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

## **ANNOUNCEMENT OF UNAUDITED QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2010**

The board of directors (the “Board”) of Zhuzhou CSR Times Electric Co., Ltd. (the “Company”) is pleased to announce the unaudited quarterly results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2010 which have been prepared in accordance with the International Financial Reporting Standards, set out as follows (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi):

### **Condensed Consolidated Income Statement**

	<b>For the three months ended 31 March</b>	
	<b>2010</b>	<b>2009</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>REVENUE</b>	<b>1,031,891</b>	<b>516,694</b>
Cost of sales	<u>(641,746)</u>	<u>(319,938)</u>
Gross profit	<b>390,145</b>	<b>196,756</b>
Other income and gains	<b>9,483</b>	<b>13,356</b>
Selling and distribution costs	<b>(60,717)</b>	<b>(29,269)</b>
Administrative expenses	<b>(150,435)</b>	<b>(74,776)</b>
Other expenses	<u><b>(6,033)</b></u>	<u><b>(8,149)</b></u>
<b>PROFIT FROM OPERATIONS</b>	<b>182,443</b>	<b>97,918</b>
Finance costs	<b>(1,557)</b>	<b>(1,130)</b>
Share of profits and losses of:		
A jointly-controlled entity	<b>1,471</b>	<b>0</b>
Associates	<u><b>156</b></u>	<u><b>0</b></u>

	For the three months ended 31 March	
	2010	2009
	( <i>unaudited</i> )	( <i>unaudited</i> )
	<i>RMB'000</i>	<i>RMB'000</i>
<b>PROFIT BEFORE TAX</b>	<b>182,513</b>	96,788
Income tax expense	<u>(30,539)</u>	<u>(15,429)</u>
<b>PROFIT FOR THE YEAR</b>	<b><u>151,974</u></b>	<b><u>81,359</u></b>
Profit attributable to:		
Owners of the parent	<b>151,904</b>	79,609
Minority interests	<u>70</u>	<u>1,750</u>
	<b><u>151,974</u></b>	<b><u>81,359</u></b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (basic)</b>	<b><u>RMB0.14</u></b>	<b><u>RMB0.07</u></b>

# Condensed Consolidated Statement of Financial Position

31 March 2010

	31 March 2010 ( <i>unaudited</i> ) RMB'000	31 December 2009 ( <i>audited</i> ) RMB'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,373,631	1,312,741
Prepaid land lease payments	105,515	102,490
Goodwill	49,577	52,874
Other intangible assets	86,286	94,670
Interests in a jointly-controlled entity	97,248	97,091
Interests in associates	21,264	19,793
Available-for-sale investments	400	400
Deferred tax assets	<u>20,828</u>	<u>20,828</u>
Total non-current assets	<u>1,754,749</u>	<u>1,700,887</u>
<b>CURRENT ASSETS</b>		
Inventories	944,261	888,925
Trade receivables	1,525,380	742,255
Bills receivable	446,474	691,190
Prepayments, deposits and other receivables	293,300	210,081
Pledged deposits	28,811	28,811
Cash and cash equivalents	<u>739,508</u>	<u>1,138,562</u>
Total current assets	<u>3,977,734</u>	<u>3,699,824</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	856,521	718,381
Bills payable	227,522	162,780
Other payables and accruals	380,081	322,278
Provision for warranties	116,948	93,360
Interest-bearing bank and other borrowings	901	120,800
Government grants	4,656	4,656
Tax payable	<u>71,692</u>	<u>48,304</u>
Total current liabilities	<u>1,658,321</u>	<u>1,470,559</u>
<b>NET CURRENT ASSETS</b>	<u>2,319,413</u>	<u>2,229,265</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>4,074,162</u>	<u>3,930,152</u>

	<b>31 March 2010 (<i>unaudited</i>) RMB'000</b>	<b>31 December 2009 (<i>audited</i>) RMB'000</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	<b>3,635</b>	3,330
Government grants	<b>37,190</b>	37,242
Deferred tax liabilities	<b><u>8,782</u></b>	<u>10,961</u>
Total non-current liabilities	<b><u>49,607</u></b>	<u>51,533</u>
<b>NET ASSETS</b>	<b><u>4,024,555</u></b>	<b><u>3,878,619</u></b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Issued capital	<b>1,084,256</b>	1,084,256
Reserves	<b>2,630,737</b>	2,484,757
Proposed final dividend	<b><u>211,430</u></b>	<u>211,430</u>
	<b>3,926,423</b>	3,780,443
<b>Minority interests</b>	<b><u>98,132</u></b>	<u>98,176</u>
<b>TOTAL EQUITY</b>	<b><u>4,024,555</u></b>	<b><u>3,878,619</u></b>

The Group's revenue for the three months ended 31 March 2010 increased by RMB515.2 million from RMB516.7 million in the same period last year to RMB1,031.9 million, representing an increase of 99.7%.

The Group's gross profit for the three months ended 31 March 2010 increased by RMB193.3 million from RMB196.8 million in the same period last year to RMB390.1 million, representing an increase of 98.2%. The Group's gross profit margin for the three months ended 31 March 2010 decreased from 38.1% in the same period last year to 37.8% due to change of products mix.

Net profit attributable to owners of the parent for the three months ended 31 March 2010 increased by RMB72.3 million from RMB79.6 million in the same period last year to RMB151.9 million, representing an increase of 90.8%.

Earnings per share (basic) attributable to ordinary equity holders of the parent of the Group for the three months ended 31 March 2010 increased by RMB0.07 from RMB0.07 in the same period last year to RMB0.14.

As at 31 March 2010, net assets of the Group was RMB4,024.6 million, cash and cash equivalents of the Group accounted for 12.9% of total assets, with a current ratio of 2.40.

The Group has adopted the gearing ratio, which is net debt divided by total capital plus net debt, to monitor its capital. Net debt included interest-bearing borrowings, trade payables, bills payable, other payables and accruals, less cash and cash equivalents. As at 31 March 2010, the Group's gearing ratio was 15.7%.

As at the date of this announcement, the immediate controlling shareholder of the Company is CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd. ("CSR ZELRI") and the ultimate controlling shareholder of the Company is CSR Group ("CSRG"). CSRG holds approximately 57.57% equity interests in China South Locomotive & Rolling Stock Corporation Limited which in turn holds approximately 56.17% equity interests in the Company through its three subsidiaries, i.e., approximately 54.38%, 0.87% and 0.92% through CSR ZELRI, CSR Investment & Leasing Co., Ltd. and CSR Zhuzhou Electric Locomotive Co., Ltd. respectively. In addition, CSRG also holds 0.87% equity interest in the Company through CSR Qishuyan Locomotive & Rolling Stock Works.

### **Review by Audit Committee**

The Group's unaudited quarterly results for the three months ended 31 March 2010 and this results announcement have been reviewed and confirmed by the audit committee of the Board.

### **General**

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.

By Order of the Board  
**Ding Rongjun**  
Chairman

Changsha, China, 17 April 2010

*As at the date of this announcement, our chairman of the Board and executive director is Ding Rongjun, our other executive director is Li Donglin, our non-executive directors are Deng Huijin, Lu Penghu and Ma Yunkun, and our independent non-executive directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing, Tan XiaoŌao and Liu Chunru.*