

This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities. Potential investors should read the prospectus dated 8 December 2006 (the “Prospectus”) issued by 株洲南車時代電氣股份有限公司 (Zhuzhou CSR Times Electric Co., Ltd.) (the “Company”) for detailed information about the International Placing and the Public Offer described below before deciding whether or not to invest in the H Shares thereby being offered.*

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

In connection with the Global Offering, the Global Coordinator as stabilising manager (the “Stabilising Manager”), or any person acting for it, on behalf of the Underwriters, may, but is not obliged to, over-allocate or effect transactions with a view to stabilising or maintaining the market price of the H Shares at a level higher than that which might otherwise prevail in the market for a limited period ending 30 days after the last day for lodging of applications under the Public Offer. However, there is no obligation on the Stabilising Manager or any person acting for it to do this. Such stabilising may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules made under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“SFO”), and, if commenced, at the discretion of the Stabilising Manager or any person acting for it, may be discontinued at any time and is required to be brought to an end within 30 days after the last day for lodging application under the Public Offer. The details of such stabilisation and how it will be regulated under the SFO are contained in the Prospectus. The number of H Shares being offered in the International Placing may be increased by up to and not more than an aggregate of 54,084,000 additional H Shares through the exercise of the Over-allotment Option granted to the International Placing Underwriters, exercisable by the Global Coordinator (for itself and on behalf of the International Placing Underwriters), solely for the purpose of covering over-allocations in the International Placing by requiring the Company to allot and issue up to an additional 54,084,000 H Shares within 30 days from the last day for lodging of applications under the Public Offer. In the event that such Over-allotment Option is exercised, a corresponding press announcement will be made.

The obligations of the Underwriters under the Underwriting Agreements may be terminated by notice in writing from the Global Coordinator (for itself and on behalf of the Underwriters) if any of the events set out in the section headed “Underwriting — Underwriting Arrangements and Expenses — Public Offer Underwriting Agreement — Grounds for Termination” of the Prospectus occurs at any time prior to 8.00 a.m. on the Listing Date.

Unless otherwise defined herein, terms in this announcement shall have the same meanings as those defined in the Prospectus.



(A joint stock company incorporated in the People's Republic of China with limited liability)

GLOBAL OFFERING

Number of Offer Shares	: 360,560,000 H Shares (subject to adjustment and the Over-allotment Option)
Number of Public Offer Shares	: 36,056,000 H Shares (subject to adjustment)
Number of International Placing Shares	: 324,504,000 H Shares (subject to adjustment and the Over-allotment Option)
Maximum offer price	: HK\$5.30 per H Share (payable in full on application in Hong Kong dollars, subject to refund, plus 1% brokerage, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%)
Nominal value per H Share	: RMB1.00
Stock code	: 3898

Sole Global Coordinator, Sole Bookrunner, Joint Sponsor and Sole Lead Manager



Macquarie Securities Limited

Joint Sponsor



The Company is initially offering 36,056,000 Public Offer Shares for subscription, representing approximately 10% of the total number of Offer Shares initially being offered in the Global Offering, by way of a public offer in Hong Kong. Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued as described in the Prospectus (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option). Dealings in the H Shares on the Stock Exchange are expected to commence at 9:30 a.m. on Wednesday, 20 December 2006. Applications for the H Shares should only be made and will only be considered for acceptance on the basis of the terms and conditions set out in the Prospectus and the prescribed **WHITE** or **YELLOW** Application Forms or by giving **electronic application instructions** via CCASS to HKSCC. It should be noted that **multiple or suspected multiple applications or any application for more than 18,028,000 H Shares, being 50% of the Public Offer Shares initially being offered to the public, will be rejected.** Only one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** via CCASS to HKSCC may be made for the benefit of any person. Applicants for any H Shares under the Public Offer are required to

* The Company is registered as an oversea company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under its Chinese name and the English name "Zhuzhou CSR Times Electric Co., Ltd."

undertake and confirm that they or the relevant beneficial owner(s) have not indicated an interest in or applied for or taken up and will not indicate an interest in or apply for or take up H Shares under the International Placing. Subject to the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued as described in the Prospectus (including the additional H Shares, if any, to be issued pursuant to the exercise of the Over-allotment Option), as well as compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the H Shares on the Stock Exchange, or such other date as may be determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Global Offering is subject to the conditions set out in the section headed “Structure of the Global Offering — Conditions of the Public Offer” in the Prospectus.

The Offer Price is expected to be fixed by agreement between the Global Coordinator (for itself and on behalf of the Underwriters) and the Company on the Price Determination Date and the Price Determination Date is expected to be on or before Thursday, 14 December 2006 and, in any event, no later than Monday, 18 December 2006.

The Offer Price will be not more than HK\$5.30 per H Share and is expected to be not less than HK\$4.18 per H Share. The Global Coordinator (for itself and on behalf of the Underwriters) may, after consultation with the Company, reduce the number of the Offer Shares and/or the indicative Offer Price range that are stated in the Prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer on Wednesday, 13 December 2006. In such a case, an announcement of the reduction of the indicative Offer Price range or the change in the number of Offer Shares being offered in the Global Offering will be published by the Company in the South China Morning Post (in English) and in the Hong Kong Economic Times (in Chinese) as soon as practicable following the decision to make such reduction or change, and in any event not later than the morning of the last day for lodging applications under the Public Offer. If applications for Public Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Public Offer, then even if the number of Offer Shares and/or the indicative Offer Price range is so reduced, such applications cannot be subsequently withdrawn. If, for any reason, the Global Coordinator (for itself and on behalf of the Underwriters) and the Company are unable to reach an agreement on the Offer Price by Monday, 18 December 2006, the Global Offering will not become unconditional and will lapse.

If the Global Offering does not become unconditional prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. The Company will publish a notice of the lapse of the Global Offering in the South China Morning Post (in English) and in the Hong Kong Economic Times (in Chinese) on the next day after such lapse. In such event, all application money received from applicants under the Public Offer will be refunded, and in the event that the Offer Price is less than the price per Offer Share initially paid on application, the appropriate portion of affected applicants' application money will be refunded to wholly or partially successful applicants, in each case without interest and on the terms set out in the section headed “How to apply for the Public

Offer Shares” in the Prospectus. In the meantime, the application money will be held in separate bank account(s) with the receiving bankers or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended). Refund cheques (if any) will also be issued, in accordance with such terms and conditions set out in the Prospectus, in respect of wholly or partially unsuccessful applications. Refund money (if any) for applicants applying by giving **electronic application instructions** to HKSCC are expected to be credited to the designated bank accounts of the relevant CCASS Participants on Tuesday, 19 December 2006. Applicants for 1,000,000 Public Offer Shares or more who have indicated in their Application Forms that they wish to collect refund cheque(s) (where applicable) and H Share certificate(s) (where applicable) in person, may collect refund cheque(s) (where applicable) and H Share certificate(s) (where applicable) from the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, 19 December 2006 or any other date notified by the Company by way of a newspaper announcement as the date of despatch of H Share certificates and/or refund cheques. Uncollected H Share certificates and refund cheques will be despatched by ordinary post at the applicants’ own risk to the addresses specified in the relevant Application Forms. H Share certificates will only become valid certificates of title provided that the Global Offering has become unconditional in all aspects and the Public Offer Underwriting Agreement has not been terminated in accordance with its terms, which is expected to be prior to 8:00 a.m. on the Listing Date.

Applicants who would like H Shares to be registered in their own names should complete and sign the **WHITE** Application Forms. Applicants who would like to have allotted H Shares registered in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participants stock account or the stock account of their designated CCASS Participants should either (i) complete and sign the **YELLOW** Application Forms, copies of which, together with the Prospectus, may be obtained during normal business hours from 9:00 a.m. on Friday, 8 December 2006 until 12:00 noon on Wednesday, 13 December 2006 at the Depository Counter of HKSCC, at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong, or (ii) give **electronic application instructions** to HKSCC via CCASS. Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours in the same period from:

1. Any of the following addresses of the Public Offer Underwriters;

Macquarie Securities Limited

19/F Citic Tower,
1 Tim Mei Avenue,
Central,
Hong Kong

or

CAF Securities Company Limited

13/F Fairmont House,
8 Cotton Tree Drive,
Central,
Hong Kong

or

BNP Paribas Peregrine Capital (Asia Pacific) Limited
(to be renamed BNP Paribas Capital (Asia Pacific) Limited)

61/F Two International Finance Centre,
8 Finance Street,
Central,
Hong Kong

or

First Shanghai Securities Limited

19/F., Wing On House
71 Des Voeux Road Central
Hong Kong

or

Guotai Junan Securities (Hong Kong) Limited

27 Floor, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

or

Polaris Capital (Asia) Limited

Unit 6503-6505, The Center,
99 Queen's Road, Central,
Hong Kong

2. or any of the following branches of **Standard Chartered Bank (Hong Kong) Limited**:

District	Branch Name	Address
Hong Kong Island	Des Voeux Road Branch	Standard Chartered Bank Building, 4-4A, Des Voeux Road Central, Central
	Central Branch	Shop No. 16, G/F and Lower G/F, New World Tower, 16-18 Queen's Road Central, Central
	Causeway Bay Branch	1 Sugar Street, Causeway Bay

	Leighton Centre Branch	Shop 12-16, UG/F, Leighton Centre, 77 Leighton Road, Causeway Bay
	Hennessy Road Branch	399 Hennessy Road, Wanchai
	Quarry Bay Branch	G/F, Westlands Gardens, 1027 King's Road, Quarry Bay
	North Point Centre Branch	North Point Centre, 284 King's Road, North Point
Kowloon	Kwun Tong Branch	88-90 Fu Yan Street, Kwun Tong
	Tsimshatsui Branch	G/F, 10 Granville Road, Tsimshatsui
	Cheung Sha Wan Branch	828 Cheung Sha Wan Road, Cheung Sha Wan
	San Po Kong Branch	Shop A, G/F, Perfect Industrial Building, 31 Tai Yau Street, San Po Kong
	Telford Gardens Branch	Shop P9-12, Telford Centre, Telford Gardens, Tai Yip Street, Kwun Tong
	Yaumati Branch	546-550 Nathan Road, Yaumati

New Territories	Tsuen Wan Branch	Shop C G/F & 1/F, Jade Plaza, no. 298 Sha Tsui Road, Tsuen Wan
	Metroplaza Branch	Shop Nos. 186-188, Level 1, Metroplaza, 223 Hing Fong Road, Kwai Chung
	Shatin Centre Branch	Shop 32C, Level 3, Shatin Shopping Arcade, Shatin Centre, 2-16 Wang Pok Street, Shatin

Both **WHITE** and **YELLOW** Application Forms completed in all respects (to which cheques or banker's cashier orders should be securely stapled) should be deposited in the special collection boxes provided at any of the branches referred to above at the following times on the following dates:

Friday, 8 December 2006 — 9:00 a.m. to 4:30 p.m.
Saturday, 9 December 2006 — 9:00 a.m. to 12:00 noon
Monday, 11 December 2006 — 9:00 a.m. to 4:30 p.m.
Tuesday, 12 December 2006 — 9:00 a.m. to 4:30 p.m.
Wednesday, 13 December 2006 — 9:00 a.m. to 12:00 noon

After the opening of the Public Offer on Friday, 8 December 2006, if the Company and the Global Coordinator consider it advisable for Standard Chartered Bank (Hong Kong) Limited to make additional branches (“**Additional Receiving Branches**”) for the collection of copies of the **WHITE** Application Form and the Prospectus and/or for the collection branches noted above to extend the time during which they will collect the completed Application Forms on the dates noted above, an announcement setting out the details of the Additional Receiving Branches and extended hours, if applicable, will be published in the South China Morning Post (in English) and in the Hong Kong Economic Times (in Chinese) on or before Wednesday, 13 December 2006. If any Additional Receiving Branches are to be opened, completed Application Forms can also be deposited in the special collection boxes provided at such branches during the times stated above or as otherwise announced.

Applications by giving electronic application instructions to HKSCC

A CCASS Investor Participant may give **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System at <https://ip.ccass.com> (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) or go to HKSCC's Customer Service Centre at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong and complete an input request form. Prospectuses are also available for collection at HKSCC's Customer Services Centre.

A non-CCASS Investor Participant may instruct a broker or custodian who is a CCASS Broker Participant or a CCASS Custodian Participant to give **electronic application instructions** to HKSCC via CCASS terminals to apply for the Public Offer Shares on his behalf. CCASS Broker/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Friday, 8 December 2006 — 9:00 a.m. to 8:30 p.m.⁽¹⁾
Saturday, 9 December 2006 — 8:00 a.m. to 1:00 p.m.⁽¹⁾
Monday, 11 December 2006 — 8:00 a.m. to 8:30 p.m.⁽¹⁾
Tuesday, 12 December 2006 — 8:00 a.m. to 8:30 p.m.⁽¹⁾
Wednesday, 13 December 2006 — 8:00 a.m.⁽¹⁾ to 12:00 noon

Note:

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Broker/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 8 December 2006 until 12:00 noon on Wednesday, 13 December 2006 (24 hours daily, except the last application day). To ensure that CCASS Investor Participants can give their **electronic application instructions** to HKSCC through the CCASS Phone System or the CCASS Internet System, CCASS Investor Participants are advised not to wait until the last minute to input their **electronic application instructions** to the systems. In the event that CCASS Investor Participants have problems connecting to the CCASS Phone System or the CCASS Internet System to submit their **electronic application instructions**, they should either: (i) submit a **WHITE** or **YELLOW** Application Form; or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, 13 December 2006.

The application lists will open from 11:45 a.m. to 12:00 noon on Wednesday, 13 December 2006 (or such later date as may apply in case of certain bad weather conditions as described in the section headed “How to apply for the Public Offer Shares — When to apply for the Public Offer Shares” in the Prospectus).

Subject to the terms and conditions set out in the Prospectus and the Application Forms relating thereto, applications made on **WHITE** or **YELLOW** Application Forms, or by giving **electronic application instructions** to HKSCC, must be received no later than 12:00 noon on Wednesday, 13 December 2006 (or if the application lists are not open on that day, then by 12:00 noon on the next Business Day the lists are open). Please see the section headed “How to apply for the Public Offer Shares” in the Prospectus for further details.

For allocation purposes only, the Public Offer Shares being offered for public subscription under the Public Offer (initially being 36,056,000 H Shares, subject to adjustment between the International Placing and the Public Offer in the case of over-subscription of 15 times or more in the Public Offer), will be divided equally into two pools: Pool A and Pool B. Pool A will consist of 18,028,000 H Shares (being 50% of the H Shares initially available for subscription under the Public Offer) and will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares with an aggregate subscription price of HK\$5 million or below (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable thereon). Pool B will consist of 18,028,000 H Shares and will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable thereon). Applicants should be aware that applications in different pools, as well as applications in the same pool (depending on the number of H Shares applied for), may receive different allocation ratios. If one of the pools is undersubscribed, the surplus of the H Shares in that pool will be transferred to the other pool to satisfy demand in the other pool and be allocated accordingly. If any H Shares remain undersubscribed after the transfer (from one pool to the other pool) and allocation, all or any of the surplus H Shares may be reallocated from the Public Offer to the International Placing at the absolute discretion (but not under any obligation) of the Global Coordinator in such amounts as it deems appropriate. Applicants can only receive an allocation of the H Shares from either Pool A or Pool B but not from both pools.

If you are applying for the Public Offer Shares by using a **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC and your application is wholly or partially successful, your H Share certificate will be issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to your CCASS Investor Participant stock account or the stock account of any designated CCASS Participant giving **electronic application instructions** on your behalf or as instructed by you in your **YELLOW** Application Form at the close of business on Tuesday, 19 December 2006 or under contingent situations, on any other date as shall be determined by HKSCC or HKSCC Nominees Limited. If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of the Public Offer Shares allocated to you (and the amount of refund money payable to you if you have instructed a CCASS Broker/Custodian Participant to give **electronic application instructions** on your behalf)

with that CCASS Participant. If you are applying as a CCASS Investor Participant you should check the announcement published by the Company on Tuesday, 19 December 2006 (CCASS Investor Participants can also check the application result via the CCASS Phone System and the CCASS Internet System) and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, 19 December 2006 or such other date as shall be determined by HKSCC or HKSCC Nominees Limited. Immediately after the credit of the Public Offer Shares to your CCASS Investor Participant account, you can check your new account balance via the CCASS Phone System and the CCASS Internet System (under the procedures contained in “An Operating Guide for Investor Participants” in effect from time to time). HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and (if you are applying by giving **electronic application instructions** to HKSCC) the amount of refund money (if any) credited to your designated bank account.

It is expected that the level of indication of interest in the International Placing, the Offer Price, the result of applications and the basis of allocations under the Public Offer will be published on or about Tuesday, 19 December 2006 in the South China Morning Post (in English) and in the Hong Kong Economic Times (in Chinese).

As at the date of this announcement, (a) the executive Directors are Ding Rongjun and Lu Penghu; (b) the non-executive Directors are Liao Bin, Tian Lei and Ma Yunkun; and (c) the independent non-executive Directors are Zhou Heliang, Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing and Tan Xiao’ao.

By order of the Board of Directors

Liao Bin

Chairman and Non-executive Director

Hong Kong, 8 December 2006

Please also refer to the published version of this announcement in the South China Morning Post.