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*Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 8 December, 2006 (the “**Prospectus**”) issued by Zhuzhou CSR Times Electric Co., Ltd. (the “**Company**”).*



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

(Stock Code: 3898)

## STABILISING ACTIONS AND END OF STABILISING PERIOD

The Company announces that the stabilising period in connection with the Global Offering ended on 12 January, 2007. Save for over-allocations made in the International Placing and the exercise in full of the Over-allotment Option in the Global Offering in respect of 54,084,000 H Shares, representing 15% of the Offer Shares initially available under the Global Offering, no other stabilising action was taken during the stabilising period.

The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong) and announces that the stabilising period in connection with the Global Offering ended on 12 January, 2007.

The only stabilising actions undertaken during the stabilising period were over-allocations made in the International Placing and the exercise in full by the Global Coordinator on behalf of the International Underwriters on 21 December, 2006 of the Over-allotment Option in relation to the Global Offering referred to in the Prospectus in respect of an aggregate of 54,084,000 additional H Shares (the “**Over-allotment Shares**”), representing 15% of the Offer Shares initially available under the Global Offering. Pursuant to the exercise of the Over-allotment Option, the Company allotted and issued the Over-allotment Shares at HK\$5.30 per H Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%), being the offer price per H share under the Global Offering. The Over-allotment Shares were used solely to cover over-allocations in the International Placing.

The details of the exercise of the Over-Allotment Option are more particularly described in the Company's announcement dated 22 December, 2006.

Save for over-allocations made in the International Placing and the exercise in full of the Over-allotment Option in the Global Offering as stated above, no other stabilising action was taken during the stabilising period.

By Order of the Board  
**Liao Bin**  
*Chairman*

PRC, 17 January, 2007

*As at the date of this announcement, our chairman of the Board and non-executive director is Liao Bin, our executive directors are Ding Rongjun and Lu Penghu, our other non-executive directors are Tian Lei and Ma Yunkun, and our independent non-executive directors are Zhou Heliang, Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing and Tan Xiao'ao.*

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

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