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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** about this circular, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** or transferred all your shares in ZHUZHOU CSR TIMES ELECTRIC CO., LTD., you should at once hand this circular together with the accompanying form of proxy and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

**(Stock Code: 3898)**

**PROPOSED RE-ELECTION OF DIRECTORS AND ELECTION OF SUPERVISOR**

**GENERAL MANDATE TO ISSUE SHARES**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting for the year 2009 of Zhuzhou CSR Times Electric Co., Ltd. to be held at Vaya International Hotel, Changsha, Hunan Province, the PRC, on Friday, 18 June 2010 at 9:00 a.m. is set out in Appendix II to this circular. Whether or not you intend to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time fixed for holding the meeting or the adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjournment thereof if you so wish.

If you intend to attend the meeting in person or by proxy, you should also complete and return the accompanying reply slip in accordance with the instructions printed thereon on or before Friday, 28 May 2010.

29 April 2010

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

<b>“AGM”</b>	the annual general meeting for the year 2009 of the Company to be held on Friday, 18 June 2010;
<b>“Articles”</b>	the articles of association of the Company as amended from time to time;
<b>“Board”</b>	the board of Directors;
<b>“Company”</b>	Zhuzhou CSR Times Electric Co., Ltd., a joint stock company incorporated in the PRC with limited liability;
<b>“CSR”</b>	中國南車股份有限公司 (China South Locomotive & Rolling Stock Corporation Limited), a joint stock limited liability company incorporated in the PRC whose A shares and H shares are listed on the Shanghai Stock Exchange and the main board of the Stock Exchange, respectively. CSR is directly and indirectly owned as to 57.57% by CSRG and holds the entire equity interest in CSR ZELRI;
<b>“CSRG”</b>	中國南車集團公司 (CSR Group), formerly known as 中國南方機車車輛工業集團公司 (China South Locomotive & Rolling Stock Industry (Group) Corporation), a PRC State-owned enterprise; the ultimate controlling shareholder of the Company;
<b>“CSR Qishuyan”</b>	南車戚墅堰機車有限公司 (CSR Qishuyan Locomotive Co., Ltd.), a wholly-owned subsidiary of CSR;
<b>“CSR ZELRI”</b>	南車株洲電力機車研究所有限公司 (CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd.), a promoter of the Company and the controlling Shareholder holding approximately 54.30% of the registered share capital of the Company;
<b>“Domestic Share(s)”</b>	domestic share(s) of RMB1.00 each in the share capital of the Company;
<b>“Director(s)”</b>	the director(s) of the Company;
<b>“H Share(s)”</b>	overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and traded in Hong Kong dollars;

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## DEFINITIONS

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<b>“Issue Mandate”</b>	a general mandate which is exercisable by the Board to allot, issue and deal with additional Domestic Shares and/or H Shares not exceeding 20% of the Domestic Shares and the H Shares respectively in issue as at the date of passing of the said resolution, subject to the conditions as set out in the notice of AGM;
<b>“PRC”</b>	The People’s Republic of China;
<b>“Qishuyan Works”</b>	中國南車集團戚墅堰機車車輛廠 (CSR Qishuyan Locomotive & Rolling Stock Works), a wholly-owned subsidiary of CSRG and a promoter of the Company;
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC;
<b>“Share(s)”</b>	Domestic Share(s) and/or H Share(s);
<b>“Shareholder(s)”</b>	the holder(s) of Share(s) of the Company;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Supervisor(s)”</b>	the supervisor(s) of the Company;
<b>“Times New Materials”</b>	株洲時代新材料科技股份有限公司 (Zhuzhou Times New Materials Technology Co., Ltd.), whose shares are listed on the Shanghai Stock Exchange; and
<b>“ZELW”</b>	中國南車集團株洲電力機車廠 (CSR Zhuzhou Electric Locomotive Works), a PRC State-owned enterprise wholly-owned by CSRG.

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## LETTER FROM THE BOARD

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

(Stock Code: 3898)

*Executive Directors:*

Mr. Ding Rongjun (*Chairman*)

Mr. Li Donglin

*Non-executive Directors:*

Mr. Deng Huijin

Mr. Lu Penghu

Mr. Ma Yunkun

*Independent non-executive Directors:*

Mr. Gao Yucai

Mr. Chan Kam Wing, Clement

Mr. Pao Ping Wing

Mr. Tan Xiao'ao

Ms. Liu Chunru

*Registered office:*

Times Road

Shifeng District

Zhuzhou

Hunan Province

PRC 412001

*Principal Place of Business*

*in Hong Kong:*

Unit 1106, 11th Floor

Jubilee Centre

18 Fenwick Street

Wanchai

Hong Kong

29 April 2010

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS AND ELECTION OF SUPERVISOR  
GENERAL MANDATE TO ISSUE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you the notice of the AGM and to provide you with information relating to (1) the re-election of Directors; (2) the election of Supervisor; and (3) the renewal of the Issue Mandate to be proposed, among other resolutions, at the AGM.

**PROPOSED RE-ELECTION OF DIRECTORS AND ELECTION OF SUPERVISOR**

Reference is made to the announcements dated 19 August 2009 and 17 April 2010 issued by the Company in relation to, among others, (1) the appointment of Mr. Deng Huijin (“**Mr. Deng**”) as a non-executive Director and Mr. Li Donglin (“**Mr. Li**”) as an executive Director; and (2) the resignation of Mr. Zhang Liqiang (“**Mr. Zhang**”) as a Supervisor with effect from the conclusion of the AGM.

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## LETTER FROM THE BOARD

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The term of office of Mr. Deng and Mr. Li will expire at the conclusion of the AGM. The Board proposes that Mr. Deng and Mr. Li be re-elected as a non-executive Director and an executive Director respectively subject to the approval of the Shareholders at the AGM. The biographical details of Mr. Deng and Mr. Li are set out in Appendix I to this circular.

Pursuant to the Articles of Association of the Company, the Supervisory Committee of the Company shall comprise of five Supervisors. Subsequent to Mr. Zhang's resignation as a Supervisor, the Board proposes that Mr. He Wencheng ("Mr. He") be elected as a Supervisor subject to the approval of the Shareholders at the AGM. The biographical details of Mr. He are set out in Appendix I to this circular.

### GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting for the year 2008 of the Company held on 23 June 2009, a special resolution was passed to grant the Board the Issue Mandate to allot, issue and deal with additional Domestic Shares and/or H Shares not exceeding 20% of the Domestic Shares and the H Shares respectively in issue as at 23 June 2009.

Considering the Issue Mandate will expire at the conclusion of the AGM, the Board will seek approval from the Shareholders at the AGM, by way of a special resolution, for the renewal of the Issue Mandate, subject to the conditions as set out in the notice of AGM provided in the Appendix II to this circular.

Any exercise of the power by the Board under the Issue Mandate will have to comply with the Articles, the Company Law of the PRC and the Rules Governing the Listing of Securities on the Stock Exchange and all other applicable laws, rules, regulations and requirements of relevant governmental or regulatory authorities.

The Board has no present plan to cause the Company to issue any new Shares under the Issue Mandate if the Issue Mandate is approved by the Shareholders. In order to ensure flexibility and discretion for the Board to issue new Shares, the Board believes that it is in the best interests of the Company and the Shareholders as a whole for the Board to renew the Issue Mandate.

### THE AGM

The votes at the AGM will be taken by poll.

Notice of the AGM to be held at Vaya International Hotel, Changsha, Hunan Province, the PRC, on Friday, 18 June 2010 at 9:00 a.m. is set out in the Appendix II to this circular.

The register of members of the Company will be closed from Wednesday, 19 May 2010 to Friday, 18 June 2010, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend and to qualify as Shareholders to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged, for holders of

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## LETTER FROM THE BOARD

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H Shares, with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or, for holders of Domestic Shares, the registered office address of the Company at Times Road, Shifeng District, Zhuzhou, Hunan Province, 412001, the PRC no later than 4:30 p.m. on Tuesday, 18 May 2010.

A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the AGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the AGM or the adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjournment thereof if you so wish.

If you intend to attend the AGM in person or by proxy, you should also complete and return the accompanying reply slip in accordance with the instructions printed thereon on or before Friday, 28 May 2010.

### RECOMMENDATION

The Board considers that the proposed re-election of Directors, the proposed election of Supervisor and the proposed renewal of the Issue Mandate mentioned above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of the relevant resolutions as set out in the notice of the AGM.

Yours faithfully,  
For and on behalf of the Board  
**Ding Rongjun**  
*Chairman*

**DIRECTORS PROPOSED FOR RE-ELECTION****1. Deng Huijin**

Deng Huijin, aged 53, the Vice Chairman of the Board and a non-executive Director. Mr. Deng joined CSR ZELRI in 1982 and has held various positions as assistant engineer, engineer and senior engineer. He served as deputy director of CSR ZELRI from November 1995 to December 2005, deputy Party secretary, secretary of Party discipline inspection commission and chairman of the labour union of CSR ZELRI from December 2005 to November 2008, and has been Party secretary and deputy general manager of CSR ZELRI and a director of Times New Materials since December 2008. Mr. Deng graduated from Dalian Railway Institute with a bachelor degree in engineering in 1982. Mr. Deng was appointed as a non-executive Director of the Company in August 2009 and has been the Vice Chairman of the Board since April 2010.

Mr. Deng has entered into a service contract with the Company for a term commencing from 19 August 2009 and ending on the conclusion of the AGM. Upon his re-election as a non-executive Director at the AGM, the subsisting service contract shall remain valid. Each term for re-election will be for three years or for such shorter period as may be decided at the AGM until determined by either party by giving three months' prior written notice or in accordance with the other terms provided in the service contract. Pursuant to the service contract, Mr. Deng is entitled to receive an annual remuneration of RMB59,524 as director's fee which is determined on the basis of his experience, his level of responsibilities within the Group, the Company's performance, as well as remuneration benchmark in the industry and the market situation.

**2. Li Donglin**

Li Donglin, aged 43, an executive Director and the general manager of the Company. Mr. Li joined CSR ZELRI in July 1989 and had been a deputy chief engineer, deputy general manager of the rail transport department, director of the manufacturing centre, deputy general manager of the sales and marketing centre of CSR ZELRI. Mr. Li graduated from Southwest Jiaotong University with a bachelor degree in Electric Traction and Transmission Control in 1989. Mr. Li served as the chief marketing officer from September 2005 to December 2007. He was the vice president and secretary of the Party of the Company from December 2007 to December 2009, and has been the general manager of the Company since January 2010. Mr. Li was appointed as an executive Director of the Company in April 2010.

Mr. Li has entered into a service contract with the Company for a term commencing from 17 April 2010 and ending at the conclusion of the AGM. Upon his re-election as an executive Director at the AGM, the subsisting service contract shall remain valid. Each term for re-election will be for three years or for such shorter period as may be decided at the AGM until determined by either party by giving three months' prior written notice or in accordance with the other terms provided in the service contract. Pursuant to the service contract, Mr. Li is entitled to receive an annual remuneration of RMB70,000 as director's fee which is determined on the basis of his experience, his level of responsibilities within the Group, the Company's performance, as well remuneration benchmark in the industry and the market situation.



**SUPERVISOR PROPOSED FOR ELECTION****1. He Wencheng**

He Wencheng, aged 51, a senior accountant. Mr. He joined CSR ZELRI in September 2009 as the vice general manager and chief financial officer. He held various positions as accountant, deputy manager of the finance department, manager of the finance division and the chief accountant of ZELW from December 1977 to March 2007. He served as the chief accountant of Qishuyan Works from March 2007 to January 2008 and the vice general manager and chief financial officer of CSR Qishuyan from January 2008 to September 2009. Mr. He studied at East China Jiaotong University from August 1983 to July 1985.

Upon elected as a Supervisor at the AGM, Mr. He will enter into a service contract with the Company for a term of three years or for such shorter period as may be decided at the AGM until determined by either party by giving three months' prior written notice or in accordance with the other terms provided in the service contract and ending at the conclusion of the AGM. The proposed annual remuneration for Mr. He's appointment as a Supervisor will be approximately RMB48,300, which is determined on the basis of his experience, his level of responsibilities within the Group, the Company's performance, as well remuneration benchmark in the industry and the market situation.

**RELATIONSHIPS AND INTERESTS IN SHARES**

Save as disclosed herein, each of Mr. Deng, Mr. Li and Mr. He has no relationship with any other Directors, senior management or substantial or controlling Shareholders (as defined in the Listing Rules) of the Company and does not hold any other position with the Company or other members of the Group. Save as disclosed herein, each of Mr. Deng, Mr. Li and Mr. He has not held any directorships in the last three years in any public company the securities of which are listed on any securities market in Hong Kong or overseas.

So far as the Directors are aware, as at the date hereof, each of Mr. Deng, Mr. Li and Mr. He does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**MATTERS THAT NEED TO BE BROUGHT TO THE ATTENTION OF THE SHAREHOLDERS**

Save as disclosed herein, there is no other matter concerning the proposed election of Mr. Deng and Mr. Li as Directors and the proposed election of Mr. He as a Supervisor that needs to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.



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

**(Stock Code: 3898)**

## NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2009

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of Zhuzhou CSR Times Electric Co., Ltd. (the “**Company**”) for the year 2009 will be held at Vaya International Hotel, Changsha, Hunan Province, the People’s Republic of China (the “**PRC**”), on Friday, 18 June 2010 at 9:00 a.m. for the following purposes:

### **As Ordinary Resolutions**

1. To consider and approve the report of the board of directors (the “**Directors**”) of the Company (the “**Board**”) for the year ended 31 December 2009.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2009.
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2009 and the auditors’ report thereon.
4. To consider and approve the profits distribution plan of the Company for the year ended 31 December 2009 and to declare a final dividend for the year ended 31 December 2009.
5. To consider and approve the re-appointment of the retiring auditors as the auditors of the Company until the conclusion of the next annual general meeting of the Company and to authorize the Board to fix their remuneration.
6. To consider and approve the re-election of Mr. Li Donglin as an executive Director and his emolument;
7. To consider and approve the re-election of Mr. Deng Huijin as a non-executive Director and his emolument;
8. To consider and approve the election of Mr. He Wencheng as a shareholders’ representative supervisor of the Company and his emolument; and

**As Special Resolutions**

9. To approve the grant to the Board a general mandate to allot, issue and deal with additional domestic shares (the “**Domestic Shares**”) and/or H shares (the “**H Shares**”, together with the Domestic Shares, the “**Shares**”) of the Company subject to the following conditions:
- (a) subject to paragraphs (c) to (e) below, the Board be and is hereby authorized to exercise, whether by a single exercise or otherwise, all the powers of the Company to allot, issue and deal with additional Domestic Shares and H Shares during the Relevant Period (as defined in paragraph (g) below);
  - (b) the authority granted under paragraph (a) above shall authorize the Board to make an offer or agreement or grant an option during the Relevant Period which would or might require Shares to be allotted and issued either during or after the end of the Relevant Period;
  - (c) the aggregate nominal amount of Domestic Shares and/or H Shares allotted or agreed to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the authority granted under paragraphs (a) and (b) above shall not exceed 20% of the aggregate nominal amount of Domestic Shares and H Shares respectively in issue at the date of passing of this special resolution;
  - (d) the Board shall only exercise the authority granted under paragraphs (a) and (b) above in accordance with the Articles, the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) and all other applicable laws, rules, regulations and requirements of relevant governmental or regulatory authorities;
  - (e) authority granted under paragraphs (a) and (b) above shall be conditional upon the approval of the China Securities Regulatory Commission (the “**CSRC**”) and/or any other governmental or regulatory authorities as required by the laws, rules and regulations of the PRC being obtained by the Company;
  - (f) subject to paragraph (e) above, the Board be and it is hereby authorized to:
    - (i) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new Shares; and
    - (ii) increase the registered capital of the Company pursuant to the issue of such new Shares and make such corresponding amendments to the Articles as it thinks fit so as to reflect the new capital structure of the Company; and

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**APPENDIX II                      NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2009**

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- (g) for the purpose of this special resolution, “**Relevant Period**” means the period from the passing of this special resolution until whichever is the earlier of:
- (i) the expiration of a period of twelve months following the passing of this special resolution;
  - (ii) the conclusion of the next annual general meeting following the passing of this special resolution; and
  - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting.

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

Zhuzhou, China, 29 April 2010

*Notes:*

1. The votes at the AGM will be taken by poll.
2. Where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, to attend and exercise all the voting powers attached to such share at the AGM, and the service of this notice to that person shall be deemed to have served on all joint holders of such share.
3. The register of members of the Company will be closed from Wednesday, 19 May 2010 to Friday, 18 June 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and to qualify as shareholders to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged, for holders of H shares, with the H share registrar of the Company or, for holders of domestic shares, the registered office address of the Company, no later than 4:30 p.m. on Tuesday, 18 May 2010.
4. Holders of H shares and domestic shares whose names appear on the register of members of the Company at the close of business on Tuesday, 18 May 2010 are entitled to attend and vote at the AGM and may appoint one or more proxies to attend and vote in his stead. A proxy needs not be a shareholder of the Company.
5. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority, must be deposited, for holders of H shares, to the H share registrar of the Company or, for holders of domestic shares, the registered office address of the Company, not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof.

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**APPENDIX II                      NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2009**

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6. Shareholders who intend to attend the AGM in person or by proxy should complete and return the attached reply slip by hand or by post, for holders of H shares, to the principal place of business of the Company in Hong Kong or, for holders of domestic shares, to the registered office address of the Company, on or before Friday, 28 May 2010.

7. The address of the H share registrar of the Company is as follows:

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

8. The registered office address of the Company is as follows:

Times Road  
Shifeng District  
Zhuzhou  
Hunan Province, 412001  
The People's Republic of China  
Tel: 86 731 2849 8028

9. The principal place of business of the Company in Hong Kong is as follows:

Unit 1106, 11th floor  
Jubilee Centre  
18 Fenwick Street  
Wanchai  
Hong Kong  
Tel: 852 2189 7268

10. The AGM is expected to take half a day. Shareholders or their proxies attending the AGM shall be responsible for their own transportation and accommodation expenses. Shareholders or their proxies shall produce their identification documents for verification when attending the AGM.

*As at the date of this document, 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 Xiao'ao and Liu Chunru.*