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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)**

**2019 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 2019 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**  
**Liu Hualong**  
*Chairman*

Beijing, the PRC  
29 April 2019

*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 and Mr. Sun Patrick.*

## 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 tenth 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 first quarterly report of the Company is unaudited.

## II. BASIC INFORMATION OF THE COMPANY

### 2.1 Major Financial Information

		<i>Unit: RMB'000</i>		<i>Currency: RMB</i>
	<b>As at the end of the reporting period</b>	<b>As at the end of last year</b>		<b>Change as at the end of the reporting period as compared to the end of last year (%)</b>
		<b>After adjustment</b>	<b>Before adjustment</b>	
Total assets	377,226,401	357,523,050	357,523,050	5.51
Net assets attributable to shareholders of the listed Company	130,451,387	128,457,695	128,457,695	1.55

	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 of last year (%)
		After adjustment	Before adjustment	
Net cash flow from operating activities	-4,455,488	-9,400,797	-9,389,000	—
Revenue from operations	39,667,781	32,922,913	32,922,913	20.49
Net profit attributable to shareholders of the listed Company	1,780,042	1,269,526	1,270,700	40.21
Net profit after non-recurring profit or loss attributable to shareholders of the listed Company	1,483,545	1,008,863	1,010,037	47.05
Return on weighted average net assets (%)	1.38	1.04	1.04	increase of 0.34 percentage points
Basic earnings per share (RMB/share)	0.06	0.04	0.04	50.00
Diluted earnings per share (RMB/share)	0.06	0.04	0.04	50.00

Note: On 26 December 2018, CRRC Sifang Institute Co., Ltd., a subsidiary of the Company, completed the acquisition of 51% equity interest of Qingdao CNR Hitachi Rail Communication Signal Co., Ltd., which is a company controlled by CRRC GROUP Co., Ltd., the controlling shareholder of the Company. The acquisition constitutes a business combination under same control, accordingly, the data for the corresponding period of pervious year have been restated according to the Accounting Standards for Business Enterprises.

## Non-recurring profit and loss items and amounts

✓ Applicable

Not applicable

*Unit: RMB'000*

*Currency: RMB*

<b>Item</b>	<b>Amount for the current period</b>
Profit or loss on disposal of non-current assets	-9,742
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	218,187
Apart from hedging instruments relating to the normal operating business of the Company, gain and loss from change in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments	105,750
Net income and expenses arising from donation	-12
Other non-operating income and expenses excluding the items above	41,808
Effect of minority shareholders' interests (after tax)	-18,026
Effect of income tax	-41,468
Total	<u>296,497</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> 836,205

## Particulars of shareholdings of the top ten shareholders

Name of shareholders (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		
CRRG GROUP Co., Ltd. (中國中車集團有限公司)	14,429,518,023	50.28	705,052,878	Nil	—	—	State-owned legal person
HKSCC NOMINEES LIMITED <sup>Note 2</sup>	4,360,138,239	15.19	—	Unknown	—	—	Foreign legal person
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	858,958,326	2.99	—	Unknown	—	—	State-owned legal person
CNIC Corporation Limited (國新投資有限公司)	364,355,330	1.27	—	Unknown	—	—	State-owned legal person
CRRG Financial and Securities Investment Co., Ltd. (中車金證投資有限公司)	329,763,427	1.15	—	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	—	—	Unknown
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
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

Name of shareholders (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		
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	
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	0.82	—	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)	234,982,900	0.82	—	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	Class and number of shares Number
CRRC GROUP Co., Ltd. (中國中車集團有限公司)	13,724,465,145	Ordinary shares denominated in RMB	13,724,465,145
HKSCC NOMINEES LIMITED Note 2	4,360,138,239	Overseas listed foreign invested shares	4,360,138,239
China Securities Finance Corporation Limited (中國證券金融股份有限公司)	858,958,326	Ordinary shares denominated in RMB	858,958,326
CNIC Corporation Limited (國新投資有限公司)	364,355,330	Ordinary shares denominated in RMB	364,355,330
CRRC Financial and Securities Investment Co., Ltd. (中車金證投資有限公司)	329,763,427	Ordinary shares denominated in RMB	329,763,427
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

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class	Class and number of shares Number
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
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

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class	and number of shares Number
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
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

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class	and number of shares
			Number
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 833,526 holders of A shares and 2,679 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

1. Short-term borrowings increased by 122.75%, mainly due to the increase in short-term bank borrowings during the current period.
2. Deposits and amounts due to banks decreased by 31.71%, mainly due to the decrease in amounts due to banks absorbed by subsidiary finance company of the Company during the current period.

3. Borrowed funds increased by 6,586.73%, mainly due to the increase borrowed funds absorbed by subsidiary finance company of the Company.
4. Tax payables decreased by 65.41%, mainly due to the payment of value added tax and income tax during the current period.
5. Non-current liabilities due within one year decreased by 35.69%, mainly due to the decrease in long-term borrowings due within one year and debentures payable due within one year at the end of the current period.
6. Other current liabilities decreased by 51.51%, mainly due to the decrease in the maturity of super short-term financing bills issued at the end of the last year.
7. Right-of-use assets and lease liabilities increased by RMB590 million, respectively, mainly due to the newly recognized right-of-use assets and lease liabilities, as affected by the implementation of new lease standards during the current period.
8. Impairment loss on assets decreased by 74.76%, mainly due to the reversal of provisions for impairment of inventories as a result of disposal of part of inventories at the end of the current period.
9. Credit impairment loss for the current period was RMB27 million, while it was RMB-165 million in the same period of the last year, mainly due to the increase in provisions for impairment of financial assets for the current period.
10. Investment income increased by 192.97%, mainly due to the increase in income from the financial derivatives during the current period.
11. Profit or loss on changes in fair value during the current period was RMB77 million, as compared to RMB-67 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.
12. Non-operating income decreased by 63.93% year-on-year, mainly due to the decrease in capitals-related government subsidies received during the current period.
13. Net cash flow from operating activities recorded a net outflow of RMB4,455 million, as compared to a net outflow of RMB9,404 million for the same period of the previous year, decrease in net outflow mainly due to the decrease in cash paid for purchase of products and services during the reporting period as compared with the same period of the previous year.

14. Net cash flow from investing activities recorded a net outflow of RMB2,370 million, as compared to a net outflow of RMB4,322 million for the same period of the previous year. Decrease in net outflow was mainly due to the increase in cash recovered from investment during the reporting period as compared with the same period of the previous year.
15. Net cash flow from financing activities recorded a net inflow of RMB3,732 million, as compared to a net outflow of RMB5,090 million for the same period of the previous year, mainly due to the increase in cash received from borrowings during the reporting period as compared to same period of the previous year.

Operation income increased by 20.49% as compared with the same period of the previous year, mainly due to the growth in the railway equipment business. Railway equipment business, urban rail transit vehicle and urban infrastructure business, new industry business and modern service business accounted for 52.98%, 18.24%, 24.12% and 4.66% of the operation income, respectively. Details are as follows:

*Unit: RMB'000 Currency: RMB*

Segment business	Operation income			
	January - March 2019	For the same period of the previous year	Increase/ decrease	Increase/ decrease percentage
Railway equipment	21,013,791	15,861,876	5,151,915	32.48%
Urban rail transit vehicle and urban infrastructure	7,236,264	5,249,193	1,987,071	37.85%
New industry	9,567,793	8,278,720	1,289,073	15.57%
Modern service	1,849,933	3,533,124	-1,683,191	-47.64%
Total	39,667,781	32,922,913	6,744,868	20.49%

Operation income from railway equipment business increased by 32.48% as compared with the same period of the previous year, mainly due to the increase in revenue from locomotives, freight wagons and passenger carriage. Among these, revenue from locomotive business was RMB4,210 million, revenue from passenger carriage business was RMB3,225 million, revenue from MU business was RMB9,937 million, and revenue from freight wagon business was RMB3,642 million.

Operation income from urban rail transit vehicle and urban infrastructure business increased by 37.85% as compared with the same period of the previous year, mainly due to the increase in sales volume from urban rail transit vehicle products delivered in the current period.

Operation income from new industry business increased by 15.57% as compared with the same period of the previous year, mainly due to the increase in revenue from general mechanical and electrical business during the current period.

Operation income from modern service business decreased by 47.64% 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 March 2019, the Company's newly signed orders amounted to approximately RMB61.4 billion (of which, contracted sales generated by the international businesses amounted to approximately RMB7,200 million).

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

Applicable

Not applicable

#### **1. Particulars of interbank debt financing instruments**

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, which was paid as scheduled.

#### **2. Redemption of H Shares Convertible Bonds**

On 5 February 2019, holders of the H Shares Convertible Bonds have, in accordance to the terms and conditions of the convertible bonds, redeemed convertible bonds with aggregate principal of US\$240,000,000. Upon completion of the above conversion, aggregate outstanding principal amount of H Shares Convertible Bonds amounted to US\$360,000,000, representing 60% of the principal amount of the issued bonds. For details, please see the announcement of the Company dated 8 February 2019 on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited.

**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	<b>CRRC Corporation Limited</b>
Legal Representative	<b>Liu Hualong</b>
Date	29 April 2019

## IV. APPENDIX

### 4.1 Financial Statements

#### Consolidated Balance Sheet

31 March 2019

Prepared by: CRRC Corporation Limited

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

Item	31 March 2019	31 December 2018
<b>Current assets:</b>		
Monetary assets	<b>38,684,947</b>	38,171,008
Settlement reserve	—	—
Placement with banks and other financial institutes	<b>1,030,960</b>	—
Financial assets held for trading	<b>5,721,379</b>	7,246,736
Financial assets at fair value through profit or loss	—	—
Derivative financial assets	—	—
Notes receivable and accounts receivable	<b>85,191,013</b>	79,680,709
Prepayments	<b>10,446,485</b>	9,198,553
Insurance premium receivable	—	—
Reinsurance premium receivable	—	—
Reserves for reinsurance contract receivable	—	—
Other receivables	<b>3,319,217</b>	3,029,887
Financial assets held under resale agreements	—	—
Inventories	<b>70,571,139</b>	55,121,500
Contract assets	<b>14,315,401</b>	14,657,889
Held-to-sale assets	<b>6,354</b>	6,354
Non-current assets due within one year	<b>10,932,802</b>	11,646,729
Other current assets	<b>8,863,811</b>	8,752,763
Total current assets	<b>249,083,508</b>	227,512,128

<b>Item</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Non-current assets:</b>		
Loans and advances to customers	<b>1,880,844</b>	1,880,911
Debt investment	<b>1,596,693</b>	1,622,252
Available-for-sale financial assets	—	—
Other debt investments	—	—
Investment held to maturity	—	—
Long-term receivables	<b>7,823,193</b>	7,809,013
Long-term equity investments	<b>14,415,550</b>	13,765,792
Other equity investment	<b>2,447,068</b>	2,252,423
Other non-current financial assets	<b>597,902</b>	598,551
Investment properties	<b>1,268,211</b>	1,248,530
Fixed assets	<b>56,815,069</b>	57,390,729
Construction-in-progress	<b>8,061,402</b>	8,098,213
Productive biological assets	—	—
Oil and gas assets	—	—
Ownership assets	<b>589,821</b>	—
Intangible assets	<b>16,503,140</b>	16,650,104
Development expenditure	<b>304,392</b>	286,606
Goodwill	<b>699,915</b>	713,042
Long-term deferred expenses	<b>213,183</b>	223,691
Deferred income tax assets	<b>3,619,488</b>	3,644,579
Other non-current assets	<b>11,307,022</b>	13,826,486
 Total non-current assets	 <b>128,142,893</b>	 130,010,922
 Total assets	 <b>377,226,401</b>	 357,523,050

<b>Item</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Current liabilities:</b>		
Short-term borrowings	<b>19,232,858</b>	8,634,101
Borrowings from the central bank	—	—
Loans from banks and other financial institutions	<b>1,000,000</b>	14,955
Transactional financial liabilities	<b>5,092</b>	—
Financial liabilities with changes measured at fair value through current profit or loss	—	—
Derivative financial liabilities	—	—
Notes and account payable	<b>132,758,699</b>	121,168,707
Accounts collected in advance	<b>35,296</b>	24,337
Financial assets sold for repurchase	—	—
Customer bank deposits and due to banks and other financial institutions	<b>1,908,868</b>	2,795,282
Funds from securities trading agency	—	—
Funds from underwriting securities agency	—	—
Payroll payable	<b>2,002,168</b>	2,045,836
Tax payables	<b>1,220,862</b>	3,529,455
Other payables	<b>11,236,512</b>	9,860,396
Handling charges and commissions payable	—	—
Reinsurance accounts payable	—	—
Contract liabilities	<b>24,280,073</b>	22,335,899
Liabilities held for sale		
Non-current liabilities due within one year	<b>7,580,127</b>	11,786,543
Other non-current liabilities	<b>2,984,974</b>	6,155,925
<b>Total current liabilities</b>	<b>204,245,529</b>	188,351,436

<b>Item</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Non-current liabilities :</b>		
Provision for deposit for insurance contracts	—	—
Long-term borrowings	<b>1,038,796</b>	880,011
Bonds payable	<b>3,500,001</b>	3,500,000
Lease liabilities	<b>589,821</b>	—
Long-term payables	<b>208,479</b>	279,178
Long-term employee benefits payable	<b>3,571,972</b>	3,599,049
Estimated liabilities	<b>5,434,696</b>	5,389,261
Deferred revenue	<b>5,651,864</b>	5,503,288
Deferred income tax liabilities	<b>160,398</b>	158,546
Other non-current liabilities	<b>196,722</b>	177,654
 Total non-current liabilities	 <b>20,352,749</b>	 19,486,987
Total liabilities	<b>224,598,278</b>	207,838,423

<b>Item</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	<b>28,698,864</b>	28,698,864
Other equity instruments	—	—
Additional Paid-In Capital	<b>40,608,053</b>	40,628,708
Less: Treasury stocks	—	—
Other comprehensive income	<b>-632,443</b>	-866,748
Special reserves	<b>49,957</b>	49,957
Surplus reserve	<b>3,279,992</b>	3,279,992
Provisions for general risk	<b>551,265</b>	551,265
Undistributed profit	<b>57,895,699</b>	56,115,657
Total owners' equity (or shareholders' equity) attributable to parent company	<b>130,451,387</b>	128,457,695
Minority interest	<b>22,176,736</b>	21,226,932
Total owners' equity (or shareholders' equity)	<b>152,628,123</b>	149,684,627
Total liabilities and owners' equity (or shareholders' equity)	<b>377,226,401</b>	357,523,050

*Legal Representative:*  
**Liu Hualong**

*Chief Accounting Officer:*  
**Zhan Yanjing**

*Head of Accounting  
Department:*  
**Wang Jian**

## Balance Sheet of the Parent Company

31 March 2019

Prepared by: CRRC Corporation Limited

	<i>Unit: RMB'000</i>	<i>Currency: RMB</i>	<i>Type of Audit: Unaudited</i>
<b>Item</b>		<b>31 March 2019</b>	<b>31 December 2018</b>
<b>Current assets:</b>			
Monetary funds		<b>9,657,663</b>	8,472,605
Transactional financial assets		<b>62,079</b>	61,242
Financial liabilities with changes measured at fair value through current profit or loss		—	—
Derivative financial assets		—	—
Notes and account receivables		<b>204,231</b>	275,828
Prepayments		<b>4,283</b>	—
Other receivables		<b>19,679,497</b>	23,195,654
Inventories		—	—
Contract assets		—	—
Assets held for sale		—	—
Non-current assets due within one year		<b>2,504,962</b>	880,192
Other current assets		<b>1,169</b>	—
Total current assets		<b>32,113,884</b>	32,885,521
<b>Non-current assets:</b>			
Debt investments		—	—
Available-for-sale financial assets		—	—
Other debt investments		—	—
Held-to-maturity investments		—	—
Long-term receivables		<b>4,349,341</b>	5,701,111
Long-term equity investment		<b>102,784,424</b>	100,154,514
Investments in other equity instruments		—	—
Other non-current financial assets		—	—
Investment real estates		—	—
Fixed assets		<b>23,278</b>	25,797
Construction in progress		<b>34,168</b>	40,752
Capitalized biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets		<b>19,942</b>	—
Intangible assets		<b>110,620</b>	109,148

<b>Item</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Research and development expense	—	—
Goodwill	—	—
Long-term deferred expenses	—	—
Deferred income tax assets	—	—
Other non-current assets	—	2,430,000
<b>Total non-current assets</b>	<b>107,321,773</b>	108,461,322
<b>Total assets</b>	<b>139,435,657</b>	141,346,843
<b>Current liabilities :</b>		
Short-term borrowings	<b>9,415,508</b>	4,866,730
Transactional financial liabilities	—	—
Financial liabilities with changes measured at fair value through current profit or loss	—	—
Derivative financial liabilities	—	—
Notes and account payables	<b>167,361</b>	231,686
Accounts collected in advance	—	—
Contract liabilities	<b>42,518</b>	42,518
Payroll payable	<b>25,610</b>	56,964
Taxes payable	<b>3,711</b>	10,912
Other payables	<b>23,361,989</b>	23,138,870
Liabilities held for sale	—	—
Non-current liabilities due within one year	<b>2,396,800</b>	6,181,896
Other current liabilities	—	3,000,000
<b>Total current liabilities</b>	<b>35,413,497</b>	37,529,576
<b>Non-current liabilities :</b>		
Long-term borrowings	—	—
Bonds payable	<b>3,500,001</b>	3,500,000
Lease liabilities	<b>19,942</b>	—
Long-term payables	<b>240</b>	241
Long-term employee benefits payable	<b>2,090</b>	2,090
Estimated liabilities	—	—
Deferred income	—	—

<b>Item</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
Deferred income tax liabilities	—	—
Other non-current liabilities	—	—
Total non-current liabilities	<b>3,522,273</b>	3,502,331
Total liabilities	<b>38,935,770</b>	41,031,907
<b>Owners' equity (or shareholders' equity):</b>		
Paid-in capital (or share capital)	<b>28,698,864</b>	28,698,864
Other equity instruments	—	—
Additional Paid-In Capital	<b>62,804,318</b>	62,804,362
Less: Treasury stocks	—	—
Other comprehensive income	<b>91,420</b>	-32,989
Surplus reserve	<b>3,279,992</b>	3,279,992
Undistributed profit	<b>5,625,293</b>	5,564,707
Total owners' equity (or shareholders' equity)	<b>100,499,887</b>	100,314,936
Total liabilities and owners' equity (or shareholders' equity)	<b>139,435,657</b>	141,346,843

*Legal Representative:*  
**Liu Hualong**

*Chief Accounting Officer:*  
**Zhan Yanjing**

*Head of Accounting  
Department:*  
**Wang Jian**

## Consolidated Income Statement

January to March 2019

Prepared by: CRRC Corporation Limited

*Unit: RMB'000*

*Currency: RMB*

*Type of Audit: Unaudited*

Item	2019 Q1	2018 Q1 (Restated)
<b>1. Total revenue from operations</b>	<b>39,667,781</b>	32,922,913
Including: Operating revenue	<b>39,667,781</b>	32,922,913
Interest income	—	—
Premiums earned	—	—
Fees and commissions income	—	—
<b>2. Total costs from operations</b>	<b>37,551,278</b>	31,405,374
Including: Operating costs	<b>30,912,382</b>	25,440,824
Interest expenses	—	—
Fees and commissions income	—	—
Surrenders	—	—
Net compensation expenses	—	—
Provision for deposit for insurance contracts, net	—	—
Net insurance contract reserves	—	—
Reinsurance accounts payable	—	—
Tax and surcharges	<b>348,277</b>	340,163
Selling expenses	<b>1,270,095</b>	1,166,204
Administration expenses	<b>2,849,562</b>	2,734,026
Research and development expenses	<b>1,868,436</b>	1,604,107
Financial expenses	<b>272,439</b>	271,621
Impairment loss on assets	<b>3,271</b>	12,959
Credit impairment loss	<b>26,816</b>	-164,530
Add: Other income	<b>150,274</b>	123,575
Investment income (Loss denoted with “-”)	<b>75,923</b>	25,915
Including: Income from investments in associates and joint ventures	<b>56,719</b>	48,166
Foreign exchange gains (Loss denoted with “-”)	—	—
Gains on net exposure hedges (Loss denoted with “-”)	—	—

Item	2019 Q1	2018 Q1 (Restated)
Gains from changes in fair value (Loss denoted with “-”)	77,064	-67,177
Gains on disposal of assets(Loss denoted with “-”)	-9,742	32,321
<b>3. Operating profit (Loss denoted with “-”)</b>	<b>2,410,022</b>	1,632,173
Add: Non-operating income	121,083	335,665
Less: Non-operating expenses	11,374	10,912
<b>4. Total profit(Total loss denoted with “-”)</b>	<b>2,519,731</b>	1,956,926
Less: Income tax expenses	486,782	424,901
<b>5. Net profit (Net loss denoted with “-”)</b>	<b>2,032,949</b>	1,532,025
(1) Classification according to operation continuity		
1. Net profit from continuing operation (Net loss denoted with “-”)	2,032,949	1,532,025
2. Net profit from discontinued operation (Net loss denoted with “-”)	—	—
(2) Classification according to ownership		
1. Net profit to shareholders of the parent company (Net loss denoted with “-”)	1,780,042	1,269,526
2. Profit and loss attributable to minority interests (Net loss denoted with “-”)	252,907	262,499
<b>6. Other comprehensive income after tax, net</b>	<b>216,626</b>	-280,867
Other comprehensive income after tax attributable to owners of the parent company, net	234,305	-268,095
(1) Other comprehensive income that cannot be subsequently reclassified into profit or loss	107,628	-161,419

Item	2019 Q1	2018 Q1 (Restated)
1. Changes of the re-measurement of defined benefit plans	—	—
2. Other comprehensive income which cannot be reclassified into profit or loss under equity method	—	—
3. Changes in fair value of investment of other equity instruments	<b>107,628</b>	-161,419
4. Gains or losses on changes in fair value of financial assets at fair value through other comprehensive income	—	—
5. Credit risks of the Company	—	—
(2) Other comprehensive income reclassified to profit and loss in the future	<b>126,677</b>	-106,676
1. Other comprehensive income that will be subsequently transferred to profit or loss under equity method	<b>124,409</b>	11,933
2. Changes in fair value of other debt investments	<b>-2,428</b>	—
3. Profit or loss of changes in fair value of available-for-sale financial assets	—	—
4. Amount of financial assets reclassified into other comprehensive income	—	—
5. Held-to-maturity investment reclassified as profit or loss of available-for-sale financial assets	—	—
6. Credit impairment provision for other debt investments	—	—

<b>Item</b>	<b>2019 Q1</b>	<b>2018 Q1 (Restated)</b>
7. Reserve for cash flow adjusted for hedging (effective portion of cash flow adjusted for hedging gains or losses)	—	—
8. Exchange difference on translation of financial statements in foreign currency	<b>4,696</b>	-118,609
9. Others	—	—
Other comprehensive income after tax attributable to minority shareholders, net	<b>-17,679</b>	-12,772
<b>7. Total consolidated income</b>	<b>2,249,575</b>	1,251,158
Total consolidated income attributable to equity holders of the parent company	<b>2,014,347</b>	1,001,431
Total consolidated income attributable to minority shareholders	<b>235,228</b>	249,727
<b>8. Earnings per share</b>	—	—
(1) Basic earnings per share (RMB/share)	<b>0.06</b>	0.04
(2) Diluted earnings per share (RMB/share)	<b>0.06</b>	0.04

*Legal Representative:*  
**Liu Hualong**

*Chief Accounting Officer:*  
**Zhan Yanjing**

*Head of Accounting  
Department:*  
**Wang Jian**

## Income Statement of the Parent Company

January to March 2019

Prepared by: CRRC Corporation Limited

*Unit: RMB'000*

*Currency: RMB*

*Type of Audit: Unaudited*

<b>Item</b>	<b>2019 Q1</b>	<b>2018 Q1</b>
<b>1. Total revenue</b>	<b>1,441</b>	—
Less: Operating costs	—	—
Tax and surcharges	<b>1,342</b>	4,288
Selling expenses	—	—
Administration expenses	<b>39,562</b>	33,299
Research and development expenses	<b>221</b>	—
Financial expenses	<b>8,388</b>	-244,238
Impairment loss on assets	—	—
Credit impairment loss	—	—
Add: Other income	—	—
Investment income(Loss denoted with “-”)	<b>27,287</b>	554,617
Including: Investment income from associated companies and joint ventures	—	—
Gains on net exposure hedges (Loss denoted with “-”)	—	—
Gains from changes in fair value(Loss denoted with “-”)	<b>80,321</b>	-68,271
Gains on disposal of assets (Loss denoted with “-”)	—	—
<b>2. Operating profit (Loss denoted with “-”)</b>	<b>59,536</b>	692,997
Add: Non-operating income	<b>1,050</b>	3,040
Less: Non-operating expenses	—	—
<b>3. Total profit (Loss denoted with “-”)</b>	<b>60,586</b>	696,037
Less: Income tax expenses	—	—
<b>4. Net profit (Loss denoted with “-”)</b>	<b>60,586</b>	696,037
(1) Net profit from continuing operation (Net loss denoted with “-”)	<b>60,586</b>	696,037
(2) Net profit from discontinued operation (Net loss denoted with “-”)	—	—

Item	2019 Q1	2018 Q1
<b>5. Other comprehensive income after tax, net</b>	<b>124,409</b>	11,933
(1) Other comprehensive income that cannot be reclassified into profit or loss	—	—
1. Changes from re-measurement of defined benefit plans	—	—
2. Other comprehensive income that may not be reclassified into profit or loss under equity method	—	—
3. Changes in fair value of investment of other equity instruments	—	—
4. Changes in fair value of the company's own credit risk	—	—
(2) Other comprehensive income to be reclassified to profit and loss	<b>124,409</b>	11,933
1. Other comprehensive income that may be reclassified into profit or loss under equity method	<b>124,409</b>	11,933
2. Changes in fair value of other debt investments	—	—
3. Profit or loss of changes in fair value of available-for-sale financial assets	—	—
4. The amount of financial assets reclassified into other comprehensive income	—	—
5. Held-to-maturity investment reclassified as profit or loss of available-for-sale financial assets	—	—
6. Credit impairment provision for other debt investments	—	—
7. Reserves for cash flows hedges (Valid part of hedging profit or loss of cash flows)	—	—

<b>Item</b>	<b>2019 Q1</b>	<b>2018 Q1</b>
8. Difference on foreign currency translation	—	—
9. Others	—	—
<b>6. Total comprehensive income</b>	<b>184,995</b>	<b>707,970</b>
<b>7. Earnings per share:</b>		
(1) Basic earnings per share (RMB/share)	—	—
(2) Diluted earnings per share (RMB/share)	—	—

*Legal Representative:*  
**Liu Hualong**

*Chief Accounting Officer:*  
**Zhan Yanjing**

*Head of Accounting Department:*  
**Wang Jian**

## Consolidated Statement of Cash Flows

January to March 2019

Prepared by: CRRC Corporation Limited

*Unit: RMB'000*

*Currency: RMB*

*Type of Audit: Unaudited*

<b>Item</b>	<b>2019 Q1</b>	<b>2018 Q1 (restated)</b>
<b>1. Cash flow generated from operating activities:</b>		
Cash from sale of products and provision of services	42,881,762	44,948,348
Net increase in Loans and advances to customers	—	—
Net increase in borrowings from the central bank	—	—
Cash premiums received under original insurance contracts	—	—
Net increase in Loans and advances to customers	276,019	—
Net increase in deposits of policy holders and investment	—	—
Cash receipts of interest, fees and commission	—	—
Net increase in capital borrowed	1,000,000	500,000
Net increase in sale and repurchase operations	—	—
Net cash received from securities brokerage	—	—
Tax rebate received	356,977	340,273
Other cash from operating activities	513,266	293,118
Cash inflow from operating activities - subtotal	45,028,024	46,081,739
Cash paid for purchase of products and services	34,737,699	39,776,519
Net increase in loans and advances to customers	—	1,590,640
Net increase of deposits in central bank and interbank	—	—
Cash paid for compensation payments under original insurance contract	—	—
Net increase in financial assets held for trading purposes	—	—

<b>Item</b>	<b>2019 Q1</b>	<b>2018 Q1 (restated)</b>
Net increase in loans to banks and other financial institutions	<b>1,030,960</b>	—
Net increase in customer deposits and interbank placement	<b>886,414</b>	1,397,941
Cash paid for insurance policy dividend	—	—
Cash paid to and on behalf of employees	<b>6,379,887</b>	6,587,922
Payments of taxes and surcharges	<b>4,395,634</b>	3,858,481
Cash paid for other operating activities	<b>2,052,918</b>	2,271,033
Cash outflow from operating activities - subtotal	<b>49,483,512</b>	55,482,536
Net cash flow generated from operating activities	<b>-4,455,488</b>	-9,400,797
<b>2. Cash flow generated from investment activities:</b>		
Cash from recovery of investments	<b>9,131,480</b>	6,512,338
Cash from investment income	<b>68,751</b>	121,697
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<b>57,516</b>	24,839
Net cash received from disposal of subsidiaries and other business units	<b>44,181</b>	—
Cash received from other investment activities	—	—
Cash inflow from investment activities — subtotal	<b>9,301,928</b>	6,658,874
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	<b>1,295,390</b>	1,688,292
Cash paid for investments	<b>10,379,190</b>	9,292,163
Net increase in pledged deposits	—	—
Net cash paid for acquiring subsidiaries and other operating entities	—	—
Cash paid for other investment activities	—	—
Cash outflow from investment activities - subtotal	<b>11,672,235</b>	10,980,455
Net cash flow generated from investment activities	<b>-2,370,307</b>	-4,321,581

Item	2019 Q1	2018 Q1 (restated)
<b>3. Cash flow generated from financing activities:</b>		
Cash received from investments	766,000	33,589
Including: Cash received by subsidiaries from investment absorption of minority interest	766,000	33,589
Cash received from borrowings	14,415,113	2,570,459
Cash received from issue of debenture	—	—
Cash received from other financing activities	—	—
Cash inflow from financing activities, subtotal	15,181,113	2,604,048
Cash paid for repayment of indebtedness	11,135,963	7,283,118
Cash paid for distribution of dividends, profit or interest	312,233	395,373
Including: Dividends and profits paid to minority interest by subsidiaries	68,690	13,708
Cash paid for other financing activities	1,160	15,584
Cash outflow from financing activities, subtotal	11,449,356	7,694,075
Net cash flow generated from financing activities	3,731,757	-5,090,027
<b>4. Effects of changes in exchange rates on cash and cash equivalents</b>	<b>-248,103</b>	<b>-316,496</b>
<b>5. Net increase in cash and cash equivalents</b>	<b>-3,342,141</b>	<b>-19,128,901</b>
Add: Balance of cash and cash equivalents at the beginning of the period	30,290,094	47,705,543
<b>6. Balance of cash and cash equivalents at the end of the period</b>	<b>26,947,953</b>	<b>28,576,642</b>

*Legal Representative:*  
**Liu Hualong**

*Chief Accounting Officer:*  
**Zhan Yanjing**

*Head of Accounting Department:*  
**Wang Jian**

## Statement of Cash Flows of the Parent Company

January to March 2019

Prepared by: CRRC Corporation Limited

*Unit: RMB'000*

*Currency: RMB*

*Type of Audit: Unaudited*

<b>Item</b>	<b>2019 Q1</b>	<b>2018 Q1</b>
<b>1. Cash flow generated from operating activities:</b>		
Cash from sale of products and provision of services	—	—
Tax rebate received	22,999	40,100
Other cash from operating activities	990,304	116,434
Cash inflow from operating activities - subtotal	<b>1,013,303</b>	156,534
Cash paid for purchase of products and services	—	—
Cash paid to and on behalf of employees	52,345	42,350
Payments of taxes and surcharges	9,455	24,352
Cash paid for other operating activities	93,058	145,947
Cash outflow from operating activities - subtotal	<b>154,858</b>	212,649
Net cash flow generated from operating activities	<b>858,445</b>	-56,115
<b>2. Cash flow generated from investment activities:</b>		
Cash from recovery of investments	6,941,100	6,338,918
Cash from investment income	2,324,785	2,503,243
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	—	—
Net cash received from disposal of subsidiaries and other business units	—	—
Cash received from other investment activities	—	—
Cash inflow from investment activities - subtotal	<b>9,265,885</b>	8,842,161
Cash paid for acquisition and installation of fixed assets, intangible assets and other long-term assets	—	—

<b>Item</b>	<b>2019 Q1</b>	<b>2018 Q1</b>
Cash paid for investments	<b>10,269,680</b>	16,190,705
Net cash paid for acquiring subsidiaries and other operating entities	—	—
Cash paid for other investment activities	—	—
Cash outflow from investment activities - subtotal	<b>10,269,680</b>	16,190,705
Net cash flow generated from investment activities	<b>-1,003,795</b>	-7,348,544
<b>3. Cash flow generated from financing activities:</b>		
Cash received from investments	—	—
Cash received from borrowings	<b>24,472,585</b>	6,670,000
Cash received from other financing activities	—	—
Cash inflow from financing activities, subtotal	<b>24,472,585</b>	6,670,000
Cash paid for repayment of indebtedness	<b>27,231,709</b>	15,795,103
Cash paid for distribution of dividends, profit or interest	<b>243,858</b>	353,294
Cash paid for other financing activities	—	—
Cash outflow from financing activities, subtotal	<b>27,475,567</b>	16,148,397
Net cash flow generated from financing activities	<b>-3,002,982</b>	-9,478,397
<b>4. Effects of changes in exchange rates on cash and cash equivalents</b>	<b>-17,362</b>	-7,528
<b>5. Net increase in cash and cash equivalents</b>	<b>-3,165,694</b>	-16,890,584
Add: Balance of cash and cash equivalents at the beginning of the period	<b>7,470,296</b>	17,729,651
<b>6. Balance of cash and cash equivalents at the end of the period</b>	<b>4,304,602</b>	839,067

*Legal Representative:*  
**Liu Hualong**

*Chief Accounting Officer:*  
**Zhan Yanjing**

Head of Accounting  
Department:  
**Wang Jian**

**4.2 Adjustments to financial statements of the current year at its beginning for the initial application of the new financial instrument standards, new income standards and new lease standards are shown as below**

✓ Applicable                       Not applicable

The Company adopted the Accounting Standards for Business Enterprises 14 — Revenue (hereinafter referred to as the “New Principle for Revenue”) and the Accounting Standards for Business Enterprises 22 — Recognition and Measurement, the Accounting Standards for Business Enterprises 23 — Transfer of Financial Assets, the Accounting Standards for Business Enterprises 24 — Hedge Accounting and the Accounting Standards for Business Enterprises 37 — Presentation of Financial Instruments (hereinafter referred to as the “New Principles for Financial Instruments”) since 1 January 2018, which were amended by the Ministry of Finance. The New Principle for Revenue and the New Principles for Financial Instruments were not applicable as those were not the first time to adopt.

On 7 December 2018, the Ministry of Finance issued the revised Accounting Standards for Business Enterprises 21 — Leasing (Cai Kuai [2018] No. 35) (hereinafter referred to as the “New Principle for Leasing”). The New Principle for Leasing has been adopted by the corporations which are simultaneously listed inside and outside the territory, as well as the corporations that are listed outside the territory and apply the International Financial Reporting Standards or the Accounting Standards for Business Enterprises to prepare financial statements since 1 January 2019. Under the New Principle for Leasing, except for the short-term leases and low-value asset leases, which can be simplified in the manner of the original operating lease, the remaining leases should recognize the right-of-use assets and lease liabilities on the commencement date of the lease term. The New Principle for Leasing has been adopted by the Company since 1 January 2019 and the right-of-use assets and lease liabilities have increased, respectively.

Explanation to adjustment of each item under the consolidated balance sheet:

✓ Applicable                       Not applicable

The retroactive implementation of the New Principle for Leasing resulted in an increase of approximately RMB630 million in the right-of-use assets and lease liabilities of the Company as at 1 January 2019, respectively.

Explanation to adjustment of each item under the balance sheet of the parent company:

Applicable

Not applicable