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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 2019

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 2019 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 2019

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and bank balances	4,131,861,293	4,394,379,150
Held-for-trading financial assets	2,557,086,096	1,603,855,068
Bills receivable	1,905,109,455	3,508,440,870
Trade receivables	10,523,485,748	6,485,964,593
Contract assets	156,385,463	193,098,466
Trade receivables financing	736,417,720	1,030,920,086
Prepayments	462,979,138	416,359,549
Other receivables	159,599,074	106,146,467
Inventories	4,065,018,398	3,114,014,551
Other current assets	270,393,574	2,729,327,503
Total current assets	24,968,335,959	23,582,506,303

Consolidated Statement of Financial Position (continued)

30 September 2019

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
NON-CURRENT ASSETS		
Other equity instrument investment	–	900,000
Long-term receivables	–	–
Long-term equity investments	506,200,985	464,017,479
Fixed assets	2,894,823,901	2,741,545,604
Construction in progress	150,163,374	275,081,681
Right-of-use assets	98,397,905	N/A
Intangible assets	627,476,347	675,608,905
Development expenditure	186,382,953	188,436,535
Long-term deferred expenses	47,995,376	31,924,398
Goodwill	489,131,986	475,530,053
Deferred tax assets	527,002,767	397,748,652
Other non-current assets	203,942,102	201,222,966
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Total non-current assets	5,731,517,696	5,452,016,273
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TOTAL ASSETS	30,699,853,655	29,034,522,576
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LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	248,515,604	168,246,814
Financial liabilities at fair value through profit and loss	–	–
Bills payable	1,819,152,206	2,349,473,616
Trade payables	4,467,938,040	3,185,104,692
Advances from customers	–	6,736,890
Contract liabilities	517,436,129	649,337,643
Employee benefits payable	248,447,561	135,840,963
Taxes payable	171,393,869	257,189,215
Other payables	376,188,212	669,071,995
Current portion of non-current liabilities	404,375,806	302,750,776
Other current liabilities	70,457,758	–
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Total current liabilities	8,323,905,185	7,723,752,604
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Consolidated Statement of Financial Position (continued)

30 September 2019

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
NON-CURRENT LIABILITIES		
Long-term borrowings	230,391,139	232,329,655
Lease liabilities	61,163,070	N/A
Long-term payables	41,525,173	41,525,173
Provisions	394,546,362	373,890,995
Deferred income	496,175,995	461,200,893
Deferred tax liabilities	49,710,895	54,475,133
Other non-current liabilities	39,110,857	23,833,959
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Total non-current liabilities	1,312,623,491	1,187,255,808
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Total liabilities	9,636,528,676	8,911,008,412
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SHAREHOLDERS' EQUITY		
Share capital	1,175,476,637	1,175,476,637
Capital reserve	3,327,024,073	3,369,786,541
Other comprehensive income	(124,290,857)	(138,081,853)
Special reserve	20,026,398	12,070,105
Surplus reserve	1,801,776,624	1,801,776,624
Retained earnings	14,577,364,164	13,603,735,926
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Total equity attributable to shareholders of the Parent	20,777,377,039	19,824,763,980
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Non-controlling interests	285,947,940	298,750,184
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Total shareholders' equity	21,063,324,979	20,123,514,164
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	30,699,853,655	29,034,522,576
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the nine months ended 30 September 2019

	For the nine months ended 30 September 2019 (Unaudited)	For the nine months ended 30 September 2018 (Unaudited)
Revenue	9,598,028,397	9,273,863,967
Less: Cost of sales	5,861,763,770	5,680,180,499
Taxes and surcharges	85,902,462	70,686,984
Selling expenses	718,902,628	504,843,925
Administrative expenses	520,896,803	477,880,439
Research and development expenses	990,998,752	942,848,431
Finance costs	8,741,736	(27,298,887)
Asset impairment losses	25,066,921	3,728,995
Credit impairment losses	41,319,048	89,404,782
Add: Gains on fair value changes	–	8,527,253
Investment income	72,672,480	29,051,175
Including: share of profits of associates and joint ventures	(9,137,711)	(6,418,499)
Gains on disposal of non-current assets	323,989	2,118,261
Other income	245,714,081	204,882,262
	1,663,146,827	1,776,167,749
Operating profit	1,663,146,827	1,776,167,749
Add: Non-operating income	7,677,099	11,583,138
Less: Non-operating expenses	1,426,046	1,544,496
	1,669,397,880	1,786,206,392
Total profit	1,669,397,880	1,786,206,392
Less: Income tax expense	162,379,603	280,939,895
	1,507,018,277	1,505,266,497
Net profit	1,507,018,277	1,505,266,497

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

For the nine months ended 30 September 2019

	For the nine months ended 30 September 2019 (Unaudited)	For the nine months ended 30 September 2018 (Unaudited)
Net profit classified by business continuity		
Net profit from continuing operations	1,507,018,277	1,505,266,497
Net profit classified by ownership		
Net profit attributable to shareholders of the Parent	<u>1,502,592,723</u>	<u>1,480,588,787</u>
Net profit attributable to non-controlling interests	<u>4,425,554</u>	<u>24,677,710</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	11,966,483	32,325,708
The amount of financial assets reclassified into other comprehensive income	16,206,401	(27,941,262)
Other comprehensive income attributable to non-controlling interests, net of tax	<u>(14,381,889)</u>	<u>394,638</u>
Total comprehensive income	<u>1,520,809,272</u>	<u>1,510,045,581</u>
Including:		
Total comprehensive income attributable to shareholders of the Parent	<u>1,530,765,607</u>	<u>1,484,973,233</u>
Total comprehensive income attributable to non-controlling interests	<u>(9,956,335)</u>	<u>25,072,348</u>
Earnings per share (Yuan/Share)		
Basic earnings per share	<u>1.28</u>	<u>1.26</u>
Diluted earnings per share	<u>N/A</u>	<u>N/A</u>

The Group's revenue increased by RMB324.1 million or 3.5% from RMB9,273.9 million for the nine months ended 30 September 2018 to RMB9,598.0 million for the nine months ended 30 September 2019.

The Group's gross profit increased by RMB142.6 million from RMB3,593.7 million for the nine months ended 30 September 2018 to RMB3,736.3 million for the nine months ended 30 September 2019. The Group's gross profit margin increased from 38.8% for the nine months ended 30 September 2018 to 38.9% for the nine months ended 30 September 2019. The gross profit margin was basically the same as the previous year.

Net profit attributable to the shareholders of the Parent increased by RMB22.0 million from RMB1,480.6 million for the nine months ended 30 September 2018 to RMB1,502.6 million for the nine months ended 30 September 2019. The increase in net profit attributable to the shareholders of the Parent was mainly due to the increase in the revenue and the gross profit margin during the year.

The Group's earnings per share (basic) increased by RMB0.02 or 1.5% from RMB1.26 for the nine months ended 30 September 2018 to RMB1.28 for the nine months ended 30 September 2019.

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 controlling shareholder is CRRC Group ("**CRRC Group**"). CRRC Group holds approximately 51.08% equity interest in CRRC Corporation Limited which holds approximately 53.19% 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 1.38% equity interest in the Company, respectively.

REVIEW BY AUDIT COMMITTEE

The Group's unaudited results for the nine months ended 30 September 2019 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, 25 October 2019

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.