

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**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**

**2018 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 Exchange**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The 2018 third quarterly report of CRRC Corporation Limited (the “**Company**” or

## **I. IMPORTANT NOTICE**

- 1.1 The board of directors (the “**Board**”), the supervisory committee, the directors, supervisors and senior management of the Company shall warrant that the information stated in this quarterly report is true, accurate, complete and without any false representation, misleading statement or material omission, and assume several and joint liabilities.
- 1.2 This report has been considered and approved by the sixth meeting of the second session of the Board of the Company. All directors of the Company attended the Board meeting.
- 1.3 The Chairman of the Company, Liu Hualong, the person in charge of accounting affairs, Zhan Yanjing, and the person responsible for the accounting department (head of the accounting department), Wang Jian, hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4 The third quarterly report of the Company is unaudited.

## **II. BASIC INFORMATION OF THE COMPANY**

### **2.1 Major Financial Data**

*Unit: RMB'000*

*Currency: RMB*

	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of last year to the end of the reporting period of last year (January to September)	Change as compared to the same period of last year (%)
Revenue from operations	135,365,775	140,666,030	-3.77
Net profit attributable to shareholders of the listed Company	7,531,756	6,809,208	10.61
Net profit after non-recurring profit or loss attributable to shareholders of the listed Company	5,633,626	5,989,111	-5.94
Return on weighted average net assets (%)	6.11	5.83	increase of 0.28 percentage points
Basic earnings per share (RMB/share)	0.26	0.24	8.33
Diluted earnings per share (RMB/share)	0.26	0.24	8.33

### Non-recurring profit and loss items and amounts

✓ Applicable

Not applicable

*Unit: RMB'000*

*Currency: RMB*

Item	Amount for the current period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)
Profit or loss on disposal of non-current assets	17,522	124,156
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)	304,706	669,729
Apart from hedging instruments relating to the normal operating business of the Company, gains and losses from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	149,553	558,786

<b>Item</b>	<b>Amount for the current period (July to September)</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>
Other non-operating income and expenses excluding the items above	-14,688	61,313
Other profit or loss items conforming with the definition of non-recurring profit or loss	850,303	862,541
Effect of minority shareholders' interests (after tax)	5,477	-82,742
Effect of income tax	<u>-169,787</u>	<u>-295,653</u>
Total	<u>1,143,086</u>	<u>1,898,130</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>	839,601
--	---------

## 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		Pledged or frozen Status of share	Nature of shareholder
			held subject to trading moratorium	Number		
CRRC GROUP Co., Ltd. (中國 中車集團有限公司)	14,745,205,423	51.38	705,052,878	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED <sup>Note 2</sup>	4,359,610,608	15.19	—	Unknown	—	Foreign legal person
China Securities Finance Corporation Limited (中國 證券金融股份有限公司)	858,096,248	2.99	—	Unknown	—	State-owned legal person
CRRC Financial and Securities Investment Co., Ltd. (中車 金證投資有限公司)	473,257,727	1.65	—	Nil	0	State-owned legal person
China Reform Investment Co., Ltd. (國新投資有限公司)	373,164,433	1.30	—	Unknown	—	State-owned legal person
Beijing Chengtong Financial Control Investment Co., Ltd. (北京誠通金控投資有 限公司)	373,085,233	1.30	—	Unknown	—	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 - 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
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)	234,982,900	0.82	—	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)	234,982,900	0.82	—	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 Status of share	Nature of shareholder
			held subject to trading moratorium	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)	234,982,900	0.82	—	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)	234,982,900	0.82	—	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)	234,982,900	0.82	—	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)	234,982,900	0.82	—	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)	234,982,900	0.82	—	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)	234,982,900	0.82	—	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 Status of share	Nature of Particulars
			held subject to trading moratorium	Number (%)		

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class	Class and number of shares Number
CRRC Financial and Securities Investment Co., Ltd. (中車金證投資有限公司)	473,257,727	Ordinary shares denominated in RMB	473,257,727
China Reform Investment Co., Ltd. (國新投資有限公司)	373,164,433	Ordinary shares denominated in RMB	373,164,433
Beijing Chengtong Financial Control Investment Co., Ltd. (北京誠通金控投資有限公司)	373,085,233	Ordinary shares denominated in RMB	373,085,233
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	304,502,100
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)	234,982,900	Ordinary shares denominated in RMB	234,982,900
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)	234,982,900	Ordinary shares denominated in RMB	234,982,900



Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class	and number 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)	234,982,900	Ordinary shares denominated in RMB	234,982,900
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)	234,982,900	Ordinary shares denominated in RMB	234,982,900
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)	234,982,900	Ordinary shares denominated in RMB	234,982,900
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)	234,982,900	Ordinary shares denominated in RMB	234,982,900
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)	234,982,900	Ordinary shares denominated in RMB	234,982,900

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class	and number of shares
			Number
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)	234,982,900	Ordinary shares denominated in RMB	234,982,900
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)	234,982,900	Ordinary shares denominated in RMB	234,982,900
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)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Connections or parties acting in concert among the aforesaid shareholders	CRRC Financial and Securities Investment Co., Ltd.* (中車金證投資有限公司) is a wholly-owned subsidiary of CRRC GROUP Co., Ltd. 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 837,171 holders of A shares and 2,430 registered holders of H shares.

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

*Note 3:* With the approval of the State-owned Assets Supervision and Administration Commission of the State Council, CRRC GROUP Co., Ltd. (中國中車集團有限公司), the controlling shareholder of the Company, transferred to Beijing Chengtong Financial Control Investment Co., Ltd.(北京誠通金控投資有限公司) and China Reform Investment Co., Ltd. (國新投資有限公司) respectively 373,085,233 A shares of the Company held by it. On 13 August 2018, procedures for transfer of such shares have been completed and transfer of the shares has been completed. For details, please refer to the “Indicative Announcement of CRRC Corporation Limited on Gratuitous Transfer of Stated-owned Shares” (中國中車股份有限公司關於國有股份無償劃轉的提示性公告) and the “Announcement of CRRC Corporation Limited on Completion of Transfer Registration for Gratuitous Transfer of Stated-owned Shares” (中國中車股份有限公司關於國有股份無償劃轉完成過戶登記的公告) issued by the Company on 3 July 2018 and 14 August 2018 respectively.

### **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 current period in the analysis below refers to the period from January to September 2018.

1. The increase in held-for-trading financial assets was mainly due to change in the standards of financial instruments resulting in the financial assets at fair value through profit or loss and certain other financial instruments being accounted for in this item.
2. The increase in contract assets was mainly due to the change in the standards of revenue resulting in right to receive considerations in respect of goods transferred to customers being mainly accounted for in this item, excluding the right that was only dependent on passage of time.
3. Inventories increased by 46.23%, mainly due to the increase in make-to-order and stocks during the current period.
4. Other current assets increased by 244.22%, mainly due to the change in the standards of financial instruments resulting in notes receivable and accounts receivable at fair value due within one year being accounted for in this item.

5. The increase in debt investment was mainly due to change in the standards of financial instruments resulting in investments held to maturity and the non-listed debt investment in other non-current assets being accounted for in this item.
6. The increase in other equity instrument investments was mainly due to the change in the standards of financial instruments resulting in available-for-sale financial assets not held for trading being accounted for in this item.
7. Deposits and amounts due to banks decreased by 33.75%, mainly due to the decrease in deposits absorbed by subsidiary finance company during the current period.
8. Advance from customers decreased by 99.77%, mainly due to the change in standards of revenue resulting in obligation to transfer goods to a customer for which a company has received consideration (or an amount of consideration is due) from the customer being accounted for in contract liabilities.
9. The increase in contract liabilities was mainly due to the change in standards of revenue resulting in obligation to transfer goods to a customer for which a company has received consideration (or an amount of consideration is due) from the customer being accounted for in this item.
10. Tax payables decreased by 56.49%, mainly due to the payment of value added tax and income tax during the current period.
11. Non-current liabilities due within one year increased by 124.60%, mainly due to the increase in long-term borrowings due within one year and debentures payable due within one year at the end of the current period.
12. Other current liabilities increased by 5200.90%, mainly due to the issuance of short-term financing bills during the current period.
13. Debentures payable decreased by 61.64%, mainly due to the increase in debentures payable due within one year reclassified as non-current liabilities due within one year at the end of the current period.
14. Other non-current liabilities decreased by 71.54%, mainly due to the fact that convertible bonds (embedded derivative financial instruments) would expire within one year (the redemption option date is 5 February 2019) at the end of the current period, therefore were transferred to non-current liabilities due within one year.

15. Other comprehensive income decreased by 308.65%, mainly due to the decrease in changes in fair value of financial instruments during the current period.
16. Impairment loss on assets decreased by 68.22%, mainly due to the changes in the standards of financial instruments resulting in the impairment loss accrued on financial assets being accounted for in credit impairment losses.
17. The increase in credit impairment losses was mainly due to the changes in the standards of financial instruments resulting in the impairment provision for financial assets being accounted for in this item.
18. Other income increased by 54.01% year-on-year, mainly due to the increase in income-related government subsidies received during the current period.
19. Investment income increased by 116.19%, mainly due to the increase in income from the transfer of equity during the current period.
20. Gain on changes in fair value was RMB322 million, as compared to RMB-43 million for the same period of the previous year, mainly due to the increase in changes in fair value of financial instruments during the current period.
21. Non-operating income decreased by 42.18% year-on-year, mainly due to the decrease in capitals-related government subsidies received during the current period.
22. Net cash flow from operating activities recorded a net outflow of RMB731 million, as compared to a net outflow of RMB9,490 million for the same period of the previous year, mainly due to the increase in cash received from sales of commodities and provision of services during the current period as compared with the same period of the previous year.
23. Net cash flow from investing activities recorded a net cash outflow of RMB12,343 million, as compared to a net inflow of RMB1,185 million for the same period of the previous year, mainly due to the decrease in cash recovered from investment during the current period as compared with the same period of the previous year.
24. Net cash flow from financing activities recorded a net cash outflow of RMB2,951 million, as compared to a net inflow of RMB7,757 million for the same period of the previous year, mainly due to the decrease in cash received from borrowings during the current period as compared to same period of the previous year.

Operation income decreased by 3.77% as compared with the same period of the previous year, mainly due to the decrease in income from new industry and modern service. Railway equipment business, urban rail transit vehicle and urban infrastructure business, new industry business and modern service business accounted for 52.98%, 15.41%, 23.22% and 8.39% of the operation income, respectively. Details are as follows:

*Unit: RMB'000 Currency: RMB*

Segment business	Operation income			
	January- September 2018	For the same period of the previous year	Increase/ decrease	Increase/ decrease percentage
Railway equipment	71,716,662	72,535,003	-818,341	-1.13%
Urban rail transit vehicle and urban infrastructure	20,855,061	21,285,961	-430,900	-2.02%
New industry	31,435,085	33,489,184	-2,054,099	-6.13%
Modern service	11,358,967	13,355,883	-1,996,916	-14.95%
Total	135,365,775	140,666,030	-5,300,255	-3.77%

Operation income from railway equipment business decreased by 1.13% as compared with the same period of the previous year, mainly due to the decrease in the sales of freight wagons and locomotives. Among these, income from locomotive business was RMB14.098 billion, income from passenger carriage business was RMB3.751 billion, income from EMU business was RMB40.360 billion, and income from freight wagon business was RMB13.508 billion.

Operation income from urban rail transit vehicle and urban infrastructure business decreased by 2.02% as compared with the same period of the previous year, mainly due to the decrease in income given the difference in product types of urban rail transit vehicles delivered in the current period.

Operation income from new industry business decreased by 6.13% as compared with the same period of the previous year, mainly due to the decrease in income realized from the business of general accessories and new energy vehicles and other business during the current period.

Operation income from modern service business decreased by 14.95% as compared with the same period of the previous year, mainly due to the reduced scale of logistics business during the current period.

From January to September 2018, the Company's newly signed orders amounted to approximately RMB209.6 billion (of which, contracted sales generated by the international businesses amounted to approximately USD3.9 billion).

### **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**

On 25 July 2018, the Company issued the 2018 First Tranche of Super Short-term Financing Bills in an amount of RMB3 billion with the expiry date on 22 November 2018. On 27 July 2018, the Company issued the 2018 Second Tranche of Super Short-term Financing Bills in an amount of RMB3 billion with the expiry date on 25 October 2018. On 20 August 2018, the Company issued the 2018 Third Tranche of Super Short-term Financing Bills in an amount of RMB3 billion with the expiry date on 16 February 2019. On 30 August 2018, the Company issued the 2018 Fourth and Fifth Tranche of Super Short-term Financing Bills in an amount of RMB1.5 billion respectively with the expiry date on 28 November 2018.

### **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

**CRRC Corporation Limited**

Legal representative

**Liu Hualong**

Date

30 October 2018

## IV. APPENDIX

### 4.1 Financial Statements

#### Consolidated Balance Sheet

30 September 2018

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>43,403,156</b>	60,886,392
Financial assets at fair value through profit or loss	—	2,569,294
Held-for-trading financial assets	<b>13,404,770</b>	—
Derivative financial assets	—	—
Notes receivable and accounts receivable	<b>76,335,928</b>	104,744,200
Prepayments	<b>12,000,631</b>	10,677,855
Other receivables	<b>4,024,139</b>	3,349,462
Inventories	<b>80,750,301</b>	55,221,998
Contract assets	<b>17,595,334</b>	—
Assets classified as held for sale	<b>52,443</b>	52,443
Non-current assets due within one year	<b>10,614,725</b>	12,405,187
Other current assets	<b>19,153,546</b>	5,564,379
Total current assets	<b>277,334,973</b>	255,471,210
<b>Non-current assets:</b>		
Loans and advances to customers	—	192,693
Available-for-sale financial assets	—	2,805,856
Investments held to maturity	—	1,429,188
Debt investment	<b>4,084,055</b>	—
Long-term receivables	<b>8,153,161</b>	10,365,326
Long-term equity investments	<b>12,822,284</b>	11,213,510
Investment in other equity instruments	<b>2,202,938</b>	—
Other non-current financial assets	<b>621,368</b>	—
Investment property	<b>923,590</b>	1,027,187



<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
Fixed assets	<b>55,385,907</b>	57,242,038
Construction-in-progress	<b>9,767,739</b>	8,675,879
Intangible assets	<b>17,210,106</b>	17,782,647
Development expenditure	<b>334,979</b>	236,807
Goodwill	<b>1,244,017</b>	1,242,487
Long-term deferred expenses	<b>168,635</b>	187,986
Deferred income tax assets	<b>3,841,845</b>	3,697,406
Other non-current assets	<b>4,034,613</b>	3,600,667
Total non-current assets	<b>120,795,237</b>	119,699,677
Total assets	<b>398,130,210</b>	375,170,887
<b>Current liabilities:</b>		
Short-term borrowings	<b>26,538,915</b>	32,428,947
Deposits and amounts due to banks	<b>2,310,566</b>	3,487,822
Held-for-trading financial liabilities	—	225,240
Notes payable and accounts payable	<b>140,481,522</b>	127,645,979
Advance from customers	<b>47,548</b>	20,290,418
Contract liabilities	<b>24,997,406</b>	—
Salaries payable	<b>2,527,852</b>	2,153,355
Tax payables	<b>1,470,776</b>	3,379,973
Other payables	<b>9,655,888</b>	9,135,112
Non-current liabilities due within one year	<b>10,138,125</b>	4,513,956
Other current liabilities	<b>12,160,323</b>	229,401
Total current liabilities	<b>230,328,921</b>	203,490,203
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>3,355,840</b>	4,459,542
Debentures payable	<b>3,501,008</b>	9,125,940
Long-term payables	<b>312,186</b>	305,492
Long-term employee benefits payable	<b>3,731,751</b>	3,718,519
Estimated liabilities	<b>4,981,793</b>	5,417,215
Deferred income	<b>5,607,659</b>	5,756,605
Deferred income tax liabilities	<b>202,345</b>	175,882
Other non-current liabilities	<b>242,492</b>	852,086
Total non-current liabilities	<b>21,935,074</b>	29,811,281

<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
Total liabilities	<b>252,263,995</b>	233,301,484
<b>Owners' equity (or shareholders' equity)</b>		
Paid in capital (or share capital)	<b>28,698,864</b>	28,698,864
Capital reserves	<b>40,582,119</b>	40,636,666
Other comprehensive income	<b>(963,259)</b>	(235,718)
Special reserves	<b>49,957</b>	49,957
Surplus reserves	<b>2,821,562</b>	2,821,562
Provision for ordinary risks	<b>551,265</b>	551,265
Undistributed profit	<b>52,778,010</b>	49,035,995
Total equity attributable to owners of the parent company	<b>124,518,518</b>	121,558,591
Minority interests	<b>21,347,697</b>	20,310,812
Total owners' equity (or shareholders' equity)	<b>145,866,215</b>	141,869,403
Total liabilities and owners' equity (or shareholders' equity)	<b>398,130,210</b>	375,170,887

*Legal representative:*  
**Liu Hualong**

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

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

## Balance Sheet of the Parent Company

30 September 2018

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>2,296,245</b>	18,731,214
Financial assets at fair value through profit or loss	<b>—</b>	2,139,563
Held-for-trading financial assets	<b>12,154,241</b>	—
Notes receivable and accounts receivable	<b>159,153</b>	186,998
Prepayments	<b>178,016</b>	149,231
Other receivables	<b>29,519,222</b>	30,240,285
Non-current assets due within one year	<b>1,115,802</b>	1,254,352
Other current assets	<b>11,922</b>	439,497
Total current assets	<b>45,434,601</b>	53,141,140
<b>Non-current assets:</b>		
Long-term receivables	<b>6,373,441</b>	7,323,891
Long-term equity investments	<b>97,574,553</b>	98,470,615
Fixed assets	<b>18,096</b>	23,886
Construction-in-progress	<b>31,618</b>	29,951
Intangible assets	<b>99,081</b>	108,324
Other non-current assets	<b>2,430,000</b>	—
Total non-current assets	<b>106,526,789</b>	105,956,667
Total assets	<b>151,961,390</b>	159,097,807
<b>Current liabilities:</b>		
Short-term borrowings	<b>15,325,670</b>	23,925,236
Held-for-trading financial liabilities	<b>—</b>	181,755
Notes payable and accounts payable	<b>138,331</b>	264,403
Advance from customers	<b>—</b>	179,715
Contract liabilities	<b>235,338</b>	—
Salaries payable	<b>17,717</b>	52,629
Tax payables	<b>473</b>	10,324

<b>Item</b>	<b>Closing balance at the end of the period</b>	<b>Opening balance at the beginning of the year</b>
Other payables	<b>17,385,154</b>	22,254,843
Non-current liabilities due within one year	<b>6,271,899</b>	1,500,000
Other current liabilities	<b>12,000,000</b>	—
Total current liabilities	<b>51,374,582</b>	48,368,905
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>1,000,000</b>	1,000,000
Debentures payable	<b>3,501,008</b>	9,125,940
Long-term employee benefits payable	<b>4,935</b>	4,830
Other non-current liabilities	—	511,756
Total non-current liabilities	<b>4,505,943</b>	10,642,526
Total liabilities	<b>55,880,525</b>	59,011,431
<b>Owners' equity (or shareholders' equity)</b>		
Paid in capital (or share capital)	<b>28,698,864</b>	28,698,864
Capital reserves	<b>62,801,939</b>	62,801,939
Other comprehensive income	<b>(10,189)</b>	59,837
Surplus reserves	<b>2,821,562</b>	2,821,562
Undistributed profit	<b>1,768,689</b>	5,704,174
Total owners' equity (or shareholders' equity)	<b>96,080,865</b>	100,086,376
Total liabilities and owners' equity (or shareholders' equity)	<b>151,961,390</b>	159,097,807

*Legal representative:*

**Liu Hualong**

*Person-in-charge of  
accounting affairs:*

**Zhan Yanjing**

*Head of the accounting  
department:*

**Wang Jian**

## Consolidated Income Statement

January to September 2018

Prepared by: CRRC Corporation Limited.

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

Item	Amount for the current period (July to September)	Amount for the preceding period (July to September) <sup>(Note)</sup>	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
<b>1. Total revenue from operations</b>	49,074,873	51,949,016	135,365,775	140,666,030
Including: Operating revenue	49,074,873	51,949,016	135,365,775	140,666,030
<b>2. Total costs from operations</b>	46,320,575	48,164,920	127,666,224	132,275,029
Including: Operating costs	38,138,154	39,785,772	104,359,373	108,954,917
Tax and surcharges	364,945	467,925	1,177,446	1,375,056
Selling expenses	1,601,195	1,726,612	4,113,707	4,542,486
Administration expenses	3,286,699	3,416,347	9,303,812	9,055,030
Research & development	2,352,812	2,387,195	6,379,466	6,673,406
Finance costs	396,031	474,874	1,164,668	1,107,216
Impairment loss on assets	(55,390)	(93,805)	180,149	566,918
Credit impairment losses	236,129	—	987,603	—
Add: Other gains	256,578	80,612	530,502	344,452
Investment income (Loss denoted with “-”)	1,035,628	245,328	1,390,208	643,043
Including: Investment income from associated companies and joint ventures	115,318	136,286	291,147	369,518
Gain on fair value change (Loss denoted with “-”)	103,967	(118,539)	322,266	(42,830)
Gains on disposal of assets (Loss denoted with “-”)	17,523	(35,532)	124,157	(37,115)
<b>3. Operating profit (Loss denoted with “-”)</b>	4,167,994	3,955,965	10,066,684	9,298,551
Add: Non-operating income	142,507	452,521	481,628	833,026
Less: Non-operating expenses	62,213	61,267	119,804	147,549
<b>4. Total profit (Loss denoted with “-”)</b>	4,248,288	4,347,219	10,428,508	9,984,028
Less: Income tax expenses	498,771	694,975	1,738,567	1,731,756
<b>5. Net profit (Loss denoted with “-”)</b>	3,749,517	3,652,244	8,689,941	8,252,272
1. Net profit attributable to shareholders of the parent company	3,414,209	3,138,066	7,531,756	6,809,208
2. Minority interests	335,308	514,178	1,158,185	1,443,064

Item	Amount for the current period (July to September)	Amount for the preceding period (July to September) <sup>(Note)</sup>	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
<b>6. Other comprehensive income after tax, net</b>	114,718	7,779	(264,575)	53,261
Other comprehensive income after tax attributable to owners of the parent company, net	108,037	19,645	(248,241)	47,404
(1) Other comprehensive income that may not be subsequently reclassified into profit or loss	(69,355)	—	(396,669)	—
1. Changes in fair value of other equity instruments investment	(69,355)	—	(396,669)	—
(2) Other comprehensive income that will be subsequently reclassified into profit or loss	177,392	19,645	148,428	47,404
1. Share of other comprehensive income of investee that will be subsequently reclassified into profit or loss under equity method	6,130	15,372	(30,529)	19,629
2. Changes in fair value of other equity instruments investment	(2,709)	—	2,876	—
3. Credit impairment provisions for other debt investment	27,164	—	(6,598)	—
4. Gain or loss on changes in fair value of financial assets available for sale	—	41,254	—	124,008
5. Exchange difference on translation of financial statements in foreign currency	146,807	(36,981)	182,679	(96,233)
Other comprehensive income after tax attributable to minority shareholders, net	6,681	(11,866)	(16,334)	5,857
<b>7. Total consolidated income</b>	<b>3,864,235</b>	<b>3,660,023</b>	<b>8,425,366</b>	<b>8,305,533</b>
Total consolidated income attributable to equity holders of the parent company	3,522,246	3,157,711	7,283,515	6,856,612
Total consolidated income attributable to minority shareholders	341,989	502,312	1,141,851	1,448,921

Item	Amount for the current period (July to September)	Amount for the preceding period (July to September) <sup>(Note)</sup>	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
<b>8. Earnings per share</b>				
(1) Basic earnings per share (RMB/share)	—	—	0.26	0.24
(2) Diluted earnings per share (RMB/share)	—	—	0.26	0.24

*Legal representative:*  
**Liu Hualong**

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

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

*Note:* On 2 August 2017, Times Electric, a subsidiary of the Company, completed the acquisition of

## Income Statement of the Parent Company

January to September 2018

Prepared by: CRRC Corporation Limited.

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

Item	Amount for the current period (July to September)	Amount for the preceding period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
<b>1. Total revenue</b>	—	73,022	3	648,181
Less: Operating costs	—	71,590	—	612,319
Tax and surcharges	11	1,109	8,327	5,550
Selling expenses	7,137	2,797	9,791	11,835
Administration expenses	68,786	80,017	157,961	176,466
Research & development	70,868	61,840	95,274	67,035
Finance costs	396,345	(136,360)	333,878	(219,440)
Add: Other gains	2,800	—	2,800	—
Investment income (Loss denoted with “-”)	(494,304)	105,340	610,307	1,716,488
Gain on fair value change (Loss denoted with “-”)	61,496	(115,058)	321,405	(55,922)
Gain from asset disposal (Loss denoted with “-”)	—	—	—	41
<b>2. Operating profit (Loss denoted with “-”)</b>	(973,155)	(17,689)	329,284	1,655,023
Add: Non-operating income	(2,476)	1,160	564	2,549
<b>3. Total profit (Loss denoted with “-”)</b>	(975,631)	(16,529)	329,848	1,657,572
Less: Income tax expenses	—	—	—	—
<b>4. Net profit (Loss denoted with “-”)</b>	(975,631)	(16,529)	329,848	1,657,572
<b>5. Other comprehensive income after tax, net</b>	6,130	41,921	(30,529)	31,590
(1) Other comprehensive income that will be subsequently reclassified into profit or loss	6,130	41,921	(30,529)	31,590
1. Other comprehensive income classified to profit and loss in the future shared by investee accounted under equity method	6,130	15,371	(30,529)	19,628
2. Gain or loss on changes in fair value of financial assets available for sale	—	26,550	—	11,962
<b>6. Total consolidated income</b>	(969,501)	25,392	299,319	1,689,162

*Legal representative:*

**Liu Hualong**

*Person-in-charge of  
accounting affairs:*

**Zhan Yanjing**

*Head of the accounting  
department:*

**Wang Jian**



## Consolidated Statement of Cash Flows

January to September 2018

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 to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
<b>1. Cash flow generated from operating activities:</b>		
Cash from sale of products and provision of services	159,105,052	135,770,555
Tax rebate received	1,026,513	697,553
Other cash from operating activities	1,754,731	1,782,991
Cash inflow from operating activities - subtotal	161,886,296	138,251,099
Cash paid for purchase of products and services	120,551,984	110,029,869
Cash paid to and for employees	19,575,551	19,112,214
Cash paid for various taxes	10,904,587	10,455,637
Cash paid for other operating activities	11,585,262	8,143,325
Cash outflow from operating activities - subtotal	162,617,384	147,741,045
Net cash flow generated from operating activities	(731,088)	(9,489,946)
<b>2. Cash flow generated from investment activities:</b>		
Cash from recovery of investments	35,296,369	27,454,409
Cash from investment income	369,285	511,901
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	304,112	293,271
Net cash received from disposal of subsidiaries and other business units	483,543	3,727

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
Cash received from other investment activities	26,538	86,428
Cash inflow from investment activities — subtotal	36,479,847	28,349,736
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	4,977,251	5,562,287
Cash paid for investments	43,623,727	21,588,953
Net cash paid for acquiring subsidiaries and other operating entities	171,941	—
Cash paid for disposal of subsidiaries	50,031	13,210
Cash outflow from investment activities, subtotal	48,822,950	27,164,450
Net cash generated from investment activities	(12,343,103)	1,185,286
<b>3. Cash flow generated from financing activities:</b>		
Cash received from investments	47,189	12,062,226
Including: Cash received by subsidiaries from investment by minority shareholders	47,189	121,226
Cash received from borrowings	19,806,891	64,639,780
Cash received from issue of debenture	12,000,000	2,000,000
Cash inflow from financing activities subtotal	31,854,080	78,702,006
Cash paid for repayment of indebtedness	28,391,550	63,078,115
Cash paid for distribution of dividends, profit or interest	6,204,274	7,687,826

<b>Item</b>	<b>Amount from the beginning of the year to the end of the reporting period (January to September)</b>	<b>Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)</b>
Including: Dividends and profit distributed to minority shareholders by subsidiaries	620,278	541,147
Cash paid for other financing activities	208,771	179,557
Cash outflow from financing activities, subtotal	34,804,595	70,945,498
Net cash flow generated from financing activities	(2,950,515)	7,756,508
<b>4. Effects of changes in exchange rates on cash and cash equivalents</b>	195,655	(242,021)
<b>5. Net increase in cash and cash equivalents</b>	(15,829,051)	(790,173)
Add: Balance of cash and cash equivalents at the beginning of the period	47,689,648	28,016,288
<b>6. Balance of cash and cash equivalents at the end of the period</b>	31,860,597	27,226,115

*Legal representative:*  
**Liu Hualong**

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

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

## Statement of Cash Flows of the Parent Company

January to September 2018

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 to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
<b>1. Cash flow generated from operating activities:</b>		
Cash from sale of products and provision of services	61,599	414,925
Tax rebate received	44,027	63,541
Cash received from other operating activities	950,677	839,053
Cash inflow from operating activities subtotal	1,056,303	1,317,519
Cash paid for purchase of products and services	—	138,479
Cash paid to and for employees	90,066	111,565
Cash paid for various taxes	27,137	13,067
Cash paid for other operating activities	819,272	499,634
Cash outflow from operating activities subtotal	936,475	762,745
Net cash flow generated from operating activities	119,828	554,774
<b>2. Cash flow generated from investment activities:</b>		
Cash from recovery of investments	45,727,258	36,897,573
Cash from investment income	3,336,111	3,167,243
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 to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
Net cash received from disposal of subsidiaries and other business units	407,521	—
Cash inflow from investment activities subtotal	49,470,890	40,064,937
Cash paid for acquisition and installation of fixed assets, intangible assets and other long term assets	7,681	7,049
Cash paid for investments	57,440,357	42,797,430
Cash outflow from investment activities subtotal	57,448,038	42,804,479
Net cash generated from investment activities	(7,977,148)	(2,739,542)
<b>3. Cash flow generated from financing activities:</b>		
Cash received from investments	—	11,941,000
Cash received from borrowings	7,949,830	58,804,780
Cash received from issue of debenture	12,000,000	2,000,000
Cash received from other financing activities	21,808,963	22,321,000
Cash inflow from financing activities, subtotal	41,758,793	95,066,780
Cash paid for repayment of indebtedness	18,323,946	56,849,705
Cash paid for distribution of dividends, profit or interest	5,192,270	6,730,386
Cash paid for other financing activities	26,819,801	33,004,882

Item	Amount from the beginning of the year to the end of the reporting period (January to September)	Amount from the beginning of the year to the end of the reporting period of the previous year (January to September)
Cash outflow from financing activities, subtotal	50,336,017	96,584,973
Net cash flow generated from financing activities	(8,577,224)	(1,518,193)
<b>4. Effects of changes in exchange rates on cash and cash equivalents</b>	(412)	(26,556)
<b>5. Net increase in cash and cash equivalents</b>	(16,434,956)	(3,729,517)
Add: Balance of cash and cash equivalents at the beginning of the period	17,729,651	5,381,156
<b>6. Balance of cash and cash equivalents at the end of the period</b>	1,294,695	1,651,639

*Legal representative:*  
**Liu Hualong**

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

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

#### 4.2 Audit report

Applicable

Not applicable

If the Company's quarterly report with respect to which the Certified Public Accountant has issued unqualified opinion with emphasis of matter, other events or material uncertainty relating to going concern, the Company shall disclose the full text of such audit report.