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*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 3898)

## ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 18 August 2007, the Company as a licensee and a leading foreign rail transportation equipment supplier as a licensor entered into a technical cooperation and license agreement.

Save as disclosed hereof, the Board is not aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ( “**Listing Rules**”).

The board of directors (“**Board**”) of Zhuzhou CSR Times Electric Co., Ltd. (“**Company**”) is pleased to announce that, as part of the Ministry of Railways of the People’s Republic of China ’s project to acquire AC locomotive converter and control system related technologies from leading foreign rail transportation equipment suppliers (the “**Project**”), on 18 August 2007, the Company as a licensee and a leading foreign rail transportation equipment supplier as a licensor (the “**Licensor**”) entered into a technical cooperation and license agreement (the “**Agreement**”).

Pursuant to the Agreement, the Licensor agreed to grant to the Company a non-transferable and non-exclusive right without sub-licensing right for a term of seven years after the completion of the technical cooperation to supply AC locomotive converter and control system related products to a certain China locomotive manufacturer using the licensor’s technology.

The Agreement shall become effective upon, among other things, all necessary approvals being obtained and the supply contract entered into between the Licensor and the Locomotive Manufacturer in relation to the Project becoming effective.

Save as disclosed hereof, the Board is not aware of any other matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

By order of the Board

**Liao Bin**

*Chairman*

19 August 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.*