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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 THREE MONTHS ENDED 31 MARCH 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 three months ended 31 March 2018 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 2018

ASSETS	31 March 2018 (Unaudited)	31 December 2017 (Audited)
CURRENT ASSETS		
Cash and bank balances	6,725,368,990	3,807,870,646
Bills receivable	3,471,414,549	4,985,366,054
Trade receivables	6,493,424,618	6,248,888,609
Prepayments	344,411,681	351,818,771
Interests receivable	–	101,122
Other receivables	125,091,997	174,956,654
Inventories	4,011,683,334	3,498,039,948
Other current assets	609,685,906	2,545,606,214
Total current assets	21,781,081,075	21,612,648,018

Consolidated Statement of Financial Position (continued)*31 March 2018*

ASSETS	31 March 2018 (Unaudited)	31 December 2017 (Audited)
NON-CURRENT ASSETS		
Available-for-sale financial assets	900,000	900,000
Long-term receivables	46,089,064	68,963,685
Long-term equity investments	262,000,921	270,226,834
Fixed assets	2,670,586,004	2,718,043,237
Construction in progress	261,987,643	236,723,437
Intangible assets	665,172,918	698,630,503
Development expenditure	113,520,722	113,520,722
Long-term deferred expenses	24,156,046	12,396,018
Goodwill	436,031,222	454,291,856
Deferred tax assets	364,356,862	372,796,918
Other non-current assets	89,587,082	90,507,247
Total non-current assets	<u>4,934,388,484</u>	<u>5,037,000,457</u>
TOTAL ASSETS	<u><u>26,715,469,559</u></u>	<u><u>26,649,648,475</u></u>

Consolidated Statement of Financial Position (continued)

31 March 2018

	31 March 2018 (Unaudited)	31 December 2017 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	215,704,509	202,427,360
Financial liabilities at fair value through profit or loss	80,987	–
Bills payable	2,048,317,175	2,146,855,799
Trade payables	3,282,695,249	3,307,842,915
Advances from customers	899,795,563	856,636,427
Employee benefits payable	83,482,982	47,223,201
Dividends payable	2,860,000	2,860,000
Interests payable	308,688	829,611
Taxes payable	72,076,146	214,197,481
Other payables	470,463,595	552,627,381
Current portion of non-current liabilities	7,595,011	2,579,207
Provisions	167,027,916	220,405,849
Deferred income	115,094,471	68,805,337
Total current liabilities	<u>7,365,502,292</u>	<u>7,623,290,568</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	115,382,618	99,427,028
Long-term payables	119,375,682	119,375,682
Provisions	322,246,962	334,208,148
Deferred income	300,993,551	346,645,279
Deferred tax liabilities	62,895,153	70,136,010
Total non-current liabilities	<u>920,893,966</u>	<u>969,792,147</u>
Total liabilities	<u>8,286,396,258</u>	<u>8,593,082,715</u>

Consolidated Statement of Financial Position (continued)*31 March 2018*

	31 March 2018 (Unaudited)	31 December 2017 (Audited)
SHAREHOLDERS' EQUITY		
Share capital	1,175,476,637	1,175,476,637
Capital reserve	3,369,786,541	3,369,786,541
Other comprehensive income	(134,574,726)	(116,467,835)
Special reserve	13,484,365	13,569,337
Surplus reserve	1,598,210,193	1,598,210,193
Retained earnings	12,104,992,442	11,723,779,095
Total equity attributable to shareholders of the Parent	18,127,375,452	17,764,353,968
Non-controlling interests	301,697,849	292,211,792
Total shareholders' equity	18,429,073,301	18,056,565,760
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	26,715,469,559	26,649,648,475

Consolidated Statement of Profit or Loss*For the three months ended 31 March 2018*

	For the three months ended 31 March 2018 (Unaudited)	For the three months ended 31 March 2017 (Unaudited, Restated) (Note)
Revenue	2,236,913,670	2,437,209,127
Less: Cost of sales	1,373,426,036	1,493,412,947
Taxes and surcharges	15,721,695	20,590,216
Selling expenses	121,999,057	112,588,338
Administrative expenses	363,149,329	358,527,437
Finance costs	1,589,134	(920,927)
Asset impairment losses	12,510,899	19,996,845
Add: Gains/(losses) on fair value changes	(80,987)	3,206,591
Investment income	162,152	24,017,339
Including: share of profits and losses of associates and joint ventures	(8,225,912)	9,612,784
Gains/(losses) on disposal of assets	1,688,155	(55,078)
Other income	55,455,962	—
Operating profit	405,742,802	460,183,123
Add: Non-operating income	16,621,472	92,859,064
Less: Non-operating expenses	224,059	1,125,706
Total profit	422,140,215	551,916,481
Less: Income tax expense	31,859,107	59,904,428
Net profit	390,281,108	492,012,053
Classified by business continuity		
Net profit from continuing operations	390,281,108	492,012,053
Classified by ownership		
Net profit attributable to shareholders of the Parent	381,213,346	478,324,564
Non-controlling interests	9,067,762	13,687,489

Consolidated Statement of Profit or Loss (continued)*For the three months ended 31 March 2018*

	For the three months ended 31 March 2018 (Unaudited)	For the three months ended 31 March 2017 (Unaudited, Restated) (Note)
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>(18,106,890)</u>	<u>(2,979,181)</u>
Total other comprehensive income attributable to non-controlling interests, net of tax	<u>432,355</u>	<u>(885,097)</u>
Total comprehensive income	<u>372,606,573</u>	<u>488,147,775</u>
Including:		
Total comprehensive income attributable to shareholders of the Parent	<u>363,106,456</u>	<u>475,345,383</u>
Total comprehensive income attributable to non-controlling interests	<u>9,500,117</u>	<u>12,802,392</u>
Earnings per share (Yuan/Share)		
Basic	<u>0.32</u>	<u>0.41</u>
Diluted	<u>0.32</u>	<u>0.41</u>

Notes: On 2 August 2017, the Group completed the business combination of Shanghai CNR Yongdian Electronic Technology Co., Ltd. under common control, hence the figures in the consolidated statement of profit or loss for the same period of 2017 were restated to conform to the requirements of presentation and accounting treatment for the current year.

The Group's revenue decreased by RMB200.3 million or 8.2% from RMB2,437.2 million for the three months ended 31 March 2017 (restated) to RMB2,236.9 million for the three months ended 31 March 2018.

The Group's gross profit decreased by RMB80.3 million or 8.5% from RMB943.8 million for the three months ended 31 March 2017 (restated) to RMB863.5 million for the three months ended 31 March 2018. The Group's gross profit margin decreased from 38.7% for the three months ended 31 March 2017 (restated) to 38.6% for the three months ended 31 March 2018. The gross profit margin remained stable.

Net profit attributable to the shareholders of the Parent decreased by RMB97.1 million or 20.3% from RMB478.3 million for the three months ended 31 March 2017 (restated) to RMB381.2 million for the three months ended 31 March 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 RMB0.09 or 22.0% from RMB0.41 for the three months ended 31 March 2017 (restated) to RMB0.32 for the three months ended 31 March 2018.

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 52.03% equity interest in the Company through its four 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 0.22% equity interest in the Company, respectively.

REVIEW BY AUDIT COMMITTEE

The Group's unaudited results for the three months ended 31 March 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
Zhuzhou CRRC Times Electric Co., Ltd.
Ding Rongjun
Chairman

Zhuzhou, China, 19 April 2018

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 and Chen Xiaoming.