123,130
Other comprehensive income	(63,790,779)	(41,391,233)
Special reserve	7,628,919	7,520,445
Surplus reserve	1,149,501,481	1,149,501,481
Retained earnings	8,396,012,890	7,829,036,380
Total equity attributable to shareholders of the Parent	14,016,952,278	13,472,266,840
Non-controlling interests	206,659,622	204,335,724
Total shareholders' equity	14,223,611,900	13,676,602,564
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,462,142,823	21,812,327,159

Consolidated Statement of Profit or Loss
For the three months ended 31 March 2016

	For the three months ended 31 March 2016 (Unaudited)	For the three months ended 31 March 2015 (Unaudited)
Revenue	2,405,484,298	2,007,357,108
Less: Cost of sales	1,464,326,451	1,241,781,412
Business taxes and surcharges	2,458,812	1,179,876
Selling expenses	110,671,563	92,366,602
Administrative expenses	284,285,720	273,959,022
Finance costs	72,833,500	(8,049,758)
Asset impairment losses	46,060,042	24,963,182
Add: Investment income	42,643,407	38,940,750
Including: share of profits of associates and joint ventures	<u>19,310,018</u>	<u>17,637,388</u>
Operating profit	467,491,617	420,097,522
Add: Non-operating income	193,443,341	53,419,546
Less: Non-operating expenses	<u>379,396</u>	<u>70,621</u>
Total profit	660,555,562	473,446,447
Less: Income tax expense	<u>88,292,244</u>	<u>73,313,467</u>
Net profit	<u>572,263,318</u>	<u>400,132,980</u>
Net profit attributable to shareholders of the Parent	<u>566,976,509</u>	<u>400,231,019</u>
Non-controlling interests	<u>5,286,809</u>	<u>(98,039)</u>
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>(22,399,546)</u>	<u>(4,075,180)</u>
Total other comprehensive income attributable to non-controlling interests, net of tax	<u>(2,962,911)</u>	<u>(1,098,963)</u>
Total comprehensive income	<u>546,900,861</u>	<u>394,958,837</u>
Including:		
Total comprehensive income attributable to shareholders of the Parent	<u>544,576,963</u>	<u>396,155,839</u>
Total comprehensive income attributable to non-controlling interests	<u>2,323,898</u>	<u>(1,197,002)</u>
Earnings per share (Yuan/Share)		
Basic	<u>0.48</u>	<u>0.34</u>
Diluted	<u>0.48</u>	<u>0.34</u>

The Group's revenue increased by RMB398.1 million or 19.8% from RMB2,007.4 million for the three months ended 31 March 2015 to RMB2,405.5 million for the three months ended 31 March 2016.

The Group's gross profit increased by RMB175.6 million or 22.9% from RMB765.6 million for the three months ended 31 March 2015 to RMB941.2 million for the three months ended 31 March 2016. The Group's gross profit margin increased from 38.1% for the three months ended 31 March 2015 to 39.1% for the three months ended 31 March 2016. The change in gross profit margin was mainly due to the change of product sales mix.

Net profit attributable to the shareholders of the Parent increased by RMB166.8 million or 41.7% from RMB400.2 million for the three months ended 31 March 2015 to RMB567.0 million for the three months ended 31 March 2016. The increase in net profit attributable to the shareholders of the Parent was mainly attributable to the increase in gross profit.

The Group's earnings per share increased by RMB0.14 or 41.2% from RMB0.34 for the three months ended 31 March 2015 to RMB0.48 for the three months ended 31 March 2016.

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 55.91% interest in CRRC Corporation Limited which holds approximately 51.95% equity interest in the Company through its three subsidiaries and holds, through CRRC ZELRI, CRRC Zhuzhou Institute (Hong Kong) Co., Ltd. CRRC Investment & Leasing Co., Ltd. and CRRC Zhuzhou Locomotive Co., Ltd. approximately 50.16%, 0.14%, 0.80% and 0.85% equity interest in the Company, respectively.

Review by Audit Committee

The Group's unaudited results for the three months ended 31 March 2016 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 (the "Listing Rules").

By Order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 22 April 2016

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 directors are Liu Ke'an and Yan Wu, our non-executive director is Ma Yunkun, and our independent non-executive directors are Chan Kam Wing, Clement, Pao Ping Wing, and Liu Chunru.