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

(Stock Code: 3898)

CLARIFICATION ANNOUNCEMENT

This clarification announcement is made to clarify certain information in the announcement issued by the Company on 7 August 2008 in connection with the revision of annual caps under the KCR Mutual Supply Agreement and the Renewed KCR Mutual Supply Agreement for the three years ending 31 December 2008, 2009 and 2010.

Reference is made to the announcement issued by the Company on 7 August 2008 (the “**Announcement**”) in connection with the revision of annual caps under the KCR Mutual Supply Agreement and the Renewed KCR Mutual Supply Agreement for the three years ending 31 December 2008, 2009 and 2010. Undefined capitalized terms used herein shall have the same meanings ascribed to them in the Announcement.

The board of Directors (the “**Board**”) of Zhuzhou CSR Times Electric Co., Ltd. (the “**Company**”) would like to clarify that as at the date of the Announcement, the chairman of the Board and executive Director is Ding Rongjun, the other executive Director is Lu Penghu, the non-executive Directors are Song Yali, Liao Bin and Ma Yunkun, and the independent non-executive Directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing, Tan Xiao’ao and Liu Chunru.

By order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 14 August 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 Song Yali, Liao Bin 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.