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

(Stock Code: 3898)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that it is expected that the unaudited interim results of the Group for the six months ended 30 June 2010 may record a significant increase in profit as compared to the profit recorded in the corresponding period in 2009.

This positive profit alert announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group, which have not been confirmed nor audited by the Company's auditor.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Zhuzhou CSR Times Electric Co., Ltd. (the "**Company**"), and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**").

The board of directors (the "**Board**") of the Company wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that it is expected that the unaudited interim results of the Group for the six months ended 30 June 2010 may record a significant increase in profit as compared to the profit recorded in the corresponding period in 2009, based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2010. Such increase in profit is mainly attributable to the fast development of the railway vehicles industry in China during the year.

The Company is still in the process of finalizing the unaudited interim results of the Group for the six months ended 30 June 2010. The information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2010, which have not been confirmed nor audited by the Company's auditor. The unaudited interim results of the Group for the six months ended 30 June 2010 are expected to be announced in early August 2010. Shareholders and potential investors are advised to read the results announcement with care when it is published.

Shareholders and potential investors are also advised to exercise caution when dealing in the shares of Company.

By order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 22 July 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 Xiao'ao and Liu Chunru.