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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

2016 FIRST 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 2016 first quarterly report of CRRC Corporation Limited (the “**Company**” 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
Cui Dianguo
Chairman

Beijing, the PRC
27 April 2016

As at the date of this announcement, the executive directors of the Company are Mr. Cui Dianguo, Mr. Zheng Changhong, Mr. Liu Hualong, Mr. Xi Guohua and Mr. Fu Jianguo; the non-executive director is Mr. Liu Zhiyong; and the independent non-executive directors are Mr. Li Guo'an, Mr. Zhang Zhong, Mr. Wu Zhuo, Mr. Sun Patrick and Mr. Chan Ka Keung, Peter.

1. 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 The first quarterly report has been considered and approved by the thirteenth meeting of the first session of the Board of the Company. Ten out of eleven directors attended the meeting. Mr. Li Guo’an, an independent non-executive director, did not attend the meeting in person due to other business engagement and appointed Mr. Wu Zhuo, an independent non-executive director, as proxy to vote on his behalf and to execute documents including resolutions and minutes of the meeting in relation to each resolution proposed at the Board meeting.
- 1.3 Cui Dianguo, the Chairman of the Company, Zhan Yanjing, the person-in-charge of accounting affairs, and Wang Jian, the person responsible for the accounting department (head of the accounting department), warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4 The first quarterly report of the Company is unaudited.

2. MAJOR FINANCIAL INFORMATION AND CHANGES OF SHAREHOLDERS

2.1 Major financial information

<i>Unit: RMB’000</i>				
	As at the end of the reporting period	As at the end of last year		Change as at the end of the reporting period as compared to the end of last year (%)
		<i>After adjustments</i>	<i>Before adjustments</i>	
Total assets	318,662,798	311,693,729	311,693,729	2.24
Net assets attributable to shareholders of the listed Company	98,686,002	96,900,316	96,900,316	1.84

	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of the reporting period of last year		Change as compared to the same period last year (%)
		<i>After adjustments</i>	<i>Before adjustments</i>	
Net cash flow from operating activities	-4,630,285	-5,841,672	-3,426,007	—

	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of the reporting period of last year		Change as compared to the same period last year (%)
		<i>After adjustments</i>	<i>Before adjustments</i>	
Revenue from operations	40,330,971	40,467,726	23,387,586	-0.34
Net profit attributable to shareholders of the listed Company	1,987,777	1,951,571	971,721	1.86
Net profit after non-recurring profit or loss attributable to shareholders of the listed Company	1,712,941	810,098 ^{Note}	871,774	111.45
Return on weighted average net assets (%)	2.03	2.16	2.37	Decreased by 0.13 percentage point
Basic earnings per share (RMB/share)	0.07	0.07	0.07	—
Diluted earnings per share (RMB/share)	0.07	0.07	0.07	—

Note: Under the Accounting Standards for Business Enterprises of the PRC, the net profit attributable to shareholders of the listed Company of China CNR Corporation Limited was included in the non-recurring profit or loss.

Non-recurring profit or loss items and amounts

☒ Applicable ☐ Not applicable

Unit: RMB'000

Item	Amount for the period
Profit or loss on disposal of non-current assets	-4,201
Government subsidies recognized in the current profit or loss (excluding those closely related to the Company's normal operating business and granted on an ongoing basis under the State's policies with standard amount or quantity)	353,792
Profit or loss on changes in fair value arising from holding trading financial assets and trading financial liabilities except for valid straddle business relevant to normal operating business of the Company, as well as investment gain realized from disposal of trading financial assets, trading financial liabilities and financial assets available for sale	-44,156
Other profit or loss items consistent with the definition of non-recurring profit or loss	16,772
Effect on minority interest (after tax)	960
Effect on income tax	<u>-48,331</u>
Total	<u>274,836</u>

2.2 Total number of shareholders, particulars of shareholdings of the top 10 shareholders and of the top 10 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 ^{Note 1}

1,152,223

Particulars of shareholdings of the top 10 shareholders

Name of shareholder (Full name)	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to trading moratorium	Particulars of shares pledged or frozen		Nature of shareholder
				Status of shares	Number	
CRRC Group (中國中車集團公司) ^{Note 2}	14,786,323,011	54.18	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED ^{Note 3}	4,361,170,059	15.98	0	Unknown	—	Offshore legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	766,419,749	2.81	0	Unknown	—	State-owned legal person
CRRC Financial and Securities Investment Co., Ltd.* (中車金證投資有限公司) ^{Note 4}	380,172,012	1.39	0	Nil	0	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	1.12	0	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	0.46	0	Unknown	—	Unknown
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	0.46	0	Unknown	—	Unknown

Particulars of shareholdings of the top 10 shareholders

Name of shareholder (Full name)	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to trading moratorium	Particulars of shares pledged or frozen		Nature of shareholder
				Status of shares	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	0.46	0	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	0.46	0	Unknown	—	Unknown
ChinaAMC- Agricultural Bank of China — ChinaAMC 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	0.46	0	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	0.46	0	Unknown	—	Unknown

Particulars of shareholdings of the top 10 shareholders

Name of shareholder (Full name)	Number of shares held at the end of the period	Percentage (%)	Number of shares subject to trading moratorium	Particulars of shares pledged or frozen		Nature of shareholder
				Status of shares	Number	
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	0.46	0	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	0.46	0	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	0.46	0	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	0.46	0	Unknown	—	Unknown

Particulars of shareholdings of the top 10 shareholders not subject to trading moratorium

Name of shareholder	Number of tradable shares held not subject to trading moratorium
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Particulars of shareholdings of the top 10 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
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
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 125,366,000
ChinaAMC- Agricultural Bank of China - ChinaAMC 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 125,366,000
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 125,366,000
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 125,366,000

Particulars of shareholdings of the top 10 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
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	125,366,000

Particulars of shareholdings of the top 10 shareholders not subject to trading moratorium

Note 3: H shares held by HKSCC NOMINEES LIMITED are held on behalf of its various clients.

Note 4: CRRC Financial and Securities Investment Co., Ltd.* (中車金證投資有限公司) was formerly known as Beijing CNR Investment Co., Ltd.* (北京北車投資有限責任公司).

3. SIGNIFICANT EVENTS

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

✓ Applicable ☐ Not applicable

1. Loans and advances granted increased by RMB59 million or 34.53% as compared with those at the beginning of the year, mainly due to the increase of loans granted by the Company's finance company during the reporting period.
2. Long-term equity investments increased by RMB4,809.007 million or 133.11% as compared with those at the beginning of the year, mainly due to the acquisition of part of the equity interests in China United Insurance Holding Corporation ("**China United Insurance**") by the Company during the reporting period.
3. Short-term borrowings increased by RMB4,833.506 million or 65.62% as compared with those at the beginning of the year, mainly due to the increase in the short-term bank loans of the Company during the reporting period.
4. Deposit taking and deposits in inter-bank market decreased by RMB965.579 million or 51.86% as compared with those at the beginning of the year, mainly due to the decrease of deposit taking by the Company's finance company during the reporting period.
5. Taxes payable decreased by RMB1,647.228 million or 46.22% as compared with those at the beginning of the year, mainly due to the payment of taxes payable by the Company during the reporting period.
6. Other current liabilities of the Company were mainly short-term bonds payable. Other current liabilities decreased by RMB2,000 million or 33.33% as compared with those at the beginning of the year, mainly due to the repayment of short-term bonds due.
7. Bonds payable increased by RMB3,136.1 million or 40.82% as compared with those at the beginning of the year, mainly due to the issuance of H-share convertible bonds by the Company during the reporting period.

8. Other non-current liabilities increased by RMB798.758 million or 352.66% as compared with those at the beginning of the year, mainly due to the issuance of H-share convertible bonds by the Company during the reporting period.
9. Business tax and surcharges increased by RMB120.191 million or 80.32% as compared with the same period last year, mainly due to the increase corresponding to the increase of the Company's value added tax payable during the reporting period.
10. Investment income increased by RMB63.112 million or 50.44% as compared with the same period last year, mainly due to the increase of the Company's investment income recognised through the equity accounting method during the reporting period.
11. Finance costs increased by RMB224.232 million or 297.03% as compared with the same period last year, mainly due to the decrease of foreign exchange gains on a year-on-year basis as a result of the effects of exchange rates on the Company during the reporting period.
12. Non-operating income increased by RMB200.569 million or 107.03% as compared with the same period last year, mainly due to the increase of government subsidies as recognized through the recovery of value-added tax refunds during the reporting period.
13. Net cash flow from operating activities amounted to a net cash outflow of RMB4,630.285 million, representing a decrease of RMB1,211.387 million as compared with the same period last year, mainly due to the fact that the increase in cash received from sale of goods and provision of services during the reporting period as compared with the same period last year was more than the increase in cash paid for purchase of goods and receipt of services during the reporting period as compared with the same period last year.
14. Net cash flow from investing activities amounted to a net cash outflow of RMB10,768.547 million, as compared with the net inflow of RMB6,485.635 million for the same period last year, mainly due to the increase of cash paid for investments by the Company during the reporting period.
15. Net cash flow from financing activities recorded a net cash inflow of RMB 6,573.058 million, as compared with the net outflow of RMB6,675.924 million for the same period last year, mainly due to the increase in the demand for additional capital of the Company during the reporting period as compared with the same period last year.

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

☒ Applicable ☐ Not applicable

1. Acquisition of certain equity interests in China United Insurance

On 7 and 8 January 2016, the Company participated and succeeded in the bidding for 2 billion shares (the “**Transaction**”) in China United Insurance held by China Insurance Security Fund Co., Ltd. listed for transfer at the Beijing Financial Assets Exchange for RMB4.455 billion.

For details of the Transaction, please refer to relevant announcements dated 8 January 2016, 12 January 2016 and 6 February 2016 published by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

2. Issuance of H-share convertible bonds

On 5 February 2016, the Company issued five-year zero coupon H-share convertible bonds in an aggregate principal amount of US\$600 million. For details, please refer to relevant announcements dated 25 January 2016, 5 February 2016 and 7 March 2016 published by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

3. Issuance of exchangeable bonds by CRRC Group

CRRC Group, the controlling shareholder of the Company, proposes to publicly issue exchangeable corporate bonds up to a total nominal value of RMB7 billion that are exchangeable into A shares of the Company, including any interests derived thereof (such as share capital converted from capital reserves, bonus shares and dividend distribution etc.). For details, please refer to the relevant announcements dated 22 March 2016 and 11 April 2016 published by the Company on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

3.3 Performance of the undertakings given by the Company and its shareholders holding more than 5% of the share capital

☒ Applicable ☐ Not applicable

§ Undertakings by the Company

1. Non-competition undertaking with Zhuzhou Times New Material Technology Co., Ltd. (“Times New Material”)

In order to resolve the issue of competition between CRRC and Times New Material after completion of the merger between CSR Corporation Limited (“CSR”) and China CNR Corporation Limited (“CNR”), CRRC issued the letter of undertaking of non-competition with Zhuzhou Times New Material Technology Co., Ltd. (《關於避免與株洲時代新材料科技股份有限公司同業競爭的承諾函》) on 5 August 2015, the specific undertakings are as follows: the current operations of CRRC in fields such as air springs for rail vehicles and rubber-metal parts for rail vehicles compete with the operations of Times New Material, which is indirectly controlled by CRRC. In order to resolve such competition with Times New Material, in accordance with relevant laws and regulations, CRRC undertakes that it will resolve such issue with Times New Material within five years from the date of this letter of undertaking in the manner approved by the regulatory authorities (including but not limited to asset restructuring, business integration etc.).

During the reporting period, CRRC complied with its undertakings as stated above.

2. Non-competition undertaking with Zhuzhou CRRC Times Electric Co., Ltd. (“Times Electric”)

In order to resolve the issue of competition between CRRC and Times Electric after completion of the merger between CSR and CNR, CRRC issued the letter of undertaking of non-competition with Zhuzhou CSR Times Electric Co., Ltd. (《關於避免與株洲南車時代電氣股份有限公司同業競爭的承諾函》) on 5 August 2015, the specific undertakings are as follows: the current operations of CRRC in fields such as transmission control systems, network control systems, traction power supply system, braking system, track construction machinery, electronic components and vacuum sanitation system compete with the operations of Times Electric, which is indirectly controlled by the Company. To safeguard the interests of Times Electric in its future development, in accordance with relevant laws and regulation, CRRC undertakes that with respect to the operations of

CRRC that compete with the operations of Times Electric: (1) CRRC will grant Times Electric a call option, pursuant to which Times Electric will be entitled to elect, at its own discretion, when to request CRRC to sell the competing businesses of CRRC to Times Electric; (2) CRRC will further grant Times Electric a pre-emptive right, pursuant to which if CRRC proposes to sell the competing business to an independent third party, CRRC shall offer to Times Electric the competing business first on the same terms and conditions, and the sale to an independent third party may only be effected after Times Electric refuses to purchase the competing business; (3) the decision of Times Electric to exercise the aforesaid call option and the pre-emptive right shall be made by the independent non-executive directors of Times Electric; (4) the exercise of the aforesaid call option and the pre-emptive right as well as other effective methods to resolve this competition matter will be subject to the applicable regulatory and disclosure requirements and shareholders' approval at the general meeting in the places of listing of CRRC and Times Electric respectively; and (5) the non-competition undertaking will be effective from the date of issuance of this letter of undertaking to the time when Times Electric is de-listed or CRRC ceases to be an indirect controlling shareholder of Times Electric.

During the reporting period, CRRC complied with its undertakings as stated above.

§ UNDERTAKINGS BY CRRC

1. Undertakings in relation to the initial public offering

The following undertakings have been made by CSRG and CNRG respectively upon the listing of CSR and CNR. Following the completion of the merger between CSR and CNR, the following undertakings made by CNRG to CNR shall remain valid for CRRC. Following the completion of the merger between CNRG and CSRG, the following undertakings will continue to be performed by CRRCG.

(1) Undertakings on property ownership issues

CSR disclosed in its prospectus that CSR has not yet obtained proper property ownership certificates for 326 properties with a total gross floor area of 282,019.03 square meters, representing 7.85% of the total gross floor area of the properties in use of CSR. As for the properties which CSR has not yet obtained property ownership certificates, CSRG undertook that properties which could not obtain complete property ownership certificates due to reasons such as incomplete procedures in planning and constructions

and, which would be included in the asset injection to CSR by CSRG, such properties would satisfy the usage requirements necessary for the production and operations of CSR. Moreover, if any loss would be incurred by CSR due to such properties, CSRG shall assume all compensation liabilities and all economic losses incurred by CSR.

During the reporting period, CRRCG complied with undertakings as stated above.

- (2) Undertakings on the state-owned land use certificate without specifying the land use terms or termination date

CNR disclosed in its prospectus that the term or termination date of land use rights was not specified in the state-owned land use certificates for part of the authorized lands acquired by CNR. CNRG undertook to compensate the relevant wholly-owned subsidiaries of CNR for any losses incurred as a result of the term or termination date of land use rights not being specified in the state-owned land use certificates.

During the reporting period, CRRCG complied with undertakings as stated above.

2. Non-competition undertakings

Upon the listing of CSR and CNR, CSRG and CNRG have respectively undertaken not to compete with each other. Upon the merger between CSR and CNR, CSRG and CNRG have undertaken to not compete with the post-merger company. Upon the merger between CNRG and CSRG, CNRG, by assuming the aforesaid undertakings, issued the letter of undertaking of non-competition with CRRC Corporation Limited (《關於避免與中國中車股份有限公司同業競爭的承諾函》) on 5 August 2015, the specific undertakings are as follows: (1) CNRG undertakes that CNRG itself will not and CNRG will procure, through legal procedures, the wholly-owned and non-wholly subsidiaries of CNRG not to engage in any businesses which may directly compete with the current operating businesses of CRRC in future; (2) subject to the aforesaid undertaking (1), should CNRG (including its wholly-owned subsidiaries and non-wholly subsidiaries or other connected entities) provide any products or services that may be in competition with the principal products or services of CRRC in future, CNRG has agreed to grant CRRC pre-emptive right to acquire the assets or the entire equity interests owned by it in such subsidiaries related to such products or services from CNRG; (3) subject to the aforesaid undertaking (1), CNRG may develop advanced and lucrative projects in the future which may fall within the

business scope of CRRC, but it should preferentially transfer any achievement on such projects to CRRC for its own operation on equal terms of transfer; (4) CNRG should compensate CRRC for any actual losses incurred by CRRC arising from its failure to comply with the aforesaid undertakings.

During the reporting period, CRRCG complied with undertakings as stated above.

3. Undertaking to maintain the independence of a listed company

Upon the merger between CSR and CNR, CSRG and CNRG have respectively undertaken to maintain the independence of the post-merger company. Upon the merger between CNRG and CSRG, CNRG, by assuming the aforesaid undertakings, issued the letter of undertaking to maintain the independence of CRRC Corporation Limited (《關於保持中國中車股份有限公司獨立性的承諾函》) on 5 August 2015, the specific undertakings are as follows: CNRG undertakes to be separate from CRRC in respect of areas such as assets, personnel, finance, organization and business and will, in strict compliance with the relevant requirements on the independence of a listed company imposed by the China Securities Regulatory Commission, to not use its position as the controlling shareholder to violate the standardized operation procedures of a listed company, to intervene in the operating decisions of CRRC and to damage the legitimate interests of CRRC and other shareholders. CNRG and other companies under its control undertake not to use the funds of CRRC and the companies under its control by any means.

During the reporting period, CRRCG complied with undertakings as stated above.

4. Undertaking to regulate related party transactions

Upon the merger between CSR and CNR, CSRG and CNRG have respectively undertaken to regulate the related party transactions with the post-merger company. Upon the merger between CNRG and CSRG, CNRG, by assuming the aforesaid undertakings, issued the letter of undertaking to regulate the related party transactions with CRRC Corporation Limited (《關於規範與中國中車股份有限公司關聯交易的承諾函》) on 5 August 2015, the specific undertakings are as follows: CNRG and other companies controlled by CNRG will endeavor not to enter into or minimize the related party transactions with CRRC and other companies in which it holds a controlling interest. For related party transactions which are inevitable or have reasonable grounds, CNRG will continue to perform the obligations under the related party transaction framework agreements entered into between CNRG and CNR and succeeded by the post-merger company as

well as the related party transaction framework agreements entered into between CSRG and CSR (the rights and obligations of CSR and CNR under these related party transaction framework agreements will be succeeded and assumed by CRRC), and will comply with the approval procedures and information disclosure obligations in accordance with the relevant laws and regulations as well as the provisions under the articles of association of CRRC. Prices of the related party transactions will be determined based on prices of the same or comparable transactions conducted with other independent third parties in accordance to the principles of fairness and reasonableness.

During the reporting period, CRRCG complied with undertakings as stated above.

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 last year

☐ Applicable ☒ Not applicable

Company name	CRRC CORPORATION LIMITED
Legal representative	Cui Dianguo
Date	27 April 2016

4. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2016

Prepared by: CRRC Corporation Limited

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

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Current assets:		
Cash and bank balances	34,568,444	39,368,687
Placements with financial institutions	0	1,200,000
Financial assets at fair value through profit or loss	3,017	3,424
Bills receivable	8,328,174	10,166,491
Accounts receivable	74,913,249	72,514,398
Prepayments	9,941,440	9,194,629
Interest receivable	17,581	7,791
Dividends receivable	59,153	7,363
Other receivables	3,627,500	2,870,805
Inventory	66,211,366	59,786,201
Non-current assets maturing in less than one year	4,454,164	4,440,493
Other current assets	5,212,504	5,617,748
Total current assets	207,336,592	205,178,030
Non-current Assets:		
Loans and advances granted	229,874	170,874
Available-for-sale financial assets	3,241,866	3,156,509
Investment held to maturity	196,857	197,928
Long-term receivables	10,791,088	10,623,522
Long-term equity investments	8,421,884	3,612,877
Investment properties	996,260	951,052
Fixed assets	52,712,857	53,497,360
Construction in progress	9,410,778	8,576,574
Project materials	103,241	86,535
Disposal of fixed assets	23,711	19,235

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Intangible assets	17,849,522	18,013,046
Development expenditure	17,520	11,082
Goodwill	1,269,409	1,315,234
Long-term deferred expenses	169,685	170,908
Deferred income tax assets	2,723,473	2,743,530
Other non-current assets	3,168,181	3,369,433
Total non-current assets	111,326,206	106,515,699
Total assets	318,662,798	311,693,729
Current Liabilities:		
Short-term borrowings	12,199,019	7,365,513
Deposit taking and deposits in inter-bank market	896,368	1,861,947
Financial liabilities at fair value through profit or loss		359
Bills payable	18,135,360	22,790,082
Accounts payable	87,032,499	83,179,106
Receipts in advance	30,882,850	29,693,134
Staff remuneration payable	1,832,384	1,911,321
Taxes payable	1,917,003	3,564,231
Interest payable	350,989	421,826
Dividends payable	314,980	299,081
Other payables	7,071,944	6,996,246
Non-current liabilities maturing in less than one year	4,994,726	5,008,060
Other current liabilities	4,000,000	6,000,000
Total current liabilities	169,628,122	169,090,906
Non-current Liabilities:		
Long-term borrowings	6,760,311	6,633,689
Bonds payable	10,818,664	7,682,564
Long-term payables	262,688	275,924
Long-term staff remuneration payables	4,049,593	4,054,445
Project payables	5,154	4,843
Anticipated liabilities	4,519,625	4,351,961
Deferred income	5,581,391	5,556,354
Deferred income tax liabilities	239,195	241,975

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Other non-current liabilities	1,025,253	226,495
Total non-current liabilities	33,261,874	29,028,250
Total liabilities	202,889,996	198,119,156
Equity of owners		
Share capital	27,288,758	27,288,758
Capital reserves	29,967,102	29,960,109
Other consolidated income	-1,060,171	-851,087
Project reserves	49,957	49,957
Surplus reserve	1,801,679	1,801,679
General risk reserve	339,689	339,689
Undistributed profits	40,298,988	38,311,211
Total equity attributable to owners of the Parent Company	98,686,002	96,900,316
Minority interest	17,086,800	16,674,257
Total equity of owners	115,772,802	113,574,573
Total liabilities and equity of owners	318,662,798	311,693,729

Legal representative: Cui Dianguo

Person-in-charge of accounting affairs: Zhan Yanjing

Head of the accounting department: Wang Jian

Balance Sheet of the Parent Company

31 March 2016

Prepared by: CRRC Corporation Limited

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

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Current assets:		
Cash and bank balances	4,395,199	6,672,436
Bills receivable	2,000	6,000
Accounts receivable	10,958	11,013
Prepayments	58,620	38,360
Interest receivable	329,737	198,722
Dividends receivable	1,284,799	2,511,579
Other receivables	21,926,136	20,581,864
Non-current assets maturing in less than one year	2,716,920	2,813,360
Other current assets	32,330	30,128
Total current assets	30,756,699	32,863,462
Non-current Assets:		
Long-term receivables	10,820,635	11,161,100
Long-term equity investments	93,073,551	86,370,676
Fixed assets	34,992	37,608
Construction in progress	110,479	113,930
Intangible assets	114,951	116,178
Total non-current assets	104,154,608	97,799,492
Total assets	134,911,307	130,662,954
Current Liabilities:		
Short-term borrowings	9,779,540	11,639,540
Accounts payable	13,239	10,184
Receipts in advance	129,414	88,364
Staff remuneration payable	14,374	47,117
Taxes payable	16,066	17,941
Interest payable	254,220	373,069
Other payables	17,223,394	12,991,560

Item	Closing balance at the end of the period	Opening balance at the beginning of the year
Non-current liabilities maturing in less than one year	1,857,000	1,857,000
Other current liabilities	4,000,000	6,000,000
Total current liabilities	33,287,247	33,024,775
Non-current Liabilities:		
Long-term borrowings	2,720,075	2,720,075
Bonds payable	10,118,664	6,982,564
Long-term staff remuneration payables	9,553	9,553
Other non-current liabilities	782,894	
Total non-current liabilities	13,631,186	9,712,192
Total liabilities	46,918,433	42,736,967
Equity of owners		
Share capital	27,288,758	27,288,758
Capital reserves	52,201,054	52,201,054
Other consolidated income	-10,807	-10,807
Surplus reserve	1,801,679	1,801,679
Undistributed profits	6,712,190	6,645,303
Total equity of owners	87,992,874	87,925,987
Total liabilities and equity of owners	134,911,307	130,662,954

Legal representative: Cui Dianguo

Person-in-charge of accounting affairs: Zhan Yanjing

Head of the accounting department: Wang Jian

Consolidated Income Statement

January to March 2016

Prepared by: CRRC Corporation Limited

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

Item	Amount for the current period	Amount for the previous period (restated)
I. Total operating revenue	40,330,971	40,467,726
Including: Revenue from		
operations	40,330,971	40,467,726
II. Total operating cost	37,757,504	37,681,283
Including: Operating cost	30,979,256	31,302,518
Business tax and		
surcharge	269,837	149,646
Selling expenses	1,308,502	1,519,094
Administrative		
expenses	4,692,056	4,475,776
Finance costs	299,723	75,491
Asset impairment loss	208,130	158,758
Add:		
Gains from changes in		
fair value (loss is		
represented by “-”)	-46,705	824
Investment income		
(loss is		
represented by “-”)	188,242	125,130
Including: Gains from		
investment in		
associates and joint		
ventures	52,733	74,267
III. Profit from operations (loss is		
 represented by “-”)	2,715,004	2,912,397
Add: Non-operating income	387,962	187,393
Including: Gains on disposal of		
non-current assets	4,706	5,369
Less: Non-operating expenses	21,599	30,981
Including: Loss on disposal of		
non-current assets	8,907	3,542
IV. Total profit (total loss is		
 represented by “-”)	3,081,367	3,068,809
Less: Income tax expenses	632,090	700,561

Item	Amount for the current period	Amount for the previous period (restated)
V. Net profit (net loss is represented by “-”)	2,449,277	2,368,248
Net profit attributable to owners of the Parent Company	1,987,777	1,951,571
Profit or loss attributable to minority interest	461,500	416,677
VI. Net other comprehensive income after tax	-206,437	-53,435
Net other comprehensive income after tax attributable to owners of the Parent Company	-209,084	97,059
(I) Other comprehensive income that will be subsequently reclassified to profit and loss	-209,084	97,059
1. Gains and losses from changes in fair value of available-for-sale financial assets	-213,500	138,198
2. Differences on translation of financial statements denominated in foreign currency	4,416	-41,139
Net other comprehensive income after tax attributable to minority interest	2,647	-150,494
VII. Total comprehensive income	2,242,840	2,314,813
Total comprehensive income attributable to owners of the Parent Company	1,778,693	2,048,630
Total comprehensive income attributable to minority interest	464,147	266,183
VIII. Earnings per share		
(I) Basic earnings per share (RMB/share)	0.07	0.07
(II) Diluted earnings per share (RMB/share)	0.07	0.07

Legal representative: Cui Dianguo

Person-in-charge of accounting affairs: Zhan Yanjing

Head of the accounting department: Wang Jian

Income Statement of the Parent Company
January to March 2016

Prepared by: CRRC Corporation Limited

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

Item	Amount for the current period	Amount for the previous period
I. Revenue from operations	9	18,012
Less: Operating cost		
Business tax and surcharge	4,733	57
Selling expenses	364	3,226
Administrative expenses	41,336	29,338
Finance costs	-100,074	-12,092
Add: Gains from changes in fair value (loss is represented by "-")	-46,657	
Investment income (loss is represented by "-")	59,895	2,175,000
Including: Gains from investments in associates and joint ventures	59,895	
II. Profit from operations (loss is represented by "-")	66,888	2,172,483
Add: Non-operating income		41
Including: Gains on disposal of non-current assets		
Less: Non-operating expenses		
Including: Loss on disposal of non-current assets		
III. Total profit (total loss is represented by "-")	66,888	2,172,524
Less: Income tax expenses		
IV. Net profit (net loss is represented by "-")	66,888	2,172,524
V. Net other comprehensive income after tax		
VI. Total comprehensive income	66,888	2,172,524
VII. Earnings per share		
(I) Basic earnings per share (RMB/share)		
(II) Diluted earnings per share (RMB/share)		

Legal representative: Cui Dianguo

Person-in-charge of accounting affairs: Zhan Yanjing

Head of the accounting department: Wang Jian

Consolidated Cash Flow Statement

January to March 2016

Prepared by: CRRC Corporation Limited

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

Item	Amount for the current period	Amount for the previous period (restated)
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	45,241,859	45,063,479
Tax rebate received	561,300	254,622
Other cash received from activities related to operation	1,667,475	438,074
Sub-total of cash inflows from operating activities	47,470,634	45,756,175
Cash paid for goods purchased and service rendered	38,497,093	40,620,890
Cash paid to and on behalf of employees	5,642,931	5,203,519
Taxes paid	4,825,360	3,783,429
Other cash paid for activities relating to operation	3,135,535	1,990,009
Sub-total of cash outflows from operating activities	52,100,919	51,597,847
Net cash flow from operating activities	-4,630,285	-5,841,672
II. Cash flow from investment activities:		
Cash received from disposal of investments	4,364,696	9,124,747
Cash received from gains in investments	18,008	201,477
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	47,701	3,278
Other cash received relating to investment activities		
Sub-total of cash inflows from investment activities	4,430,405	9,329,502
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	1,614,819	1,253,982
Cash paid for investment	13,583,469	1,589,885
Other cash paid relating to investment activities	664	
Sub-total of cash outflows from investment activities	15,198,952	2,843,867
Net cash flow from investment activities	-10,768,547	6,485,635

Item	Amount for the current period	Amount for the previous period
III. Cash flow from financing activities:		
Proceeds received from investments	14,800	30,841
Including: Proceeds received by subsidiaries from minority shareholders' investments	14,800	15,841
Cash received from borrowings	14,705,884	10,484,864
Cash received from issue of bonds	3,918,840	
Sub-total of cash inflows from financing activities	18,639,524	10,515,705
Cash for repayment of debts	11,724,106	16,285,239
Cash paid for distribution of dividends and profits or interest repayment	309,738	872,369
Including: dividends and profits paid by subsidiary to minority shareholders		1,620
Other cash paid relating to financing activities	32,622	34,021
Sub-total of cash outflows from financing activities	12,066,466	17,191,629
Net cash flow from financing activities	6,573,058	-6,675,924
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates	27,675	16,274
V. Net increase in cash and cash equivalents	-8,798,099	-6,015,687
Add: Balance of cash and cash equivalents at the beginning of the period	29,944,221	37,034,186
VI. Balance of cash and cash equivalents at the end of the period	21,146,122	31,018,499

Legal representative: Cui Dianguo

Person-in-charge of accounting affairs: Zhan Yanjing

Head of the accounting department: Wang Jian

Cash Flow Statement of the Parent Company

January to March 2016

Prepared by: CRRC Corporation Limited

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

Item	Amount for the current period	Amount for the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	—	—
Tax rebate received	8,075	1,041
Other cash received from activities related to operation	61,766	1,872,564
Sub-total of cash inflows from operating activities	69,841	1,873,605
Cash paid for goods purchased and service rendered	—	—
Cash paid to and on behalf of employees	73,151	27,307
Taxes paid	9,089	10,626
Other cash paid for activities relating to operation	61,334	2,640,835
Sub-total of cash outflows from operating activities	143,574	2,678,768
Net cash flow from operating activities	-73,733	-805,163
II. Cash flow from investment activities:		
Cash received from disposal of investments	17,005,313	4,763,293
Cash received from gains in investments	1,441,349	14,000
Sub-total of cash inflows from investment activities	18,446,662	4,777,293
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	447	2,387
Cash paid for investment	16,570,700	4,280,210
Net cash paid to acquire subsidiaries and other operating entities	1,100,000	

Item	Amount for the current period	Amount for the previous period
Sub-total of cash outflows from investment activities	17,671,147	4,282,597
Net cash flow from investment		