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**中國中車股份有限公司**  
**CRRC CORPORATION LIMITED**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 1766)**

**US\$600,000,000 Zero Coupon Convertible Bonds due 2021**

**Stock code: 5613**

**2017 THIRD QUARTERLY REPORT**

This announcement is made pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock E change**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The 2017 third quarterly report of CRRC Corporation Limited (the “**Compan** ” or “**CRRC**”, together with its subsidiaries, the “**Group**”) is set out below. The financial report is prepared in accordance with the Accounting Standards for Business Enterprises of the PRC and is unaudited.

By order of the Board  
**CRRC Corporation Limited**  
**Liu Hualong**  
*Chairman*

Beijing, the PRC  
27 October 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Liu Hualong, Mr. Sun Yongcai and Mr. Xu Zongxiang; the non-executive director is Mr. Liu Zhiyong; and the independent non-executive directors are Mr. Li Guo'an, Mr. Wu Zhuo, Mr. Sun Patrick and Mr. Chan Ka Keung, Peter.*

## **I. IMPORTANT NOTICE**

1.1 The board of directors (the “**Board**”), the supervisory committee, the

	From the beginning of the year to the end of the reporting period (January - September)	From the beginning of last year to the end of the reporting period of last year (January -September)		Change as compared to the same period of last year (%)
		After adjustment	Before adjustment	
Net cash flow from operating activities	-9,489,946	3,348,680	3,354,216	—

	From the beginning of the year to the end of the reporting period (January - September)	From the beginning of last year to the end of the reporting period of last year (January -September)		Change as compared to the same period of last year (%)
		After adjustment	Before adjustment	
Revenue from operations	140,666,030	147,059,213	147,059,682	-4.35
Net profit attributable to shareholders of the listed Company	6,809,208	7,515,431	7,520,041	-9.40
Net profit after non-recurring profit or loss attributable to shareholders of the listed Company	5,989,111	6,686,560	6,687,597	-10.43
Return on weighted average net assets (%)	5.83	7.56	7.57	Decreased by 1.73 percentage point
Basic earnings per share (RMB/share)	0.24	6(bnta8(16644.i97)-555714.290.43)TJ-1.1111-1.475TDilu(lis		

## Non-recurring profit and loss items and amounts

✓ Applicable

☐ Not applicable

*Unit: RMB'000*

*Currency: RMB*

Item	Amount for the current period (Jul - September)	Amount from the beginning of the year to the end of the reporting period (January - September)
Profit or loss on disposal of non-current assets	-42,525	-41,450
Government subsidies recognized in current profit or loss (excluding those closely related to the Company's normal business operations and granted on an ongoing basis under the national policies with standard amount or quantity)	267,580	658,457
Net profit or loss from the subsidiary formed by merging jointly controlled enterprises from the beginning of the reporting period to the date of merger attributable to the current period	-1,312	-1,312
Profit or loss on fair value changes arising from holding of trading financial assets and trading financial liabilities, and investment gains on disposal of trading financial assets, trading financial liabilities and financial assets available for sale, other than effective hedging activities associated with normal business operation of the Company	-41,973	157,151
Other non-operating income and expenses excluding the items above	97,382	157,057

Item	Amount for the current period (Jul - September)	Amount from the beginning of the year to the end of the reporting period (January - September)
Other profit or loss items conforming with the definition of non-recurring profit or loss	—	41,068
Effect of minority shareholders' interests (after tax)	14,406	-38,242
Effect of income tax	<u>-16,052</u>	<u>-112,632</u>
Total	<u>277,506</u>	<u>820,097</u>

**2.2 Total number of shareholders, particulars of shareholdings of the top ten shareholders and of the top ten shareholders of tradable shares (or shareholders not subject to trading moratorium) as at the end of the reporting period**

*Unit: Share*

Total number of shareholders <sup>Note 1</sup>	927,701
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## Particulars of shareholdings of the top ten shareholders

Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to		Pledged or frozen		Nature of shareholder
			trading moratorium	Status of shares	Number		
CRRC Group (中國中車集團公司)	15,491,375,889	53.98	705,052,878	Nil	—		State-owned legal person
HKSCC NOMINEES LIMITED <sup>Note 2</sup>	4,360,357,508	15.19	—	Unknown	—		Foreign legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	1,406,146,463	4.90	—	Unknown	—		State-owned legal person
CRRC Financial and Securities Investment Co., Ltd. (中車金證投資有限公司)	380,172,012	1.32	—	Nil	—		State-owned legal person
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	304,502,100	1.06	—	Unknown	—		State-owned legal person
Shanghai Xinghan Asset - Industrial Bank Co., Ltd. - China Industrial International Trust Limited (上海興瀚資產-興業銀行-興業國際信託有限公司)	235,017,626	0.82	235,017,626	Unknown	—		State-owned legal person
China Development Bank Capital Corporation Limited (國開金融有限責任公司)	176,263,219	0.61	176,263,219	Unknown	—		State-owned legal person
Bosera Funds - Agricultural Bank of China - Bosera China Securities and Financial Assets Management Plan (博時基金-農業銀行-博時中證金融資產管理計劃)	125,366,000	0.44	—	Unknown	—		Unknown
E Fund - Agricultural Bank of China - E Fund China Securities and Financial Assets Management Plan (易方達基金-農業銀行-易方達中證金融資產管理計劃)	125,366,000	0.44	—	Unknown	—		Unknown

Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares		Pledged or frozen		Nature of shareholder
			held subject to trading moratorium	Status of shares	Number		
Dacheng Fund - Agricultural Bank of China - Dacheng China Securities and Financial Assets Management Plan (大成基 金-農業銀行-大成中證金融 資產管理計劃)	125,366,000	0.44	—	Unknown	—		Unknown
Harvest Fund - Agricultural Bank of China - Harvest China Securities and Financial Assets Management Plan (嘉實基 金-農業銀行-嘉實中證金融 資產管理計劃)	125,366,000	0.44	—	Unknown	—		Unknown
GF Fund - Agricultural Bank of China - GF China Securities and Financial Assets Management Plan (廣發基金-農業銀行-廣發中 證金融資產管理計劃)	125,366,000	0.44	—	Unknown	—		Unknown
Zhongou Asset - Agricultural Bank of China - Zhongou China Securities and Financial Assets Management Plan (中歐基 金-農業銀行-中歐中證金融 資產管理計劃)	125,366,000	0.44	—	Unknown	—		Unknown
China AMC - Agricultural Bank of China - China AMC China Securities and Financial Assets Management Plan (華夏基 金-農業銀行-華夏中證金融 資產管理計劃)	125,366,000	0.44	—	Unknown	—		Unknown
Yinhua Fund - Agricultural Bank of China - Yinhua China Securities and Financial Assets Management Plan (銀華基 金-農業銀行-銀華中證金融 資產管理計劃)	125,366,000	0.44	—	Unknown	—		Unknown

Name of shareholder (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares		Status of shares	Pledged or frozen Number	Nature of shareholder
			held subject to trading moratorium				
China Southern Asset Management - Agricultural Bank of China - China Southern Asset Management China Securities and Financial Assets Management Plan (南方基 金-農業銀行-南方中證金融 資產管理計劃)	125,366,000	0.44	—	Unknown	—	Unknown	
ICBCCS Fund - Agricultural Bank of China - ICBCCS China Securities and Financial Assets Management Plan (工銀瑞信 基金-農業銀行-工銀瑞信中 證金融資產管理計劃)	125,366,000	0.44	—	Unknown	—	Unknown	

### Particulars of shareholdings of the top ten shareholders not subject to trading moratorium

Name of shareholder		Number of tradable shares held not subject to trading moratorium	Class and number of shares	
			Class	Number
CRRC Group (中國中車集團 公司)	14,786,323,011	Ordinary shares denominated in RMB	14,786,323,011	
HKSCC NOMINEES LIMITED <sup>Note 2</sup>	4,360,357,508	Overseas listed foreign invested shares	4,360,357,508	
China Securities Finance Corporation Limited (中國證券 金融股份有限公司)	1,406,146,463	Ordinary shares denominated in RMB	1,406,146,463	



Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares Class Number
CRRC Financial and Securities Investment Co., Ltd. (中車金證投資有限公司)	380,172,012	Ordinary shares denominated in RMB
Central Huijin Asset Management Ltd. (中央匯金資產管理有限責任公司)	304,502,100	Ordinary shares denominated in RMB
Bosera Funds - Agricultural Bank of China - Bosera China Securities and Financial Assets Management Plan (博時基金-農業銀行-博時中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB
E Fund - Agricultural Bank of China - E Fund China Securities and Financial Assets Management Plan (易方達基金-農業銀行-易方達中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB
Dacheng Fund - Agricultural Bank of China - Dacheng China Securities and Financial Assets Management Plan (大成基金-農業銀行-大成中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB
Harvest Fund - Agricultural Bank of China - Harvest China Securities and Financial Assets Management Plan (嘉實基金-農業銀行-嘉實中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares Class Number
GF Fund - Agricultural Bank of China - GF China Securities and Financial Assets Management Plan (廣發基金-農業銀行-廣發中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB
Zhongou Asset - Agricultural Bank of China - Zhongou China Securities and Financial Assets Management Plan (中歐基金-農業銀行-中歐中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB
China AMC - Agricultural Bank of China - China AMC China Securities and Financial Assets Management Plan (華夏基金-農業銀行-華夏中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB
Yinhua Fund - Agricultural Bank of China - Yinhua China Securities and Financial Assets Management Plan (銀華基金-農業銀行-銀華中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB
China Southern Asset Management - Agricultural Bank of China - China Southern Asset Management China Securities and Financial Assets Management Plan (南方基金-農業銀行-南方中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares Class Number
ICBCCS Fund - Agricultural Bank of China - ICBCCS China Securities and Financial Assets Management Plan (工銀瑞信基金-農業銀行-工銀瑞信中證金融資產管理計劃)	125,366,000	Ordinary shares denominated in RMB 125,366,000

Connections or parties acting in concert among the aforesaid shareholders

CRRC Financial and Securities Investment Co., Ltd.\* (中車金証投資有限公司) is a wholly-owned subsidiary of the CRRC Group. Save for the above, the Company is not aware of any connections among the other shareholders above, nor aware of any parties acting in concert as defined in the Administrative Measures on Acquisitions by Listed Companies.

*Note 1:* As at the end of the reporting period, the Company has 925,193 holders of A shares and 2,508 registered holders of H shares.

*Note 2:* The H shares held by HKSCC NOMINEES LIMITED are held on behalf of a various clients.

### 2.3 Total number of holders of preference shares, shareholdings of the top ten holders of preference shares and the top ten holders of preference shares not subject to trading moratorium as at the end of the reporting period

☐ Applicable

☒ Not applicable

## III. SIGNIFICANT EVENTS

### 3.1 Particulars of and reasons for material changes in the major financial statement items and financial indicators of the Company

☒ Applicable

☐ Not applicable

(Note: the reporting period in the analysis below refers to the period from January 2017 to September 2017.)

1. Inventories increased by RMB19,058.663 million or 35.02% as compared to the beginning of the year, mainly due to the increase in the inventories for the orders that were ready to deliver during the reporting period.
2. Investments held to maturity increased by RMB358.016 million or 37.02% as compared to the beginning of the year, mainly due to the new investment in medium-term notes during the reporting period.
3. Short-term borrowings increased by RMB9,103.785 million or 41.39% as compared to the beginning of the year, mainly due to the increase in the bank borrowings during the reporting period.
4. Staff remuneration payable increased by RMB672.047 million or 34.65% as compared to the beginning of the year, mainly due to the increase in the payroll payable accrued during the reporting period.
5. Taxes payable decreased by RMB1,064.699 million or 32.45% as compared to the beginning of the year, mainly due to the payment of taxes during the reporting period.
6. Interests payable decreased by RMB146.202 million or 40.18% as compared to the beginning of the year, mainly due to the repayment of interest on bonds during the reporting period.
7. Dividends payable decreased by RMB77.705 million or 39.63% as compared to the beginning of the year, mainly due to the payment of dividends during the reporting period.
8. Non-current liabilities due within one year decreased by RMB3,647.942 million or 45.06% as compared to the beginning of the year, mainly due to the repayment of long-term borrowings and bonds payable due by the Company during the reporting period.
9. Other current liabilities increased by RMB1,944.702 million or 3,516.77% as compared to the beginning of the year, mainly due to the issuance of short-term financing bonds during the reporting period.
10. Capital reserves increased by RMB10,515.604 million or 34.83% as compared to the beginning of the year, mainly due to the increase in share premium from the non-public issuance of A shares of the Company during the reporting period.

11. Taxes and surcharges increased by RMB425.972 million or 44.88% as compared to the same period of the previous year, mainly due to the adjustment of the taxes originally included in the account of administration expenses into the account of taxes and surcharges of the Company as required by relevant documents of the Ministry of Finance during the reporting period.
12. Asset impairment losses decreased by RMB366.515 million or 39.27% as compared to the same period of the previous year, mainly due to the recovery of some long-age accounts receivables by the Company during the reporting period that resulted in a decrease in the provision for bad debts.
13. Net cash flow from operating activities recorded a net outflow of RMB9,490 million, as compared to a net inflow of RMB3,349 million for the same period of the previous year, mainly due to the larger amount of the decrease in cash received by the Company for sales of products and provision of labour services than the amount of the decrease in cash paid by the Company for purchase of products and receipt of labour services during the reporting period as compared to the same period of the previous year.
14. Net cash flow from investing activities recorded a net cash inflow of RMB1,185 million, as compared to a net outflow of RMB12,289 million for the same period of the previous year, mainly due to the increase of cash received from investments by the Company during the reporting period and the decrease in new investments as compared to same period of the previous year.
15. Net cash flow from financing activities recorded a net cash inflow of RMB7,757 million, representing a decrease of RMB2,225 million as compared to the same period of the previous year, mainly due to the decrease in issuance of bonds as compared to same period of the previous year and the increase in repayment of debts during the reporting period.

16. Revenue from operations decreased by 4.35% as compared to the same period of the previous year. The businesses of railway equipment, rapid transit vehicles and urban infrastructure, new industries and modern services accounted for 51.57%, 15.13%, 23.81% and 9.49% of the revenue from operations, respectively. The details are as follows:

*Unit: '000      Currency: RMB*

<b>B business</b>	<b>Revenue</b>			
	<b>For the same period of the</b>			<b>Percentage</b>
	<b>January - September 2017</b>	<b>previous year</b>	<b>Increase/ (decrease)</b>	<b>increase/ (decrease)</b>
Railway equipment	72,535,003	74,307,082	-1,772,079	-2.38%
Rapid transit vehicles and urban infrastructure	21,285,961	15,466,390	5,819,571	37.63%
New industries	33,489,183	36,208,825	-2,719,642	-7.51%
Modern services	<u>13,355,883</u>	<u>21,076,918</u>	<u>-7,721,035</u>	<u>-36.63%</u>
<b>Total</b>	<u>140,666,030</u>	<u>147,059,213</u>	<u>-6,393,183</u>	<u>-4.35%</u>

Revenue from railway equipment business decreased by 2.38% as compared to the same period of the previous year, mainly due to the decrease in the number of orders for major products in the railway market that resulted in the decrease in the deliveries during this period, among which, revenue from the locomotive business, the passenger carriage business, the MU business and the freight wagon business was RMB15.043 billion, RMB3.339 billion, RMB35.542 billion and RMB18.611 billion, respectively.

Revenue from rapid transit vehicles and urban infrastructure businesses increased by 37.63% as compared to the same period of the previous year, mainly due to the increase in the number of deliveries of rapid transit vehicles in this period.

Revenue from new industries business decreased by 7.51% as compared to the same period of the previous year, mainly due to the decrease in deliveries of wind power equipment and other businesses during this period.

Revenue from modern services business decreased by 36.63% as compared to the same period of the previous year, mainly due to the decrease in the volume of logistics business.

**3.2 Analysis and explanations of the progress of significant events and their impacts and solutions**

☒ Applicable

☐ Not applicable

***Particulars of interbank debt financing instruments***

The 2014 First Tranche of Interim Notes of China CNR Corporation Limited in a total amount of RMB2 billion issued by the Company on 25 February 2014 was due and settled on 25 February 2017.

On 27 June 2017, the Company issued 2017 First Tranche of Super and Short-term Financing Bonds in a total amount of RMB2 billion, which was due and settled on 13 October 2017.

**3.3 Particulars of overdue and outstanding undertakings during the reporting period**

☐ Applicable

☒ Not applicable

**3.4 Warning and explanations as to a loss (if any) expected to be recorded against the accumulated net profits from the beginning of the year to the end of the next reporting period or material changes as compared with the same period of last year**

☐ Applicable

☒ Not applicable

Company name  
Legal representative  
Date

**CRRC Corporation Limited**  
**Liu Hualong**  
27 October 2017

## IV. APPENDIX

### 4.1 Financial Statements

#### Consolidated Balance Sheet

30 September 2017

Prepared by: CRRC Corporation Limited

*Unit: RMB'000      Currency: RMB      Type of Audit: Unaudited*

<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
<b>Current assets:</b>		
Monetary assets	<b>37,275,691</b>	45,597,025
Financial assets at fair value through profit or loss	<b>936,433</b>	731,916
Notes receivable	<b>17,651,111</b>	15,099,951
Accounts receivable	<b>95,705,010</b>	74,052,768
Prepayments	<b>12,060,779</b>	11,872,777
Interest receivable	<b>66,212</b>	25,975
Dividends receivable	<b>82,577</b>	39,649
Other receivables	<b>3,864,480</b>	4,420,528
Inventories	<b>73,476,892</b>	54,418,231
Non-current assets due within one year	<b>7,640,182</b>	8,166,808
Other current assets	<b><u>7,961,748</u></b>	<u>6,171,467</u>
 Total current assets	 <b><u>256,721,115</u></b>	 <u>220,597,095</u>
<b>Non-current assets:</b>		
Loans and advances to customers	<b>201,950</b>	203,144
Available-for-sale financial assets	<b>4,486,374</b>	3,819,162
Investments held to maturity	<b>1,324,986</b>	966,970
Long-term receivables	<b>10,260,231</b>	11,012,361
Long-term equity investments	<b>8,813,981</b>	8,471,976
Investment properties	<b>1,082,149</b>	983,803
Fixed assets	<b>55,645,196</b>	56,940,624
Construction-in-progress	<b>10,443,067</b>	9,327,797



<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
Construction materials	<b>94,809</b>	79,400
Disposal of fixed assets	<b>13,441</b>	18,073
Intangible assets	<b>17,668,948</b>	17,553,668
Development expenditure	<b>169,215</b>	110,418
Goodwill	<b>1,264,790</b>	1,286,760
Long-term deferred expenses	<b>174,340</b>	192,487
Deferred income tax assets	<b>3,124,928</b>	3,009,338
Other non-current assets	<b><u>4,288,448</u></b>	<u>3,749,145</u>
 Total non-current assets	 <b><u>119,056,853</u></b>	 <u>117,725,126</u>
 Total assets	 <b><u>375,777,968</u></b>	 <u>338,322,221</u>
<b>Current liabilities:</b>		
Short-term borrowings	<b>31,098,169</b>	21,994,384
Deposits and amounts due to banks	<b>2,560,061</b>	2,711,367
Financial liabilities at fair value through profit or loss	<b>3,435</b>	16,983
Notes payable	<b>20,591,594</b>	19,797,275
Accounts payable	<b>112,160,850</b>	91,949,871
Advance from customers	<b>22,547,914</b>	25,773,476
Salaries payable	<b>2,611,742</b>	1,939,695
Tax payables	<b>2,216,548</b>	3,281,247
Interest payable	<b>217,702</b>	363,903
Dividends payable	<b>118,363</b>	196,067
Other payables	<b>8,757,453</b>	8,053,377
Non-current liabilities due within one year	<b>4,446,941</b>	8,094,882
Other current liabilities	<b><u>2,000,000</u></b>	<u>55,298</u>
 Total current liabilities	 <b><u>209,330,772</u></b>	 <u>184,227,825</u>

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
<b>Non-current liabilities:</b>	<b>3,365,759</b>	3,721,502
Long-term borrowings	<b>9,158,666</b>	10,749,910
Debentures payable	<b>252,251</b>	212,679
Long-term employee benefits payable	<b>3,565,748</b>	3,516,307
Special payables	<b>12,862</b>	15,728
Estimated liabilities	<b>5,429,434</b>	5,229,545
Deferred income	<b>6,041,934</b>	5,944,764
Deferred income tax liabilities	<b>202,533</b>	235,835
Other non-current liabilities	<b>696,088</b>	652,551
Total non-current liabilities	<b><u>28,725,275</u></b>	<u>30,278,821</u>
Total liabilities	<b><u>238,056,047</u></b>	<u>214,506,646</u>
<b>Owners' equity :</b>		
Share capital	<b>28,698,864</b>	27,288,758
Capital reserves	<b>40,704,365</b>	30,188,762
Other comprehensive income	<b>(256,631)</b>	(304,035)
Special reserves	<b>49,957</b>	49,957
Surplus reserves	<b>2,273,807</b>	2,273,807
Provision for ordinary risks	<b>551,265</b>	551,265
Undistributed profit	<b>45,594,402</b>	44,811,955
Total equity attributable to owners of the parent company	<b>117,616,029</b>	104,860,469
Minority interests	<b><u>20,105,892</u></b>	<u>18,955,106</u>
Total owners' equity	<b><u>137,721,921</u></b>	<u>123,815,575</u>
Total liabilities and owners' equity	<b><u>375,777,968</u></b>	<u>338,322,221</u>
<i>Legal representative:</i> <b>Liu Hualong</b>	<i>Person-in-charge of accounting affairs:</i> <b>Zhan Yanjing</b>	<i>Head of the accounting department:</i> <b>Wang Jian</b>

# Balance Sheet of the Parent Company

30 September 2017

Prepared by: CRRC Corporation Limited

Unit: RMB'000

Currency: RMB

Type of Audit: Unaudited

Item	Closing balance as at the end of the period	Opening balance as at the beginning of the year
<b>Current assets:</b>		
Monetary assets	2,654,571	8,787,144
Financial assets at fair value through profit and loss	536,439	514,527
Notes receivable		2,000
Accounts receivable	190,482	48,440
Prepayments	88,550	180,010
Interest receivable	414,728	311,653
Dividends receivable	1,765,505	2,431,938
Other receivables	27,231,965	22,217,563
Non-current assets due within one year	2,311,160	1,791,858
Other current assets	<u>3,437,783</u>	<u>1,105,378</u>
Total current assets	<u><b>38,631,183</b></u>	<u><b>37,390,511</b></u>
<b>Non-current assets:</b>		
Financial assets available for sale		422,163
Long-term receivables	7,224,691	10,789,421
Long-term equity investments	99,155,382	94,400,622
Fixed assets	26,385	30,420
Construction-in-progress	11,985	22,994

<b>Item</b>	<b>Closing balance as at the end of the period</b>	<b>Opening balance as at the beginning of the year</b>
Intangible assets	<b>109,315</b>	112,282
Other non-current assets	<u>                    </u>	<u>524,000</u>
Total non-current assets	<b><u>106,527,758</u></b>	<b><u>106,301,902</u></b>
Total assets	<b><u>145,158,941</u></b>	<b><u>143,692,413</u></b>
<b>Current liabilities:</b>		
Short-term borrowings	<b>18,483,369</b>	12,036,980
Accounts payable	<b>315,346</b>	98,547
Advance from customers	<b>151,795</b>	254,489
Salaries payable	<b>12,995</b>	48,264
Tax payables	<b>6,495</b>	6,388
Interest payable	<b>251,199</b>	343,029
Other payables	<b>16,611,350</b>	25,978,113
Non-current liabilities due within one year	<b>1,500,000</b>	3,249,597
Other current liabilities	<b><u>2,000,000</u></b>	<u>                    </u>
Total current liabilities	<b><u>39,332,549</u></b>	<b><u>42,015,407</u></b>

<b>Item</b>	<b>Closing balance as at the end of the period</b>	<b>Opening balance as at the beginning of the ear</b>
<b>Non-current liabilities:</b>		
Long-term borrowings		1,851,525
Debentures payable	<b>9,158,666</b>	10,749,910
Long-term employee benefits payable	<b>7,244</b>	7,129
Other non-current liabilities	<b>361,631</b>	366,097
Total non-current liabilities	<b><u>9,527,541</u></b>	<u>12,974,661</u>
 Total liabilities	<b><u>48,860,090</u></b>	<u>54,990,068</u>
 <b>Owners' equity :</b>		
Share capital	<b>28,698,864</b>	27,288,758
Capital reserves	<b>62,801,939</b>	52,277,940
Other comprehensive income	<b>92,293</b>	60,703
Surplus reserves	<b>2,273,807</b>	2,273,807
Undistributed profit	<b>2,431,948</b>	6,801,137
Total owners' equity	<b><u>96,298,851</u></b>	<u>88,702,345</u>
 Total liabilities and owners' equity	<b><u>145,158,941</u></b>	<u>143,692,413</u>
 <i>Legal representative:</i> <b>Liu Hualong</b>	<i>Person-in-charge of accounting affairs:</i> <b>Zhan Yanjing</b>	<i>Head of the accounting department:</i> <b>Wang Jian</b>

## Consolidated Income Statement

January to September 2017

Prepared by: CRRC Corporation Limited

*Unit: RMB'000*

*Currency: RMB*

*Type of Audit: Unaudited*

Item	Amount for the current period (Jul - September)	Amount for the corresponding period of last ear (Jul - September)	Amount from the beginning of the ear to the end of the reporting period (Januar - September)	Amount from the beginning of last ear to the end of the corresponding reporting period of last ear (Januar - September)
<b>1. Total revenue from operations</b>	51,949,016	52,854,277	140,666,030	147,059,213
Including: Operating revenue	51,949,016	52,854,277	140,666,030	147,059,213
<b>2. Total costs from operations</b>	48,168,898	49,156,449	132,275,029	136,944,756
Including: Operating costs	39,785,772	41,487,442	108,954,917	113,937,441
Tax and surcharges	467,925	292,858	1,375,056	949,084
Selling expenses	1,726,612	1,736,569	4,542,486	4,915,228
Administration expenses	5,807,542	5,359,205	15,728,436	15,295,113
Finance costs	474,869	424,449	1,107,216	914,457
Impairment loss on assets	(93,822)	(144,024)	566,918	933,433
Add: Gains from changes in fair value (Loss denoted with “-”)	(118,539)	18,570	(42,830)	33,246
Investment income (Loss denoted with “-”)	245,328	167,362	643,043	611,496
Other gains	80,612	—	344,452	—
<b>3. Operating profit (Loss denoted with 0 )</b>	3,987,519	3,883,710	9,335,666	10,759,199
Add: Non-operating income	451,204	258,099	839,558	996,745
Including: Gains on disposal of non-current assets	10,444	3,536	24,514	15,117
Less: Non-operating expenses	95,480	58,844	191,196	120,837
Including: Loss on disposal of non-current assets	52,969	21,012	65,964	37,880
<b>4. Total profit (Loss denoted with 0 )</b>	4,343,243	4,082,965	9,984,028	11,635,107
Less: Income tax expenses	694,975	787,933	1,731,756	2,270,881
<b>5. Net profit (Loss denoted with 0 )</b>	3,648,268	3,295,032	8,252,272	9,364,226
Net profit attributable to equity holders of the parent company	3,136,666	2,722,486	6,809,208	7,515,431
Minority interests	511,602	572,546	1,443,064	1,848,795
<b>6. Other comprehensive income after tax , net</b>	7,779	33,735	53,261	(2,918)

Item	Amount for the current period (Jul - September)	Amount for the corresponding period of last ear (Jul - September)	Amount from the beginning of the ear to the end of the reporting period (January - September)	Amount from the beginning of last ear to the end of the corresponding reporting period of last ear (January - September)
Other comprehensive income after tax attributable to owners of the parent company, net	19,645	62,742	47,404	55,545
(1) Other comprehensive income that will be subsequently reclassified into profit or loss	19,645	62,742	47,404	55,545
1. Share of other comprehensive income of investee that will be subsequently reclassified into profit or loss under equity method	15,372	18,081	19,629	51,984
2. Gains or losses from changes in fair value of available-for sale financial assets	41,254	59,686	124,008	57,368
3. Exchange difference on translation of financial statements in foreign currency	(36,981)	(15,025)	(96,233)	(53,807)
Other comprehensive income after tax attributable to minority shareholders, net	(11,866)	(29,007)	5,857	(58,463)
<b>7. Total comprehensive income</b>	<b>3,656,047</b>	<b>3,328,767</b>	<b>8,305,533</b>	<b>9,361,308</b>
Total comprehensive income attributable to equity holders of the parent company	3,156,311	2,785,228	6,856,612	7,570,976
Total comprehensive income attributable to minority shareholders	499,736	543,539	1,448,921	1,790,332
<b>8. Earnings per share</b>				
(1) Basic earnings per share (RMB/share)	—	—	0.24	0.28
(2) Diluted earnings per share (RMB/share)	—	—	0.24	0.28

For business combination under common control during the reporting period, the net profit of the acquiree realized before business combination was: negative RMB3.723 million and the net profit of the acquiree realized for the preceding reporting period was: negative RMB9.192 million.

*Legal representative:*  
**Liu Hualong**

*Person-in-charge of  
accounting affairs:*  
**Zhan Yanjing**

*Head of the accounting  
department:*  
**Wang Jian**

**Income Statement of the Parent Company**  
January to September 2017

Prepared by: CRRC Corporation Limited

*Unit: RMB'000      Currency: RMB      Type of Audit: Unaudited*

Item	Amount for the current period (Jul - September)	Amount for the corresponding period of last year (Jul - September)	Amount from the beginning of the year to the end of the reporting period (January - September)	Amount from the beginning of last year to the end of the corresponding reporting period of last year (January - September)
<b>1. Total revenue from operations</b>	73,022	42,408	648,181	42,423
Less: Operating costs	71,590	40,051	612,319	40,051
Tax and surcharges	1,109	418	5,550	12,720
Selling expenses	2,797	3,441	11,835	6,353
Administration expenses	141,857	133,330	243,501	230,964
Finance costs	(136,360)	17,859	(219,440)	(76,146)
Add: Gains from changes in fair value (Loss denoted with "-")	(115,058)	21,749	(55,922)	40,700
Investment income (Loss denoted with "-")	105,340	(20,416)	1,716,488	2,283,772
<b>2. Operating profit (Loss denoted with "Q")</b>	(17,689)	(151,358)	1,654,982	2,152,953
Add: Non-operating income	1,160	272	2,590	623
Including: Gains on disposal of non-current assets	—	—	41	—
Less: Non-operating expenses	—	—	—	2,461
<b>3. Total profit (Loss denoted with "Q")</b>	(16,529)	(151,086)	1,657,572	2,151,115
Less: Income tax expenses	—	—	—	—
<b>4. Net profit (Loss denoted with "Q")</b>	(16,529)	(151,086)	1,657,572	2,151,115



Item	Amount for the current period (Jul - September)	Amount for the corresponding period of last ear (Jul - September)	Amount from the beginning of the ear to the end of the reporting period (Januar - September)	Amount from the beginning of last ear to the end of the corresponding reporting period of last ear (Januar - September)
<b>5. Other comprehensive income after ta , net</b>	41,921	31,207	31,590	77,258
(1) Other comprehensive income that will be subsequently reclassified into profit or loss	41,921	31,207	31,590	77,258
1. Share of other comprehensive income of investee that will be subsequently reclassified into profit or loss under equity method	15,371	15,988	19,628	49,891
2. Gains or losses from changes in fair value of available-for-sale financial assets	26,550	15,219	11,962	27,367
<b>6. Total comprehensive income</b>	25,392	—119,879	1,689,162	2,228,373

*Legal representative:*  
**Liu Hualong**

*Person-in-charge of  
accounting affairs:*  
**Zhan Yanjing**

*Head of the accounting  
department:*  
**Wang Jian**

## Consolidated Cash Flow Statement

January to September 2017

Prepared by: CRRC Corporation Limited

*Unit: RMB'000*

*Currency: RMB*

*Type of Audit: Unaudited*

Item	Amount from the beginning of the year to the end of the reporting period (January - September)	Amount from the beginning of last year to the end of the corresponding reporting period of last year (January -September)
<b>1. Cash flow generated from operating activities:</b>		
Cash from sale of products and provision of services	135,770,555	151,846,695
Net increase in deposits from customers and business partners	—	2,061,685
Net increase in borrowings	—	1,200,000
Tax rebate received	697,553	746,439
Other cash from operating activities	1,782,991	1,681,165
Cash inflow from operating activities - subtotal	138,251,099	157,535,984
Cash paid for purchase of products and services	110,029,869	117,358,218
Cash paid to and for employees	19,112,214	17,207,135
Cash paid for various taxes	10,455,637	10,686,689
Cash paid for other operating activities	8,143,325	8,935,262
Cash outflow from operating activities - subtotal	147,741,045	154,187,304
Net cash flow generated from operating activities	(9,489,946)	3,348,680
<b>2. Cash flow generated from investment activities:</b>		
Cash from recovery of investments	27,454,409	18,176,150
Cash from investment income	511,901	456,029
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	293,271	104,135
Net cash received from disposal of subsidiaries and other business units	3,727	78,186

Item	Amount from the beginning of the year to the end of the reporting period (January - September)	Amount from the beginning of last year to the end of the corresponding reporting period of last year (January -September)
Cash received from other investment activities	86,428	90,923
Cash inflow from investment activities - subtotal	28,349,736	18,905,423
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	5,562,287	5,648,153
Cash paid for investments	21,588,953	25,546,235
Cash paid for other investment activities	13,210	—
Cash outflow from investment activities - subtotal	27,164,450	31,194,388
Net cash generated from investment activities	1,185,286	(12,288,965)
<b>3. Cash flow generated from financing activities:</b>	<b>12,062,226</b>	<b>133,686</b>
Cash received from investments	121,226	133,686
Including: Cash received by subsidiaries from investment by minority shareholders	64,639,780	58,273,897
Cash received from borrowings	2,000,000	17,891,408
Cash received from issue of debenture	—	60,000
Cash received from other financing activities	78,702,006	76,358,991
Cash inflow from financing activities - subtotal	63,078,115	60,736,094
Cash paid for repayment of indebtedness	7,687,826	5,528,399
Cash paid for distribution of dividends, profit or interest	541,147	605,085
Including: Dividends and profit distributed to minority shareholders by subsidiaries Cash paid for other financing activities	179,557	113,070
Cash outflow from financing activities - subtotal	70,945,498	66,377,563
Net cash flow generated from financing activities	7,756,508	9,981,428

Item	Amount from the beginning of the year to the end of the reporting period (January - September)	Amount from the beginning of last year to the end of the corresponding reporting period of last year (January -September)
4. Effects of changes in the change rates on cash and cash equivalents	(241,021)	245,448
5. Net increase in cash and cash equivalents	(790,173)	1,286,591
Add: Balance of cash and cash equivalents at the beginning of the period	28,016,288	29,952,673
6. Balance of cash and cash equivalents at the end of the period	27,226,115	31,239,264

*Legal representative:*  
**Liu Hualong**

*Person-in-charge of accounting affairs:*  
**Zhan Yanjing**

*Head of the accounting department:*  
**Wang Jian**

## Cash Flow Statement of the Parent Company

*January to September 2017*

Prepared by: CRRC Corporation Limited

*Unit: RMB'000*

*Currency: RMB*

*Type of Audit: Unaudited*

Item	Amount from the beginning of the year to the end of the reporting period (January - September)	Amount from the beginning of last year to the end of the corresponding reporting period of last year (January -September)
<b>1. Cash flow generated from operating activities:</b>		
Cash from sale of products and provision of services	414,925	101,886
Tax rebate received	63,541	—
Cash received from other operating activities	839,053	409,965
Cash inflow from operating activities - subtotal	1,317,519	511,851
Cash paid for purchase of products and services	138,479	83,658
Cash paid to and for employees	111,565	139,386
Cash paid for various taxes	13,067	24,882
Cash paid for other operating activities	499,634	719,674
Cash outflow from operating activities - subtotal	762,745	967,600
Net cash flow generated from operating activities	554,774	(455,749)
<b>2. Cash flow generated from investment activities:</b>		
Cash from recovery of investments	36,897,573	26,683,293
Cash from investment income	3,167,243	5,403,703
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	121	—

Item	Amount from the beginning of the year to the end of the reporting period (January - September)	Amount from the beginning of last year to the end of the corresponding reporting period of last year (January -September)
Cash inflow from investment activities - subtotal	40,064,937	32,086,996
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	7,049	15,476
Cash paid for investments	42,797,430	37,190,975
Cash outflow from investment activities - subtotal	42,804,479	37,206,451
Net cash generated from investment activities	(2,739,542)	(5,119,455)
<b>3. Cash flow generated from financing activities:</b>		
Cash received from investments	11,941,000	—
Cash received from borrowings	58,804,780	80,025,980
Cash received from issue of debenture	2,000,000	17,891,408
Cash received from other financing activities	22,321,000	13,254,059
Cash inflow from financing activities - subtotal	95,066,780	111,171,447
Cash paid for repayment of indebtedness	56,849,705	92,425,500
Cash paid for distribution of dividends, profit or interest	6,730,386	4,909,301
Cash paid for other financing activities	33,004,882	13,667,354
Cash outflow from financing activities - subtotal	96,584,973	111,002,155
Net cash flow generated from financing activities	(1,518,193)	169,292

Item	Amount from the beginning of the year to the end of the reporting period (January - September)	Amount from the beginning of last year to the end of the corresponding reporting period of last year (January -September)
4. Effects of changes in the change rates on cash and cash equivalents	(26,556)	1,882
5. Net increase in cash and cash equivalents	(3,729,517)	(5,404,030)
Add: Balance of cash and cash equivalents at the beginning of the period	5,381,156	5,669,504
6. Balance of cash and cash equivalents at the end of the period	1,651,639	265,474
<i>Legal representative:</i> <b>Liu Hualong</b>	<i>Person-in-charge of accounting affairs:</i> <b>Zhan Yanjing</b>	<i>Head of the accounting department:</i> <b>Wang Jian</b>

#### 4.2 Audit report

☐ Applicable

☒ Not applicable