

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

 **株洲南車時代電氣股份有限公司**
ZHUZHOU CSR TIMES ELECTRIC CO., LTD.
(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 30 July 2008, the Company entered into the EMUs Sales Contract with CSR Sifang under which the Company agreed to supply to CSR Sifang certain train-borne electrical systems in connection with the 200-250km/h EMUs project for a consideration of RMB356,187,070. On the same date, the Company also entered into the Locomotive Sales Contract with CSR Zhuzhou under which the Company agreed to supply to CSR Zhuzhou certain electrical systems for high power locomotives for a consideration of RMB600,000,000.

Save as disclosed herein, 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 on 30 July 2008, the Company entered into a sales contract (“**EMUs Sales Contract**”) with 南車四方機車車輛股份有限公司 (CSR Sifang Locomotive Joint Stock Company Limited) (“**CSR Sifang**”) under which the Company agreed to supply to CSR Sifang certain train-borne electrical systems (including, among others, power converters, auxiliary converters and train information systems) (“**200-250EMUs Products**”) in connection with the 200-250km/h electric multiple units (“**EMUs**”) project for a consideration of RMB356,187,070. Pursuant to the EMUs Sales Contract, the Company committed to supply the 200-250EMUs Products to CSR Sifang according to an agreed schedule commencing in January 2009 and ending in April 2009.

On the same date, the Company also entered into a sales contract (“**Locomotive Sales Contract**”) with 南車株洲電力機車有限公司 (CSR Zhuzhou Electric Locomotive Co., Ltd.) (“**CSR Zhuzhou**”) under which the Company agreed to supply to CSR

Zhuzhou certain power converters and control systems for high power locomotives (“**Locomotive Products**”) for a consideration of RMB600,000,000. The Company committed to supply the Locomotive Products to CSR Zhuzhou according to an agreed schedule commencing in March 2010 and ending in December 2010.

Reference is made to the announcement and the circular dated 28 April 2008 and 9 May 2008 respectively issued by the Company. The Company entered into a mutual supply framework agreement with 中國南方機車車輛工業集團公司 (China Southern Locomotive & Rolling Stock Industry (Group) Corporation) (“**CSRG**”) on 28 April 2008 (“**CSRG Mutual Supply Agreement**”), under which the Company agreed to supply and procure its subsidiaries to supply to CSRG and its subsidiaries, among others, certain products including train-borne electrical systems, whereas CSRG agreed to supply and procure its subsidiaries to supply to the Company and its subsidiaries (“**Group**”), among others, certain parts and components for the Group’s production of train-borne electrical systems for a term of five years commencing on 1 January 2009 and ending on 31 December 2013. An extraordinary general meeting of the Company was held on 27 June 2008 at which the CSRG Mutual Supply Agreement and its annual caps were approved by the independent shareholders of the Company.

CSR Sifang is a 90.04% owned subsidiary of 中國南車股份有限公司 (China South Locomotive & Rolling Stock Corporation Limited) (“**CSR**”), which is in turn wholly-owned by CSRG. CSR Sifang is therefore a fellow subsidiary of 南車株洲電力機車研究所有限公司 (CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd.) (“**Parent Company**”). Parent company is a promoter and controlling shareholder of the Company. CSR Zhuzhou is a promoter of the Company and also a fellow subsidiary of the Parent Company. As at the date of this announcement, the Parent Company and CSR Zhuzhou respectively held approximately 54.38% and 0.92% of the issued share capital of the Company. Each of CSR Sifang and CSR Zhuzhou is therefore a connected person of the Company under the Listing Rules. The EMUs Sales Contract and the Locomotive Sales Contract constitute a continuing connected transaction and a connected transaction respectively for the Company under the Listing Rules. Each of the EMUs Sales Contract and the Locomotive Sales Contract forms part of the CSRG Mutual Supply Agreement.

Save as disclosed herein, 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.

By order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 30 July 2008

As at the date of this announcement, our chairman of the Board and executive Director is Ding Rongjun, our other executive Director is Lu Penghu, our non-executive Directors are Liao Bin, Song Yali 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.