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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 THIRD QUARTERLY REPORT

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

The 2020 third 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
30 October 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. Sun Patrick, Mr Shi Jianzhong and Mr. Zhu Yuanchao.

I. IMPORTANT NOTICE

- 1.1 The board of directors, 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 third quarterly report has been considered and approved by the twenty-fourth meeting of the second session of the board of directors of the Company. All directors of the Company attended the board meeting to consider and approve the quarterly report.
- 1.3 Liu Hualong, the Chairman of the Company, Li Zheng, the person in charge of accounting affairs, and Wang Jian, the person responsible for the accounting department (head of the accounting department), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4 The third quarterly report of the Company is unaudited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Major Financial Information

Unit: RMB'000 Currency: RMB

	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	437,177,698	383,572,485	13.98
Net assets attributable to shareholders of the listed Company	138,289,739	135,893,631	1.76
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of last year to the end of the reporting period of last year (January to September)	Change as compared to the same period of last year (%)
Net cash flow from operating activities	-15,168,007	-5,534,844	–
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of last year to the end of the reporting period of last year (January to September)	Change as compared to the same period of last year (%)
Operating income	145,774,978	154,519,861	-5.66
Net profit attributable to shareholders of the listed Company	6,793,205	8,412,632	-19.25
Net profit after non-recurring profit or loss attributable to shareholders of the listed Company	5,281,847	7,715,853	-31.55
Return on weighted average net assets (%)	4.93	6.41	Decreased by 1.48 percentage points
Basic earnings per share (RMB/ share)	0.24	0.29	-17.24
Diluted earnings per share (RMB/ share)	0.23	0.29	-20.69

Non-recurring profit and loss items and amounts

Applicable Not applicable

Unit: RMB'000 Currency: RMB

Item	Amount for the current period (July to September)	Amount from the beginning of the year to the end of the reporting period (January to September)
Profit or loss on disposal of non-current assets	638,880	658,075
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)	341,439	1,146,043
Gains on investment in the fair value changes of the held-for- trading financial assets, derivative financial assets, held-for- trading financial liabilities and derivative financial liabilities held by the Company 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 other than the valid hedging services related to the normal operating activities of the Company	49,160	184,414
Other non-operating income and expenses other than above items	18,888	-138,770
Effect of minority shareholders' interest (after tax)	-59,569	-136,855
Effect of income tax	-114,229	-201,549
Total	<u>874,569</u>	<u>1,511,358</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 ^{Note1} 755,550

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 ^{Note2}	4,359,339,946	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
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
Hong Kong Securities Clearing Company Limited	298,694,368	1.04	-	Unknown	-	Overseas 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
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 trading moratorium	Pledged or frozen		
				Status of shares	Number	Nature of shareholder
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
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 shareholders	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
CRRG GROUP Co., Ltd.	14,429,518,023	Ordinary shares denominated in RMB	14,429,518,023
HKSCC NOMINEES LIMITED ^{Note2}	4,359,339,946	Overseas listed foreign invested shares	4,359,339,946
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
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
Hong Kong Securities Clearing Company Limited	298,694,368	Ordinary shares denominated in RMB	298,694,368
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
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 shareholders	Number of tradable shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
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
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

Note 1: As at the end of the reporting period, the Company has 752,859 holders of A shares and 2,691 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 September 2020.

1. The balance of lending funds was RMB0, mainly due to collection of all such lending funds by the Finance Company owned by the Company during the current period.
2. Accounts receivable increased by 56.27%, mainly due to concentrated delivery of urban rail transit vehicle products at the end of the current period.
3. Inventories increased by 34.15%, mainly due to the increase in make-to-order and stocks during the current period.
4. Receivables financing decreased by 45.44%, mainly due to the decrease in bills measured at fair value received during the current period.
5. Contract assets increased by 43.59%, mainly due to the delivery of products at the end of the current period and payment conditions agreed in the contract not yet met.
6. Other debt investments increased by RMB494 million, mainly due to newly added debt investments measured at fair value during the current period.
7. The balance of loans and advances to customers was RMB0, mainly due to the decrease in loans from the Finance Company owned by the Company during the current period.
8. Goodwill decreased by 34.60%, mainly due to impairment of goodwill of overseas subsidiaries during the current period.
9. Other non-current assets increased by 40.74%, mainly due to the increase in contract assets over one year during the current period.
10. Short-term borrowings increased by 52.66%, mainly due to the increase in bank borrowings by the Company to meet its daily operation and production needs during the current period.
11. Borrowings from the central bank increased by 192.00%, mainly due to the increase in borrowings from the central bank by the Finance Company owned by the Company during the current period.
12. Deposits taking and interbank deposits decreased by 46.54%, mainly due to the decrease in deposits taken by the Finance Company owned by the Company during the current period.

13. Non-current liabilities due within one year increased by 112.40%, mainly due to the increase in reclassified bonds payable due within one year during the current period.
14. Other current liabilities increased by 261.78%, mainly due to the increase in super short-term financing bills of the Company during the current period.
15. Long-term borrowings increased by 125.57%, mainly due to the increase in long-term bank borrowings by the Company during the current period.
16. Bonds payable decreased by 44.87%, mainly due to the reclassification of certain bonds into bonds payable due within one year during the current period.
17. Financial expenses increased by 76.94% as compared to the same period of last year, mainly due to the fluctuation of exchange rates and increase in exchange losses.
18. Other income increased by 57.72% as compared to the same period of last year, mainly due to the increase in government subsidies recognised in the current profit or loss.
19. Gains from changes in fair value decreased by 68.22% as compared to the same period of last year, mainly due to the decrease in changes in fair value of convertible bonds.
20. Credit impairment losses decreased by 53.78%, mainly due to the collection of long-aged receivables during the current period.
21. Gains on disposal of assets amounted to RMB658 million, while that for the same period of last year recorded a loss of RMB24 million, mainly due to the increase in gains from disposal of non-current assets such as land use rights during the current period.
22. The net cash flow from operating activities was a net outflow of RMB15.168 billion, representing an increase of RMB9.633 billion as compared to the same period of last 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 last year during the reporting period.
23. The net cash flow from investing activities was a net outflow of RMB14.420 billion, representing an increase in net outflow of RMB5.104 billion as compared to the same period of last year, mainly due to the increase in cash payments for investments during the reporting period as compared to the same period of last year.
24. The net cash flow from financing activities was a net inflow of RMB16.373 billion, representing an increase in net inflow of RMB7.326 billion as compared to the same period of last year, mainly due to the decrease in cash repayments of borrowings during the reporting period as compared to the same period of last year.

Operating income decreased by 5.66% as compared with the same period of last year, mainly due to the decrease in the delivery volume from railway equipment business during the current period. Railway equipment business, urban rail transit vehicle and urban infrastructure business, new industry business and modern service business accounted for 38.62%, 27.16%, 30.84% and 3.38% of the operating income, respectively. Details are as follows:

Unit: RMB'000 Currency: RMB

Segment business	January – September 2020	Operating income		Increase/ decrease percentage
		For the same period of last year	Increase/ decrease	
Railway equipment	56,304,893	88,504,294	-32,199,401	-36.38%
Urban rail transit vehicle and urban infrastructure	39,593,921	27,339,418	12,254,503	44.82%
New industry	44,950,559	32,740,600	12,209,959	37.29%
Modern service	4,925,605	5,935,549	-1,009,944	-17.02%
Total	145,774,978	154,519,861	-8,744,883	-5.66%

Operating income from railway equipment business decreased by 36.38% as compared with the same period of last year, mainly due to the decrease in revenue from railway products during the current period. Among these, revenue from locomotive business was RMB9.001 billion, revenue from passenger carriage business was RMB2.709 billion, revenue from MUs business was RMB33.083 billion, and revenue from freight wagon business was RMB11.512 billion.

Operating income from urban rail transit vehicle and urban infrastructure business increased by 44.82% as compared with the same period of last year, mainly due to the increase in urban rail transit vehicle products delivered in the current period.

Operating income from new industry business increased by 37.29% as compared with the same period of last year, mainly due to the increase in income from wind power products during the current period.

Operating income from modern service business decreased by 17.02% as compared with the same period of last year, mainly due to the reduced scale of logistics business during the current period.

From January to September 2020, the Company's newly signed orders amounted to approximately RMB152.3 billion (of which, contracted sales generated by the international businesses amounted to approximately RMB16.2 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 31-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 13 April 2020.
2. On 1 April 2020, the Company issued 2020 First Tranche of three-year Corporate Bonds in a total amount of RMB1 billion, which will be due on 1 April 2023.
3. On 10 April 2020, the Company issued 2020 Second Tranche of 31-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled 11 May 2020.
4. 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 were due and settled on 13 July 2020.
5. On 7 May 2020, the Company issued 2020 Fourth Tranche of 29-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 5 June 2020.
6. On 7 June 2020, the Company issued 2020 Fifth Tranche of 59-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 6 August 2020.
7. On 19 June 2020, the Company issued 2020 Sixth Tranche of 31-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 20 July 2020.
8. On 19 June 2020, the Company issued 2020 Seventh Tranche of 90-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 17 September 2020.
9. On 19 June 2020, the Company issued 2020 Eighth Tranche of 90-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 17 September 2020.
10. On 27 July 2020, the Company issued 2020 Ninth Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 26 August 2020.

11. On 12 August 2020, the Company issued 2020 Tenth Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 11 September 2020.
12. On 14 August 2020, the Company issued 2020 Eleventh Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 14 September 2020.
13. On 15 September 2020, the Company issued 2020 Twelfth Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 15 October 2020.
14. On 16 September 2020, the Company issued 2020 Thirteenth Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB3 billion, which were due and settled on 16 October 2020.
15. On 18 September 2020, the Company issued 2020 Fourteenth Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB5 billion, which were due and settled on 18 October 2020.
16. On 16 October 2020, the Company issued 2020 Fifteenth Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB3 billion, which will be due on 15 November 2020.
17. On 19 October 2020, the Company issued 2020 Sixteenth Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB3 billion, which will be due on 18 November 2020.
18. On 20 October 2020, the Company issued 2020 Seventeenth Tranche of 23-day Super Short-term Financing Bills in a total amount of RMB3 billion, which will be due on 12 November 2020.
19. On 26 October 2020, the Company issued 2020 Eighteenth Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB2 billion, which will be due on 25 November 2020.
20. On 28 October 2020, the Company issued 2020 Nineteenth Tranche of 30-day Super Short-term Financing Bills in a total amount of RMB2 billion, which will be due on 27 November 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

CRRC Corporation Limited

Legal Representative

Liu Hualong

Date:

30 October 2020

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2020

Prepared by: CRRC Corporation Limited

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

Item	30 September 2020	31 December 2019
Current assets:		
Cash and bank balances	36,961,318	44,904,764
Placement with banks and other financial institutions	–	139,524
Held-for-trading financial assets	10,220,835	9,180,616
Bills receivable	11,765,693	14,245,965
Accounts receivable	93,312,550	59,712,424
Financing receivable	7,139,859	13,085,613
Prepayments	11,920,488	9,909,219
Other receivables	3,279,441	2,599,055
Inventories	81,605,665	60,833,768
Contract assets	23,499,077	16,364,966
Held-for-sale assets	–	2,779
Non-current assets due within one year	14,279,896	14,416,293
Other current assets	4,419,341	5,820,129
Total current assets	298,404,163	251,215,115

Item	30 September 2020	31 December 2019
Non-current assets:		
Loans and advances to customers	–	180,588
Debt investments	1,347,228	1,658,234
Long-term receivables	12,235,399	10,518,918
Long-term equity investments	15,633,384	15,570,696
Other debt investments	494,048	–
Investment in other equity instruments	2,659,550	2,654,602
Other non-current financial assets	569,758	616,855
Investment properties	1,259,566	1,109,477
Fixed assets	57,043,168	59,090,886
Construction in progress	8,768,845	7,243,849
Right-of-use assets	1,165,987	1,261,467
Intangible assets	16,053,136	16,014,314
Development expenditures	399,878	334,394
Goodwill	302,254	462,158
Long-term prepaid expenses	182,320	192,460
Deferred tax assets	3,702,706	3,400,751
Other non-current assets	16,956,308	12,047,721
 Total non-current assets	 138,773,535	 132,357,370
 Total assets	 437,177,698	 383,572,485

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	16,075,431	10,530,416
Borrowings from the central bank	649,158	222,317
Deposits taking and interbank deposits	2,981,789	5,577,269
Held-for-trading financial liabilities	1,038	–
Bills payable	24,433,568	27,339,474
Accounts payable	132,641,966	106,602,413
Receipts in advance	13,995	5,827
Contract liabilities	31,769,681	28,167,471
Employee benefits payable	2,736,675	2,194,417
Tax payable	2,087,269	2,554,947
Other payables	11,924,093	9,176,397
Non-current liabilities due within one year	8,025,540	3,778,474
Other current liabilities	14,525,905	4,015,089
 Total current liabilities	 247,866,108	 200,164,511
Non-current liabilities:		
Long-term borrowings	5,841,529	2,589,644
Bonds payable	2,500,000	4,534,817
Lease liabilities	922,479	960,501
Long-term payables	82,698	85,484
Long-term employee benefits payable	3,774,608	3,686,239
Provisions	6,626,410	5,854,124
Deferred income	6,795,399	6,551,494
Deferred tax liabilities	205,704	142,756
Other non-current liabilities	186,355	174,433
 Total non-current liabilities	 26,935,182	 24,579,492
 Total liabilities	 274,801,290	 224,744,003

Item	30 September 2020	31 December 2019
Owners' equity (or shareholders' equity):		
Share Capital	28,698,864	28,698,864
Capital reserve	40,770,147	40,747,823
Other comprehensive income	(1,307,509)	(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	65,711,685	63,115,162
Total equity attributable to shareholders of the Company	138,289,739	135,893,631
Non-controlling interest	24,086,669	22,934,851
 Total owners' equity (or shareholders' equity)	 162,376,408	 158,828,482
 Total liabilities and owners' equity (or shareholders' equity)	 437,177,698	 383,572,485

Legal Representative:
Liu Hualong

Chief Accounting Officer:
Li Zheng

Head of Accounting Department:
Wang Jian

Balance Sheet of the Parent Company

30 September 2020

Prepared by: CRRC Corporation Limited

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

Item	30 September 2020	31 December 2019
Current assets:		
Cash and bank balances	14,959,864	12,375,161
Accounts receivable	90,245	225,077
Other receivables	19,085,798	17,081,153
Non-current assets due within one year	724,902	505,900
Other current assets	20,031	–
Total current assets	34,880,840	30,187,291
Non-current assets:		
Long-term receivables	4,446,788	4,481,919
Long-term equity investments	106,740,252	103,551,976
Other equity instrument investments	50,000	25,000
Fixed assets	15,402	18,002
Construction in progress	85,191	75,261
Right-of-use assets	36,539	45,940
Intangible assets	91,137	95,638
Other non-current assets	374,940	374,940
Total non-current assets	111,840,249	108,668,676
Total assets	146,721,089	138,855,967

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	8,863,055	5,550,110
Accounts payable	86,954	226,571
Contract liabilities	11,180	11,180
Employee benefits payable	28,722	61,582
Tax payable	450	10,850
Other payables	19,919,443	26,963,026
Non-current liabilities due within one year	3,077,824	71,729
Other current liabilities	11,000,000	–
Total current liabilities	42,987,628	32,895,048
Non-current liabilities:		
Long-term borrowings	3,000,417	–
Bonds payable	2,500,000	4,534,817
Lease liabilities	35,477	33,534
Long-term payables	240	240
Long-term employee benefits payable	1,025	1,010
Other non-current liabilities	16,755	5,396
Total non-current liabilities	5,553,914	4,574,997
Total liabilities	48,541,542	37,470,045
Owners' equity (or shareholders' equity):		
Share capital	28,698,864	28,698,864
Capital reserve	62,808,452	62,803,844
Other comprehensive income	(40,490)	(10,037)
Surplus reserve	3,815,330	3,815,330
Retained earnings	2,897,391	6,077,921
Total owners' equity (or shareholders' equity)	98,179,547	101,385,922
Total liabilities and owners' equity (or shareholders' equity)	146,721,089	138,855,967

Legal Representative:
Liu Hualong

Chief Accounting Officer:
Li Zheng

Head of Accounting Department:
Wang Jian

Consolidated Income Statement

January to September 2020

Prepared by: CRRC Corporation Limited

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

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	For the first three quarters of 2020 (January to September)	For the first three quarters of 2019 (January to September)
I. Total operating income	56,371,652	58,372,840	145,774,978	154,519,861
II. Total operating costs	53,031,724	53,978,447	137,127,048	142,961,992
Including: Operating costs	43,393,708	45,133,505	113,767,185	119,677,875
Tax and levies	427,960	441,082	1,064,252	1,171,605
Selling expenses	2,126,463	1,989,309	4,922,562	5,005,391
Administrative expenses	3,520,975	3,526,567	8,901,294	9,517,380
Research and development expenses	3,260,969	2,755,983	7,683,756	7,144,394
Financial expenses	301,649	132,001	787,999	445,347
Add: Other income	388,495	254,179	962,676	610,386
Investment income (Loss denoted with "-")	113,257	109,475	284,587	312,983
Including: Gains from derecognition of financial assets measured at amortised cost (Loss denoted with "-")	(14,600)	(3,319)	(88,782)	(71,070)
Gains from changes in fair value (Loss denoted with "-")	(522)	25,905	61,749	194,275
Credit impairment losses (Loss denoted with "-")	(1,820)	(88,367)	(495,077)	(1,071,083)
Assets impairment losses (Loss denoted with "-")	(48,391)	2,263	(304,254)	(237,633)
Gains on disposal of assets (Loss denoted with "-")	638,880	(9,024)	658,075	(23,917)
III. Operating profit (Loss denoted with "-")	4,429,827	4,688,824	9,815,686	11,342,880
Add: Non-operating income	348,468	146,514	868,737	367,141
Less: Non-operating expenses	279,332	42,765	633,900	98,965
IV. Total profit (Total loss denoted with "-")	4,498,963	4,792,573	10,050,523	11,611,056
Less: Income tax expenses	685,873	691,709	1,743,057	1,945,548

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	For the first three quarters of 2020 (January to September)	For the first three quarters of 2019 (January to September)
V. Net profit (Net loss denoted with “-”)	3,813,090	4,100,864	8,307,466	9,665,508
(I) Net profit classified by operating continuity				
1. Net profit from continuing operations (Net loss denoted with “-”)	3,813,090	4,100,864	8,307,466	9,665,508
(II) Net profit classified by ownership ascription				
1. Net profit attributable to shareholders of the Company (Net loss denoted with “-”)	3,100,550	3,631,991	6,793,205	8,412,632
2. Net profit attributable to non-controlling interests (Net loss denoted with “-”)	712,540	468,873	1,514,261	1,252,876
VI. Other comprehensive income, net of tax	(211,569)	(24,121)	(139,882)	(12,510)
(I) Other comprehensive income attributable to owners of the Company, net of tax	(166,948)	(23,428)	(114,591)	(6,360)
1. Other comprehensive income that will not be reclassified to profit or loss	(125,304)	(183,677)	(66,653)	(248,699)
(1) Remeasurement of the changes in net liabilities or net assets of defined benefit plan	-	-	(1,939)	-
(2) Changes in fair value of investment in other equity instruments	(125,304)	(183,677)	(64,714)	(248,699)
2. Other comprehensive income that may be reclassified to profit or loss	(41,644)	160,249	(47,938)	242,339
(1) Other comprehensive income that may be reclassified to profit or loss under equity method	(33,988)	34,892	(30,455)	137,087
(2) Changes in fair value of other debt investments	(3,896)	(17,555)	87,509	(8,393)
(3) Credit impairment provision for other debt investments	333	(197)	397	(186)
(4) Translation differences of financial statements denominated in foreign currencies	(4,093)	143,109	(105,389)	113,831
(II) Other comprehensive income attributable to non-controlling interests, net of tax	(44,621)	(693)	(25,291)	(6,150)

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	For the first three quarters of 2020 (January to September)	For the first three quarters of 2019 (January to September)
VII. Total comprehensive income	3,601,521	4,076,743	8,167,584	9,652,998
(I) Total comprehensive income attributable to shareholders of the Company	2,933,601	3,608,563	6,678,613	8,406,272
(II) Total comprehensive income attributable to non-controlling interests	667,920	468,180	1,488,971	1,246,726
VIII. Earnings per share				
(I) Basic earnings per share (RMB/share)	-	-	0.24	0.29
(II) Diluted earnings per share (RMB/share)	-	-	0.23	0.29

Legal Representative:
Liu Hualong

Chief Accounting Officer:
Li Zheng

Head of Accounting Department:
Wang Jian

Income Statement of the Parent Company

January to September 2020

Prepared by: CRRC Corporation Limited

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

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	For the first three quarters of 2020 (January to September)	For the first three quarters of 2019 (January to September)
I. Operating income	1,334	127,687	18,048	129,309
Less: Operating costs	–	122,130	7,053	122,130
Tax and levies	228	–	2,241	1,342
Selling expenses	1,182	1,900	1,190	3,759
Administrative expenses	65,973	86,262	158,443	180,112
Research and development expenses	168,594	63,990	181,302	112,136
Financial expenses	(35,148)	(46,401)	(148,074)	(97,146)
Add: Investment income (Loss denoted with “-”)	42,814	1,149,397	1,317,567	2,326,562
Gains from changes in fair value (Loss denoted with “-”)	(16,736)	26,071	(11,317)	151,863
Credit impairment losses (Loss denoted with “-”)	–	–	(1,805)	–
II. Operating profit (Loss denoted with “-”)	(173,417)	1,075,274	1,120,338	2,285,401
Add: Non-operating income	1,896	1,630	3,962	6,037
III. Total profit (Loss denoted with “-”)	(171,521)	1,076,904	1,124,300	2,291,438
Less: Income tax expenses	–	–	–	–
IV. Net profit (Loss denoted with “-”)	(171,521)	1,076,904	1,124,300	2,291,438
(I) Net profit from continuing operations (Net loss denoted with “-”)	(171,521)	1,076,904	1,124,300	2,291,438

Item	Third quarter of 2020 (July to September)	Third quarter of 2019 (July to September)	For the first three quarters of 2020 (January to September)	For the first three quarters of 2019 (January to September)
V. Other comprehensive income, net of tax	(24,428)	34,892	(30,454)	137,087
(II) Other comprehensive income that may be reclassified to profit and loss	(24,428)	34,892	(30,454)	137,087
1. Other comprehensive income that may be reclassified to profit or loss under equity method	(24,428)	34,892	(30,454)	137,087
VI. Total comprehensive income	(195,949)	1,111,796	1,093,846	2,428,525

Legal Representative:
Liu Hualong

Chief Accounting Officer:
Li Zheng

Head of Accounting Department:
Wang Jian

Consolidated Statement of Cash Flows

January to September 2020

Prepared by: CRRC Corporation Limited

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

Item	For the first three quarters of 2020 (January to September)	For the first three quarters of 2019 (January to September)
I. Cash flows from operating activities:		
Cash receipts from sale of goods and the rendering of services	141,880,951	149,834,811
Net increase in borrowings from central bank	426,842	-
Net decrease in lending funds	139,524	-
Receipts of tax refunds	1,015,659	1,178,417
Other cash receipts relating to operating activities	2,708,406	3,519,075
Cash inflows from operating activities – subtotal	146,171,382	154,532,303
Cash payments for goods purchased and services received	124,219,452	118,714,588
Net increase in loans and advances to customers	-	1,572,345
Net decrease in loans to banks and other financial institutions	2,619,971	557,253
Cash payments to and on behalf of employees	18,593,200	19,767,925
Payments of various types of taxes	7,585,844	9,864,414
Other cash payments relating to operating activities	8,320,922	9,590,622
Cash outflows from operating activities – subtotal	161,339,389	160,067,147
Net cash flow from operating activities	(15,168,007)	(5,534,844)
II. Cash flows from investment activities:		
Cash receipts from disposals and recovery of investments	40,250,100	31,640,351
Cash receipts from investment income	482,004	596,744
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	225,291	113,573
Net cash receipts from disposal of subsidiaries and other business units	11,930	-
Cash inflows from investment activities – subtotal	40,969,325	32,350,668
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	5,302,846	3,778,788
Cash paid for investments	50,086,106	37,765,875
Other cash payments relating to investing activities	-	121,264
Cash outflows from investment activities – subtotal	55,388,952	41,665,927
Net cash flow from investment activities	(14,419,627)	(9,315,259)

Item	For the first three quarters of 2020 (January to September)	For the first three quarters of 2019 (January to September)
III. Cash flows from financing activities:		
Cash receipts from capital contributions	77,985	806,011
Including: Cash receipts from capital contributions by non-controlling interests of subsidiaries	77,985	806,011
Cash receipts from borrowings	32,164,641	69,045,072
Cash receipts from bonds issuing	46,700,000	27,500,000
Other cash receipts relating to financing activities	–	900
Cash inflows from financing activities – subtotal	78,942,626	97,351,983
Cash repayment of borrowings	57,537,379	82,742,874
Cash paid for distribution of dividends, profit or settlement of interest expenses	4,947,520	5,259,265
Including: Dividends and profits paid to non-controlling interests of subsidiaries	363,791	399,755
Other cash payments relating to financing activities	84,634	302,751
Cash outflows from financing activities – subtotal	62,569,533	88,304,890
Net cash flow generated from financing activities	16,373,093	9,047,093
IV. Effects of foreign exchange rate changes on cash and cash equivalents	(450,370)	90,237
V. Net increase in cash and cash equivalents	(13,664,911)	(5,712,773)
Add: Opening balance of cash and cash equivalents	35,819,586	30,290,094
VI. Closing balance of cash and cash equivalents	22,154,675	24,577,321

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 September 2020

Prepared by: CRRC Corporation Limited

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

Item	For the first three quarters of 2020 (January to September)	For the first three quarters of 2019 (January to September)
I. Cash flows from operating activities:		
Cash receipts from sale of goods and the rendering of services	158,620	74,382
Receipts of tax refunds	23,626	25,286
Other cash receipts relating to operating activities	4,159,138	5,476,016
Cash inflows from operating activities – subtotal	4,341,384	5,575,684
Cash payments for goods purchased and services received	160,339	86,027
Cash payments to and on behalf of employees	103,890	119,626
Payments of various types of taxes	89,087	82,071
Other cash payments relating to operating activities	2,766,010	4,743,551
Cash outflows from operating activities – subtotal	3,119,326	5,031,275
Net cash flow from operating activities	1,222,058	544,409
II. Cash flows from investment activities:		
Cash receipts from disposal and recovery of investments	24,417,850	33,822,317
Cash receipts from investment income	2,733,088	3,925,511
Cash inflows from investment activities – subtotal	27,150,938	37,747,828
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	19,269	10,770
Cash paid for investments	40,428,982	45,031,634
Other cash payments relating to investing activities	–	121,263
Cash outflows from investment activities – subtotal	40,448,251	45,163,667
Net cash flow from investment activities	(13,297,313)	(7,415,839)

Item	For the first three quarters of 2020 (January to September)	For the first three quarters of 2019 (January to September)
III. Cash flows from financing activities:		
Cash receipts from borrowings	75,796,589	49,976,420
Cash receipts from bonds issuing	45,000,000	27,000,000
Other cash receipts relating to financing activities	23,585,960	53,910,585
Cash inflows from financing activities – subtotal	144,382,549	130,887,005
Cash repayment of borrowings	103,049,077	59,624,954
Cash payments for distribution of dividends, profit or settlement of interest expenses	4,617,501	4,883,514
Other cash payments relating to financing activities	31,686,961	62,829,760
Cash outflows from financing activities – subtotal	139,353,539	127,338,228
Net cash flow from financing activities	5,029,010	3,548,777
IV. Effects of foreign exchange rate changes on cash and cash equivalents	16,577	5,634
V. Net increase in cash and cash equivalents	(7,029,668)	(3,317,019)
Add: Opening balance of cash and cash equivalents	11,369,799	7,470,295
VI. Closing balance of cash and cash equivalents	4,340,131	4,153,276

Legal Representative: Chief Accounting Officer: Head of Accounting Department:
Liu Hualong Li Zheng Wang Jian

4.2 Retrospective adjustment to comparative figures of the prior period upon initial application of new income standards and new lease standards since 2020

Applicable Not applicable

4.3 Audit Report

Applicable Not applicable