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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)

2020 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 2020 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 2020

As at the date of this announcement, the executive directors of the Company are Mr. Liu Hualong, Mr. Sun Yongcai and Mr. Lou Qiliang; 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 The first quarterly report has been considered and approved by the eighteenth meeting of the second session of the Board of the Company, and all the Directors attended the meeting of the Board.
- 1.3 The Chairman of the Company, Liu Hualong, the person in charge of accounting affairs, Li Zheng 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>
	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 (%)
Total assets	396,820,597	383,572,485	3.45
Net assets attributable to shareholders of the listed Company	136,532,595	135,893,631	0.47
	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 (%)
Net cash flow from operating activities	-9,040,061	-4,455,488	-
Operating income	33,395,135	39,667,781	-15.81
Net profit attributable to shareholders of the listed Company	747,683	1,780,042	-58.00
Net profit after non-recurring profit or loss attributable to shareholders of the listed Company	472,890	1,483,545	-68.12
Return on weighted average net assets (%)	0.55	1.38	decreased by 0.83 percentage point
Basic earnings per share (RMB/share)	0.03	0.06	-50.00
Diluted earnings per share (RMB/share)	0.02	0.06	-66.67

Non-recurring profit and loss items and amounts

✓ Applicable Not applicable

Unit: RMB'000 Currency: RMB

Item	Amount for the current period
Profit or loss on disposal of non-current assets	414
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	235,563
Profit/loss from debt restructuring	2,839
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	19,581
Other non-operating income and expenses other than the above items	85,740
Other profit and loss items falling within the meaning of non-recurring profit and loss	-9,535
Effect of minority shareholders' interests (after tax)	-20,084
Effect of income tax	-39,725
Total	<u><u>274,793</u></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 ^{Note 1} 783,102

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 trading moratorium	Pledged or frozen		Nature of shareholder
				Status of shares	Number	
CRRC GROUP Co., Ltd.	14,429,518,023	50.28	–	Nil	–	State-owned legal person
HKSCC NOMINEES LIMITED ^{Note 2}	4,359,950,589	15.19	–	Unknown	–	Overseas 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
Hong Kong Securities Clearing Company Limited	363,833,060	1.27	–	Unknown	–	Overseas 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	–	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 shareholders (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen		Nature of shareholder
				Status of shares	Number	
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities and Financial Assets Management Plan (大成基金 – 農業銀行 – 大成中證金 融資產管理計劃)	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
Zhong’ou Asset – Agricultural Bank of China – Zhong’ou 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 shareholders (full name)	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	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)	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 and number of shares	
		Class	Number
CRRC GROUP Co., Ltd.	14,429,518,023	Ordinary shares denominated in RMB	14,429,518,023
HKSCC NOMINEES LIMITED ^{Note 2}	4,359,950,589	Overseas listed foreign invested shares	4,359,950,589
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

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
Hong Kong Securities Clearing Company Limited	363,833,060	Ordinary shares denominated in RMB	363,833,060
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
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	Ordinary shares denominated in RMB	235,017,626
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

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
GF Fund – Agricultural Bank of China – GF China Securities and Financial Assets Management Plan (廣發基金－農業銀行－廣發中證金融資產管理計劃)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Zhong’ou Asset – Agricultural Bank of China – Zhong’ou 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

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)	234,982,900	Ordinary shares denominated in RMB	234,982,900
Connections or parties acting in concert among the aforesaid shareholders		Nil	

Note 1: As at the end of the reporting period, the Company has 780,409 holders of A shares and 2,693 registered holders of H shares.

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

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

Applicable Not applicable

III. SIGNIFICANT EVENTS

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

Applicable Not applicable

Note: the current period in the analysis below refers to the period from January to March 2020.

1. Placements with banks and other financial institutions decreased, mainly due to the decrease in the placements with other banks of the Finance Company of the Company.
2. Receivables at fair value through other comprehensive income decreased by 31.72%, mainly due to the decrease in bills receivable at fair value through other comprehensive income of the Company.

3. Short-term borrowings increased by 32.01%, mainly due to the increase of short-term bank borrowings of the Company during the current period.
4. Borrowings from the central bank increased by 304.27%, mainly due to the increase in borrowings of the Finance Company of the Company during the current period.
5. Taxes payable decreased by 55.12%, mainly due to the payment of value added tax and income tax expenses during the current period.
6. Other current liabilities increased by 77.62%, mainly due to the increase in super short-term financing bills during the current period.
7. Financial expenses increased by 157.54%, mainly due to the increase in exchange losses due to exchange rate changes during the current period.
8. Investment income decreased by 146.41%, mainly due to the decrease in equity investment income of associates under equity method during the current period.
9. The net cash flow from operating activities was a net outflow of RMB9.04 billion, representing an increase of RMB4.585 billion as compared to the same period of the previous year, mainly due to the decrease in cash receipts from the sale of goods and the rendering of services as compared to the same period of the previous year during the reporting period.
10. The net cash flow from investing activities was a net outflow of RMB9.020 billion, representing an increase in net outflow of RMB6.649 billion as compared to the same period of the previous year, mainly due to the increase in cash payments for investments during the reporting period as compared to the same period of the previous year.
11. The net cash flow from financing activities was a net inflow of RMB6.250 billion, representing an increase in net inflow of RMB2.518 billion as compared to the same period of the previous year, mainly due to the decrease in cash repayments of borrowings during the reporting period as compared to the same period of the previous year.

Operating income decreased by 15.81% as compared with the same period last year, mainly due to the decrease in the delivery volume from railway equipment business. Railway equipment business, urban rail transit vehicle and urban infrastructure business, new industry business and modern service business accounted for 40.73%, 28.18%, 27.11% and 3.98% of the operating income, respectively. Details are as follows:

Unit: RMB'000 Currency: RMB

Segment business	Operating income			
	January – March 2020	For the same period last year	Increase/ decrease	Increase/ decrease percentage
Railway equipment	13,602,736	21,013,791	-7,411,055	-35.27%
Urban rail transit vehicle and urban infrastructure	9,408,657	7,236,264	2,172,393	30.02%
New industry	9,053,857	9,567,793	-513,936	-5.37%
Modern service	1,329,885	1,849,933	-520,048	-28.11%
Total	33,395,135	39,667,781	-6,272,646	-15.81%

Operating income from railway equipment business decreased by 35.27% as compared with the same period last year, mainly due to the decrease in revenue from locomotives, freight wagons and passenger carriage. Among these, revenue from locomotive business was RMB1.284 billion, revenue from passenger carriage business was RMB827 million, revenue from MUs business was RMB10.412 billion, and revenue from freight wagon business was RMB1.080 billion.

Operating income from urban rail transit vehicle and urban infrastructure business increased by 30.02% as compared with the same period of the previous year, mainly due to the increase in urban rail transit vehicle products delivered in the current period.

Operating income from new industry business decreased by 5.37% as compared with the same period of the previous year, mainly due to the decrease in revenue from general mechanical and electrical business during the current period.

Operating income from modern service business decreased by 28.11% 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 2020, the Company's newly signed orders amounted to approximately RMB54.2 billion (of which, contracted sales generated by the international businesses amounted to approximately RMB4.9 billion).

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

Applicable Not applicable

1. On 13 March 2020, the Company issued 2020 First Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due on 13 April 2020, and were expired and paid.
2. On 10 April 2020, the Company issued 2020 Second Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB3 billion, which will be due on 11 May 2020.
3. On 14 April 2020, the Company issued 2020 Third Tranche of 90-day Super Short-term Financing Bills in a total amount of RMB3 billion, which will be due on 13 July 2020.

3.3 Particulars of overdue and outstanding undertakings during the reporting period

Applicable Not applicable

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

Applicable Not applicable

Company name
Legal Representative
Date

CRRC Corporation Limited
Liu Hualong
29 April 2020

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2020

Prepared by: CRRC Corporation Limited

	<i>Unit: RMB'000</i>	<i>Currency: RMB</i>	<i>Type of Audit: Unaudited</i>
Item	31 March 2020		31 December 2019
Current assets:			
Cash and bank balances	42,698,622		44,904,764
Placements with banks and other financial institutions	–		139,524
Held-for-trading financial assets	7,216,226		9,180,616
Bills receivable	12,424,228		14,245,965
Accounts receivable	67,657,568		59,712,424
Receivables at fair value through other comprehensive income	8,934,249		13,085,613
Prepayments	11,593,789		9,909,219
Other receivables	2,258,463		2,599,055
Inventories	72,132,700		60,833,768
Contract assets	18,167,082		16,364,966
Assets classified as held for sale	–		2,779
Non-current assets due within one year	15,609,592		14,416,293
Other current assets	5,057,771		5,820,129
Total current assets	263,750,290		251,215,115

Item	31 March 2020	31 December 2019
Non-current assets:		
Loans and advances to customers	174,435	180,588
Debt investments	1,716,223	1,658,234
Long-term receivables	11,104,922	10,518,918
Long-term equity investments	15,615,767	15,570,696
Investment in other equity instruments	2,391,183	2,654,602
Other non-current financial assets	626,625	616,855
Investment properties	1,100,155	1,109,477
Fixed assets	57,952,959	59,090,886
Construction in progress	7,642,436	7,243,849
Right-of-use assets	1,281,316	1,261,467
Intangible assets	15,770,087	16,014,314
Development expenditures	359,741	334,394
Goodwill	470,226	462,158
Long-term prepaid expenses	193,259	192,460
Deferred tax assets	3,440,045	3,400,751
Other non-current assets	13,230,928	12,047,721
Total non-current assets	133,070,307	132,357,370
Total assets	396,820,597	383,572,485

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	13,901,452	10,530,416
Borrowings from the central bank	898,750	222,317
Deposits from banks and other financial institutions	4,832,357	5,577,269
Bills payable	19,268,971	27,339,474
Accounts payable	115,655,674	106,602,413
Receipts in advance	7,450	5,827
Contract liabilities	33,671,702	28,167,471
Employee benefits payable	2,029,005	2,194,417
Tax payable	1,146,545	2,554,947
Other payables	9,566,508	9,176,397
Non-current liabilities due within one year	3,884,918	3,778,474
Other current liabilities	7,131,739	4,015,089
 Total current liabilities	 211,995,071	 200,164,511
Non-current liabilities:		
Long-term borrowings	2,977,033	2,589,644
Bonds payable	4,669,974	4,534,817
Lease liabilities	989,857	960,501
Long-term payables	85,484	85,484
Long-term employee benefits payable	3,670,234	3,686,239
Provisions	6,099,833	5,854,124
Deferred income	6,473,798	6,551,494
Deferred tax liabilities	45,889	142,756
Other non-current liabilities	179,971	174,433
 Total non-current liabilities	 25,192,073	 24,579,492
 Total liabilities	 237,187,144	 224,744,003

Item	31 March 2020	31 December 2019
Owners' equity (or shareholders' equity):		
Share capital	28,698,864	28,698,864
Capital reserve	40,754,063	40,747,823
Other comprehensive income	-1,199,729	-1,084,770
Special reserve	49,957	49,957
Surplus reserve	3,815,330	3,815,330
General risk reserve	551,265	551,265
Retained earnings	63,862,845	63,115,162
Total equity attributable to shareholders of the Company	136,532,595	135,893,631
Non-controlling interest	23,100,858	22,934,851
Total owners' equity (or shareholders' equity):	159,633,453	158,828,482
Total liabilities and owners' equity (or shareholders' equity)	396,820,597	383,572,485

Legal Representative:
Liu Hualong

Chief Accounting Officer:
Li Zheng

*Head of Accounting
Department:*
Wang Jian

Balance Sheet of the Parent Company

31 March 2020

Prepared by: CRRC Corporation Limited

	<i>Unit: RMB'000</i>	<i>Currency: RMB</i>	<i>Type of Audit: Unaudited</i>
Item		31 March 2020	31 December 2019
Current assets:			
Cash and bank balances		13,912,248	12,375,161
Accounts receivable		110,292	225,077
Other receivables		18,402,643	17,081,153
Non-current assets due within one year		825,552	505,900
Other current assets		3,495	–
Total current assets		33,254,230	30,187,291
Non-current assets:			
Long-term receivables		4,155,121	4,481,919
Long-term equity investments		103,520,710	103,551,976
Other equity instrument investments		25,000	25,000
Fixed assets		16,394	18,002
Construction in progress		75,508	75,261
Right-of-use assets		42,806	45,940
Intangible assets		90,724	95,638
Other non-current assets		374,940	374,940
Total non-current assets		108,301,203	108,668,676
Total assets		141,555,433	138,855,967

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	4,395,888	5,550,110
Accounts payable	206,304	226,571
Contract liabilities	11,180	11,180
Employee benefits payable	62,918	61,582
Tax payable	265	10,850
Other payables	27,661,966	26,963,026
Non-current liabilities due within one year	12,654	71,729
Other current liabilities	3,002,736	–
Total current liabilities	35,353,911	32,895,048
Non-current liabilities :		
Bonds payable	4,669,974	4,534,817
Lease liabilities	32,403	33,534
Long-term payables	240	240
Long-term employee benefits payable	1,010	1,010
Other non-current liabilities	3	5,396
Total non-current liabilities	4,703,630	4,574,997
Total liabilities	40,057,541	37,470,045
Owners' equity (or shareholders' equity):		
Share capital	28,698,864	28,698,864
Capital reserve	62,803,842	62,803,844
Other comprehensive income	8,560	-10,037
Surplus reserve	3,815,330	3,815,330
Retained earnings	6,171,296	6,077,921
Total owners' equity (or shareholders' equity)	101,497,892	101,385,922
Total liabilities and owners' equity (or shareholders' equity)	141,555,433	138,855,967
<i>Legal Representative:</i> Liu Hualong	<i>Chief Accounting Officer:</i> Li Zheng	<i>Head of Accounting Department:</i> Wang Jian

Consolidated Income Statement

January to March 2020

Prepared by: CRRC Corporation Limited

	<i>Unit: RMB'000</i>	<i>Currency: RMB</i>	<i>Type of Audit: Unaudited</i>
Item	First quarter of 2020		First quarter of 2019
I. Total operating income	33,395,135		39,667,781
II. Total operating costs	32,278,548		37,521,191
Including: Operating costs	26,264,175		30,912,382
Tax and levies	246,609		348,277
Selling expenses	1,111,483		1,270,095
Administrative expenses	2,347,137		2,849,562
Research and development expenses	1,607,507		1,868,436
Financial expenses	701,637		272,439
Add: Other income	196,966		150,274
Investment income (Loss denoted with “-”)	-35,233		75,923
Including: Gains from investments in associates and joint ventures	-55,389		56,719
Foreign exchange gains (Loss denoted with “-”)	–		–
Gains from changes in fair value (Loss denoted with “-”)	19,581		77,064
Credit impairment losses (Loss denoted with “-”)	-49,968		-26,816
Assets impairment losses (Loss denoted with “-”)	-4,330		-3,271
Gains on disposal of assets (Loss denoted with “-”)	402		-9,742
III. Operating profit (Loss denoted with “-”)	1,244,005		2,410,022
Add: Non-operating income	183,919		121,083
Less: Non-operating expenses	39,408		11,374
IV. Total profit (Total loss denoted with “-”)	1,388,516		2,519,731
Less: Income tax expenses	416,549		486,782

Item	First quarter of 2020	First quarter of 2019
V. Net profit (Net loss denoted with “-”)	971,967	2,032,949
(I) Net profit classified by operating continuity		
1. Net profit from continuing operations (Net loss denoted with “-”)	971,967	2,032,949
(II) Net profit classified by ownership ascription		
1. Net profit attributable to shareholders of the Company (Net loss denoted with “-”)	747,683	1,780,042
2. Net profit attributable to non-controlling interests (Net loss denoted with “-”)	224,284	252,907
VI. Other comprehensive income, net of tax	-111,184	216,626
(I) Other comprehensive income attributable to owners of the Company, net of tax	-114,961	234,305
1. Other comprehensive income that will not be reclassified to profit or loss	-260,838	107,628
(1) Changes in defined contribution plan due to re-measurement	1,279	–
(2) Changes in fair value of investment in other equity instruments	-262,117	107,628
2. Other comprehensive income that may be reclassified to profit or loss	145,877	126,677
(1) Other comprehensive income that may be reclassified to profit or loss under equity method	18,597	124,409
(2) Changes in fair value of other debt investments	86,023	-2,428
(3) Credit impairment provision for other debt investments	-4,772	–
(4) Translation differences of financial statements denominated in foreign currencies	46,029	4,696
(II) Other comprehensive income attributable to non-controlling interests, net of tax	3,777	-17,679

Item	First quarter of 2020	First quarter of 2019
VII. Total comprehensive income	860,783	2,249,575
(I) Total comprehensive income attributable to shareholders of the Company	632,722	2,014,347
(II) Total comprehensive income attributable to non-controlling interests	228,061	235,228
VIII. Earnings per share		
(I) Basic earnings per share (RMB/share)	0.03	0.06
(II) Diluted earnings per share (RMB/share)	0.02	0.06
<i>Legal Representative:</i> Liu Hualong	<i>Chief Accounting Officer:</i> Li Zheng	<i>Head of Accounting Department:</i> Wang Jian

Income Statement of the Parent Company

January to March 2020

Prepared by: CRRC Corporation Limited

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

Item	First quarter of 2020	First quarter of 2019
I. Operating income	16,742	1,441
Less: Operating costs	7,053	–
Tax and levies	1,865	1,342
Selling expenses	–	–
Administrative expenses	35,409	39,562
Research and development expenses	–	221
Financial expenses	-24,134	8,388
Add: Other income	81,758	27,287
Gains from changes in fair value (Loss denoted with “-”)	5,436	80,321
II. Operating profit (Loss denoted with “-”)	83,743	59,536
Add: Non-operating income	9,632	1,050
III. Total profit (Loss denoted with “-”)	93,375	60,586
Less: Income tax expenses	–	–
IV. Net profit (Loss denoted with “-”)	93,375	60,586
(I) Net profit from continuing operations (Net loss denoted with “-”)	93,375	60,586
V. Other comprehensive income, net of tax	18,597	124,409
(I) Other comprehensive income that will not be reclassified into profit or loss	–	–
(II) Other comprehensive income that may be reclassified to profit and loss	18,597	124,409
1. Other comprehensive income that may be reclassified to profit or loss under equity method	18,597	124,409
VI. Total comprehensive income	111,972	184,995

Legal Representative:
Liu Hualong

Chief Accounting Officer:
Li Zheng

*Head of Accounting
Department:*
Wang Jian

Consolidated Statement of Cash Flows

January to March 2020

Prepared by: CRRC Corporation Limited

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

Item	First quarter of 2020	First quarter of 2019
I. Cash flows from operating activities:		
Cash receipts from sale of goods and the rendering of services	37,267,569	42,881,762
Net increase in deposits from banks and other financial institutions	–	276,019
Net increase in borrowings	–	1,000,000
Receipts of tax refunds	218,192	356,977
Other cash receipts relating to operating activities	708,295	513,266
Cash inflows from operating activities – subtotal	38,194,056	45,028,024
Cash payments for goods purchased and services received	34,503,323	34,737,699
Net increase in loans and advances to customers	2,154,855	886,414
Net increase in loans to banks and other financial institutions	82,177	1,030,960
Cash payments to and on behalf of employees	5,799,697	6,379,887
Payments of various types of taxes	2,699,262	4,395,634
Other cash payments relating to operating activities	1,994,803	2,052,918
Cash outflows from operating activities – subtotal	47,234,117	49,483,512
Net cash flow from operating activities	-9,040,061	-4,455,488

Item	First quarter of 2020	First quarter of 2019
II. Cash flows from investment activities:		
Cash receipts from disposals and recovery of investments	7,112,539	9,131,480
Cash receipts from investment income	103,221	68,751
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	4,210	57,516
Net cash receipts from disposal of subsidiaries and other business units	–	44,181
Cash inflows from investment activities – subtotal	7,219,970	9,301,928
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,251,660	1,295,390
Cash payments to acquire investments	14,987,885	10,376,845
Cash outflows from investment activities – subtotal	16,239,545	11,672,235
Net cash flow from investment activities	-9,019,575	-2,370,307
III. Cash flows from financing activities:		
Cash receipts from capital contributions	22,500	766,000
Including: Cash receipts from capital contributions by non-controlling interests of subsidiaries	22,500	766,000
Cash receipts from borrowings	6,762,633	14,415,113
Cash receipts from bonds issuing	3,000,000	–
Cash inflows from financing activities – subtotal	9,785,133	15,181,113
Cash repayment of borrowings	3,307,550	11,135,963
Cash paid for distribution of dividends, profit or settlement of interest expenses	124,417	312,233
Including: Dividends and profits paid to non-controlling interests of subsidiaries	32,709	68,690
Other cash payments relating to financing activities	103,372	1,160
Cash outflows from financing activities – subtotal	3,535,339	11,449,356
Net cash flow generated from financing activities	6,249,794	3,731,757

Item	First quarter of 2020	First quarter of 2019
IV. Effects of foreign exchange rate changes on cash and cash equivalents	-877,141	-248,103
V. Net increase in cash and cash equivalents	-12,686,983	-3,342,141
Add: Opening balance of cash and cash equivalents	35,819,586	30,290,094
VI. Closing balance of cash and cash equivalents	23,132,603	26,947,953

Legal Representative:
Liu Hualong

Chief Accounting Officer:
Li Zheng

*Head of Accounting
Department:*
Wang Jian

Statement of Cash Flows of the Parent Company

January to March 2020

Prepared by: CRRC Corporation Limited

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

Item	First quarter of 2020	First quarter of 2019
I. Cash flows from operating activities:		
Receipts of tax refunds	4,824	22,999
Other cash receipts relating to operating activities	1,679,486	990,304
Cash inflows from operating activities – subtotal	1,684,310	1,013,303
Cash payments to and on behalf of employees	25,170	52,345
Payments of various types of taxes	8,414	9,455
Other cash payments relating to operating activities	539,462	93,058
Cash outflows from operating activities – subtotal	573,046	154,858
Net cash flow from operating activities	1,111,264	858,445
II. Cash flows from investment activities:		
Cash receipts from disposal and recovery of investments	1,605,500	6,941,100
Cash receipts from investment income	2,299,526	2,324,785
Cash inflows from investment activities – subtotal	3,905,026	9,265,885
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	278	–
Cash payments to acquire investments	15,915,410	10,269,680
Cash outflows from investment activities – subtotal	15,915,688	10,269,680
Net cash flow generated from investment activities	-12,010,662	-1,003,795

Item	First quarter of 2020	First quarter of 2019
III. Cash flows from financing activities:		
Cash receipts from borrowings	14,955,000	24,472,585
Cash receipts from bonds issuing	3,000,000	–
Other cash receipts relating to financing activities	8,100,000	–
Cash inflows from financing activities – subtotal	26,055,000	24,472,585
Cash repayment of borrowings	16,110,000	27,231,709
Cash payments for distribution of dividends, profit or settlement of interest expenses	133,346	243,858
Other cash payments relating to financing activities	7,980,000	–
Cash outflows from financing activities – subtotal	24,223,346	27,475,567
Net cash flow from financing activities	1,831,654	-3,002,982
IV. Effects of foreign exchange rate changes on cash and cash equivalents	21,463	-17,362
V. Net increase in cash and cash equivalents	-9,046,281	-3,165,694
Add: Opening balance of cash and cash equivalents	11,369,799	7,470,296
VI. Closing balance of cash and cash equivalents	2,323,518	4,304,602

Legal Representative:
Liu Hualong

Chief Accounting Officer:
Li Zheng

*Head of Accounting
Department:*
Wang Jian

4.2 Adjustments to financial statements for the initial application of new income standards and new lease standards below for the year 2020

Applicable ✓ Not applicable

4.3 Explanation to retroactively adjusted comparative information with respect to initial application of new income standards and new lease standards for the year 2020

Applicable ✓ Not applicable

4.4 Audit Report

Applicable ✓ Not applicable