

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



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

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the First Lease Agreement disclosed in the sub-section headed "Connected Transactions" of the section headed "Relationship with the Parent Company and Connected Transactions" of the Prospectus. The First Lease Agreement expired on 31 December 2008. On 27 April 2009, the Company entered into the Renewed First Lease Agreement with the Parent Company, pursuant to which the Company agreed to lease the Renewed Premises and ancillary facilities to the Parent Company for a term of one year from 1 January 2009 to 31 December 2009.

On 28 April 2008, the Company entered into the ZELRI Lease Agreement with the Parent Company, pursuant to which the Company agreed to lease certain premises and ancillary facilities to the Parent Company for a term of 20 months from 1 May 2008 to 31 December 2009.

On 1 January 2008, the Company entered into the Electrical Building Lease Agreement with Times Electric Vehicle, pursuant to which the Company agreed to lease certain premises and ancillary facilities to Times Electric Vehicle for a term of seven months from 1 January 2008 to 31 July 2008.

On 1 January 2007, Times Electronics entered into the First Factory Lease Agreement with NERCC, pursuant to which Times Electronics agreed to lease certain factory premises and ancillary facilities to NERCC for a term of six months from 1 January 2007 to 30 June 2007. On 1 July 2007 and 20 August 2008, Times Electronics and NERCC respectively entered into the Second Factory Lease Agreement and the Third Factory Lease Agreement to renew the lease on the same terms and conditions for a term of six months from 1 July 2007 to 31 December 2007 and subsequently a term of one year from 1 January 2008 to 31 December 2008. On 27 April 2009, Times Electronics and NERCC entered in the Fourth Factory Lease Agreement to renew the lease on the same terms and conditions for a term of one year from 1 January 2009 to 31 December 2009.

On 26 October 2007, Times Information entered into the First Beijing Lease Agreement with Beijing Tianyu, pursuant to which Times Information agreed to lease the certain premises and ancillary facilities to Beijing Tianyu for a term of one year from 1 June 2007 to 31 May 2008. On 4 July 2008, Times Information and Beijing Tianyu entered into the Second Beijing Lease Agreement to renew the lease on the same terms and conditions for a term of two years from 1 June 2008 to 31 May 2010. On 3 October 2008, Times Information and Beijing Tianyu entered into the Beijing Lease Termination Agreement to terminate the Second Beijing Lease Agreement.

The annual caps for each of the Lease Agreements represent the annual rental amounts payable by the Parent Group as stated in the relevant Lease Agreement.

The Parent Company is a promoter and the controlling shareholder of the Company. It is also the controlling shareholder of Times Electric Vehicle and directly and indirectly holds the entire equity interest in NERCC. Before the disposal of its 60% indirect equity interest in Beijing Tianyu in September 2008, the Parent Company was controlling shareholder of the holding company of Beijing Tianyu. Each of the Parent Company, Times Electric Vehicle and NERCC is and Beijing Tianyu was therefore a connected person of the Company under the Listing Rules.

Accordingly, the transactions under the Renewed First Lease Agreement, the ZELRI Lease Agreement and the Fourth Factory Lease Agreement constitute continuing connected transactions for the Company whereas the transactions under the Electrical Building Lease Agreement, the Previous Factory Lease Agreements and the Beijing Lease Agreements, which are either expired or terminated also constituted continuing connected transactions for the Company pursuant to the Listing Rules.

During the course of the verification of the financial statements for the year ended 31 December 2008, it has come to the Company's attention that the Group entered into the Lease Agreements. As each of the applicable percentage ratios on an annual basis, when aggregated pursuant to Rule 14A.25 of the Listing Rules having taken into account of all relevant Lease Agreements between the Group and the Parent Group, is less than 2.5%, each of the Lease Agreements is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.34 of the Listing Rules.

Owing to the staff movement in the Company's local office and inadequate communication between the local offices and the headquarters, report for connected transactions had not been reported to the Company on a timely basis. Hence, the Company failed to comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules in respect of the Lease Agreements on a timely basis.

The Directors consider that the failure to re-comply with the requirements of Listing Rules on a timely basis, which was inadvertent and regretful, is an isolated event. The Company will take steps to tighten its compliance system in order to prevent recurrence of similar event. The Company has conducted a comprehensive review on all continuing connected transactions and has been monitoring the caps of the relevant continuing connected transactions. Staff training will be provided to the relevant personnel in the Group. Details of the Lease Agreements will also be properly disclosed in the Company's annual report according to the Listing Rules.

The Directors, including the independent non-executive Directors but excluding Messrs. Ding Rongjun, Liao Bin and Song Yali, considered that the entering into each of the Lease Agreements was in the ordinary and usual course of business of the Company and on normal commercial terms which are fair and reasonable insofar as the interests of the Company and its shareholders as a whole are concerned.

LEASE AGREEMENTS

Renewed First Lease Agreement

Reference is made to the First Lease Agreement disclosed in the sub-section headed "Connected Transactions" of the section headed "Relationship with the Parent Company and Connected Transactions" of the Prospectus. The First Lease Agreement expired on 31 December 2008. On 27 April 2009, the Company entered into the Renewed First Lease Agreement with the Parent Company, pursuant to which the Company agreed to lease the Renewed Premises and ancillary facilities to the Parent Company for a term of one year from 1 January 2009 to 31 December 2009.

The principal terms of the Renewed First Lease Agreement are as follows:

Date:	27 April 2009
Landlord:	The Company
Lessee:	The Parent Company

Property and facilities leased:	The Renewed Premises and ancillary facilities
Term:	One year commenced on 1 January 2009 and ending on 31 December 2009
Rental:	<p>Total rental is RMB1,147,099.89 (inclusive of utilities charges etc.) which is payable on a quarterly basis and will be settled by way of cash or other means as agreed by the parties</p> <p>The Parent Company bears the management fees, maintenance fees and other outgoings relating to the Renewed Premises</p> <p>The pricing for the rental services under the Renewed First Lease Agreement has been determined on the following basis in the order of priority:</p> <ul style="list-style-type: none"> ● the prices prescribed by the PRC Government (if any); ● the prices not exceeding any pricing guidelines or pricing recommendations set by the PRC Government (if any), where no government-prescribed prices are available; ● the market prices which are offered to or by independent third parties in the ordinary and usual course of business, where neither government-prescribed prices nor government-recommended prices are available; and ● the agreed prices based on the actual or reasonable cost incurred thereof plus a reasonable profit margin (which is not more than 3% of the reasonable cost), where none of the above prices are available or applicable.

As none of the above basis was applicable, the rental was arrived at after arm's length negotiations between the Company and the Parent Company with reference to the costs mainly based on the depreciation to be derived from the Renewed Premises during the term. In light of the above, the Directors consider that the rental and the proposed cap under the Renewed First Lease Agreement are fair and reasonable.

ZELRI Lease Agreement

On 28 April 2008, the Company entered into the ZELRI Lease Agreement with the Parent Company, pursuant to which the Company agreed to lease certain premises and ancillary facilities to the Parent Company for a term of 20 months from 1 May 2008 to 31 December 2009.

The principal terms of the ZELRI Lease Agreement are as follows:

Date:	28 April 2008
Lessor:	The Company
Lessee:	The Parent Company
Property and facilities leased	Factory premises located at Tianxin Hi-Tech Park, Shifeng District, Zhuzhou, the PRC, with a total area of approximately 9,828 square meters for the operation of wind power generation department of the Parent Company, together with ancillary facilities
Term:	20 months commenced on 1 May 2008 and ending on 31 December 2009
Rental:	Total rental was RMB2,850,000, of which the first instalment of RMB 1,995,000 was paid in cash in November 2008 and the remaining balance of RMB855,000 shall be payable by way of cash or other means as agreed by the parties in August 2009

The pricing for the services under the ZELRI Lease Agreement has been determined on the following basis in the order of priority:

- the prices prescribed by the PRC Government (if any);
- the prices not exceeding any pricing guidelines or pricing recommendations set by the PRC Government (if any), where no government-prescribed prices are available;
- the market prices which are offered to or by independent third parties in the ordinary and usual course of business, where neither government-prescribed prices nor government-recommended prices are available; and
- the agreed prices between the parties, where none of the above prices are available or applicable.

As none of the above basis was applicable, the rental was arrived at after arm's length negotiations between the Company and the Parent Company with reference to the costs mainly based on the depreciation to be derived from the premises during the term.

Electrical Building Lease Agreement

On 1 January 2008, the Company entered into the Electrical Building Lease Agreement with Times Electric Vehicle, pursuant to which the Company agreed to lease certain premises and ancillary facilities to Times Electric Vehicle for a term of seven months from 1 January 2008 to 31 July 2008.

The principal terms of the Electrical Building Lease Agreement are as follows:

Date:	1 January 2008
Lessor:	The Company
Lessee:	Times Electric Vehicle

Property and facilities leased: 6th floor of electrical building of manufacturing centre, electrical machinery and appliance workshop and certain portion of printing and manufacturing back garage located at Tianxin Shidai Road, Shifeng District, Zhuzhou, the PRC, with a total area of approximately 3,896.08 square meters for the office and production purposes, together with ancillary facilities

Term: Seven months commenced on 1 January 2008 and ended on 31 July 2008

Rental: Total rental was RMB220,000 which was paid in cash at once in June 2008

The rental was arrived at after arm's length negotiations between the Company and Times Electric Vehicle with reference to the costs mainly based on the depreciation derived from the premises during the term

First Factory Lease Agreement

On 1 January 2007, Times Electronics entered into the First Factory Lease Agreement with NERCC, pursuant to which Times Electronics agreed to lease certain factory premises and ancillary facilities to NERCC for a term of six months from 1 January 2007 to 30 June 2007.

The principal terms of the First Factory Lease Agreement are as follows:

Date: 1 January 2007

Lessor: Times Electronics

Lessee: NERCC

Property and facilities leased: Factory premises located at District 2, Tian Tai Industrial Park, Huanghe South Road, Tian Yuan District, Zhuzhou City, the PRC, with a total area of approximately 3,116.46 square meters for the production purpose, together with ancillary facilities

Term: Six months commenced on 1 January 2007 and ended on 30 June 2007

Rental: Total rental was RMB175,000 (inclusive of management fees and utility charges etc.) which should be settled by two instalments on a quarterly basis

The rental was arrived at after arm's length negotiations between Times Electronics and NERCC with reference to the costs mainly based on the depreciation derived from the premises during the term

Second Factory Lease Agreement and Third Factory Lease Agreement

On 1 July 2007, Times Electronics and NERCC entered into the Second Factory Lease Agreement to renew the lease on the same terms and conditions for a term of six months from 1 July 2007 to 31 December 2007 at a total rental of RMB175,000 (inclusive of management fees and utility charges etc.) which should be settled by two instalments on a quarterly basis and further entered into the Third Factory Lease Agreement on 20 August 2008 to renew the lease on the same terms and conditions for a term of one year from 1 January 2008 to 31 December 2008 at a total rental of RMB350,000 (inclusive of management fees and utility charges etc.) which should be settled at once on or before 15 July 2008. As at 31 December 2008, Times Electronics received from NERCC rental payment under the First Factory Lease Agreement and the Second Factory Lease Agreement in the total amount of RMB350,000 in cash and rental payment under the Third Factory Lease Agreement in the amount of RMB 350,000 by way of setoff against the account payables of RMB350,000 to NERCC for the raw materials purchased from NERCC by the Group.

Fourth Factory Lease Agreement

On 27 April 2009, Times Electronics and NERCC further entered into the Fourth Factory Lease Agreement to renew the lease on the same terms and conditions for a term of one year from 1 January 2009 to 31 December 2009 at a total rental of RMB350,000 (inclusive of management fees and utility charges etc.) which shall be payable by way of cash or other means as agreed by the parties at once on or before 15 July 2009. The rental was arrived at after arm's length negotiations between Times Electronics and NERCC with reference to the costs mainly based on the depreciation to be derived from the premises during the term. In light of the above, the Directors consider that the rental and the proposed cap under the Fourth Factory Lease Agreement are fair and reasonable

First Beijing Lease Agreement

On 26 October 2007, Times Information entered into the First Beijing Lease Agreement with Beijing Tianyu, pursuant to which Times Information agreed to lease the certain premises and ancillary facilities to Beijing Tianyu for a term of one year from 1 June 2007 to 31 May 2008.

The principal terms of the First Beijing Lease Agreement are as follows:

Date:	26 October 2007
Lessor:	Times Information
Lessee:	Beijing Tianyu
Property and facilities leased:	Office premises located at 3rd - 4th floors of No. 1 Building, District 6 (Headquarters), No. 188 Xi Si Wan South Road, Feng Tai District, Beijing City, the PRC, with a total area of approximately 560 square meters for the office and production purposes, together with ancillary facilities
Term:	One year commenced on 1 June 2007 and ended on 31 May 2008
Rental:	Monthly rental was RMB35,280, inclusive of ancillary expenses such as management fees which was paid by way of transfer via banks or cheque within 10 days of the beginning of each month The rental was arrived at after arm's length negotiations between Times Electronics and NERCC with reference to the costs mainly based on the depreciation derived from the premises during the term

Second Beijing Lease Agreement

On 4 July 2008, Times Information and Beijing Tianyu entered into the Second Beijing Lease Agreement, pursuant to which the parties agreed to renew the lease on the same terms and conditions for a term of two years from 1 June 2008 to 31 May 2010. However, on 3 October 2008, Times Information and Beijing Tianyu entered into the Beijing Lease Termination Agreement to terminate the Second Beijing Lease Agreement. The Group does not incur any cost in the termination of the Second Beijing Lease Agreement.

The Directors are of the view that the respective manners of payments under the Lease Agreements were or are the commercial decisions arrived at after arm's length negotiations between the parties and in line with the Group's internal practice of collecting rentals which was or is fair and reasonable.

HISTORICAL AMOUNTS AND ANNUAL CAPS FOR THE LEASE AGREEMENTS

The annual rental amount for each of the Lease Agreements for the three years ending 31 December 2009 are set out below:

	For the year ended 31 December 2007	For the year ended 31 December 2008 (RMB'000)	For the year ending 31 December 2009
Annual rental amount under the Renewed First Lease Agreement	N/A	N/A	1,147.1
Annual rental amount under the ZELRI Lease Agreement	N/A	1,140	1,710
Annual rental amount under the Electrical Building Lease Agreement	N/A	220	N/A
Annual rental amount under the Previous Factory Lease Agreements and the Fourth Factory Lease Agreement	350	350	350
Annual rental amount under the Beijing Lease Agreements	246.96	352.80	N/A

The annual caps for each of the Lease Agreements represent the annual rental amounts payable by the Parent Group as stated in the relevant Lease Agreement.

REASONS FOR AND BENEFITS OF THE LEASE AGREEMENTS

The Group is the leading train-borne electrical system provider and integrator for the PRC railway industry.

The Parent Group is principally engaged in the research and development of electric locomotives and related products.

Save for the Renewed First Lease Agreement, the ZELRI Lease Agreement and the Fourth Factory Lease Agreement which are still on-going, each of the other Lease Agreements has either expired or terminated.

The Group has been leasing certain premises and facilities to the Parent Group on normal commercial terms in order to fulfil the development needs for the business operation of the Group and the Parent Group. With such leases and a closer proximity to the location and operation of the Parent Group, the communication between the Group and the Parent Group, in particular on the products / raw materials specifications and requirements, has been enhanced and the process of the sale and purchase transactions between the Group and the Parent Group has been facilitated which enable the Group to reduce the transportation cost thereof. The Board considers that the terms of each of the Lease Agreements were arrived at after arm's length negotiations between the parties involved.

A meeting of the Board was held on 17 April 2009 at which each of the Lease Agreements was reviewed, approved and ratified. Three of the Directors, Messrs. Ding Rongjun (the chairman of the Board and an executive Director and a vice general manager of the Parent Company), Liao Bin (a non-executive Director and an executive director of the Parent Company) and Song Yali (the vice chairman of the Board and a non-executive Director and a vice general manager of the Parent Company), abstained from the examination of and voting on the Lease Agreements due to conflict of interests.

The Directors, including the independent non-executive Directors but excluding Messrs. Ding Rongjun, Liao Bin and Song Yali, considered that the entering into each of the Lease Agreements was in the ordinary and usual course of business of the Company and on normal commercial terms which are fair and reasonable insofar as the interests of the Company and its shareholders as a whole are concerned.

CONTINUING CONNECTED TRANSACTIONS

As at the date of this announcement, the Parent Company holds approximately 54.38% of the issued share capital of the Company. The Parent Company is a promoter and the controlling shareholder of the Company. It is also the controlling shareholder of Times Electric Vehicle and directly and indirectly holds the entire equity interest in NERCC. Before the disposal of its 60% indirect equity interest in Beijing Tianyu in September 2008, the Parent Company was also the controlling shareholder of the holding company of Beijing Tianyu. Each of the Parent Company, Times Electric Vehicle and NERCC is and Beijing Tianyu was therefore a connected person of the Company under the Listing Rules.

Accordingly, the transactions under the Renewed First Lease Agreement, the ZELRI Lease Agreement and the Fourth Factory Lease Agreement constitute continuing connected transactions for the Company whereas the transactions under the Electrical Building Lease Agreement, the Previous Factory Lease Agreements and the Beijing Lease Agreements, which are either expired or terminated, constituted continuing connected transactions for the Company pursuant to the Listing Rules.

During the course of the verification of the financial statements for the year ended 31 December 2008, it has come to the Company's attention that the Group entered into the Lease Agreements. As each of the applicable percentage ratios on an annual basis, when aggregated pursuant to Rule 14A.25 of the Listing Rules having taken into account of all relevant Lease Agreements between the Group and the Parent Group, is less than 2.5%, each of the Lease Agreements is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.34 of the Listing Rules.

Owing to the staff movement in the Company's local office and inadequate communication between the local offices and the headquarters, report for connected transactions had not been reported to the Company on a timely basis. Hence, the Company failed to comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules in respect of the Lease Agreements on a timely basis.

The Directors consider that the failure to re-comply with the requirements of Listing Rules on a timely basis, which was inadvertent and regretful, is an isolated event. The Company will take steps to tighten its compliance system in order to prevent recurrence of similar event. The Company has conducted a comprehensive review on all continuing connected transactions and has been monitoring the caps of the relevant continuing connected transactions. Staff training will be provided to the relevant personnel in the Group. Details of the Lease Agreements will also be properly disclosed in the Company's annual report according to the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Beijing Lease Agreements”	the First Beijing Lease Agreement and the Second Beijing Lease Agreement
“Beijing Lease Termination Agreement”	a termination agreement dated 3 October 2008 entered into between Times Information and Beijing Tianyu to terminate the Second Beijing Lease Agreement

“Beijing Tianyu”	北京天宇華星航空科技有限公司 (Beijing Tianyu Huaxing Aviation Technology Co., Ltd.), a limited liability company under the laws of the PRC
“Board”	the board of Directors
“Company”	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 PRC with limited liability.
“Director(s)”	the director(s) of the Company
“Electrical Building Lease Agreement”	a lease agreement dated 1 January 2008 entered into between the Company and Times Electric Vehicle pursuant to which the Company agreed to let to Times Electric Vehicle 6th floor of electrical building of manufacturing centre, electrical machinery and appliance workshop and certain portion of printing and manufacturing back garage located at Tianxin Shidai Road, Shifeng District, Zhuzhou, the PRC, with a total area of approximately 3,896.08 square meters, together with ancillary facilities for a term of seven months from 1 January 2008 to 31 July 2008
“First Beijing Lease Agreement”	a lease agreement dated 26 October 2007 entered into between Times Information and Beijing Tianyu pursuant to which Times Information agreed to let to Beijing Tianyu office premises located at 3rd — 4th floors of No. 1 Building, District 6 (Headquarters), No. 188 Xi Si Wan South Road, Feng Tai District, Beijing City, the PRC, with a total area of approximately 560 square meters, together with ancillary facilities for a term of one year from 1 June 2007 to 31 May 2008
“First Factory Lease Agreement”	a lease agreement dated 1 January 2007 entered into between Times Electronics and NERCC pursuant to which Times Electronics agreed to let to NERCC certain factory premises located at District 2, Tian Tai Industrial Park, Huanghe South Road, Tian Yuan District, Zhuzhou City, the PRC with a total area of approximately 3,116.46 square meters together with ancillary facilities for a term of six months from 1 January 2007 to 30 June 2007

“First Lease Agreement”	a property and equipment lease agreement dated 29 March 2006 entered into between the Company and the Parent Company pursuant to which the Company agreed to let to the Parent Company four floors of the research administrative building of the Company with a total area of 6,960 square meters in Zhuzhou, the PRC at an annual rental of approximately RMB1.9 million (inclusive of utilities charges etc.) for a term of three years from 1 January 2006 to 31 December 2008
“Fourth Factory Lease Agreement”	a lease agreement dated 27 April 2009 entered into between Times Electronics and NERCC pursuant to which Times Electronics agreed to let to NERCC certain factory premises located at District 2, Tian Tai Industrial Park, Huanghe South Road, Tian Yuan District, Zhuzhou City, the PRC with a total area of approximately 3,116.46 square meters together with ancillary facilities for a term of one year from 1 January 2009 to 31 December 2009
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Agreements”	The Renewed First Lease Agreement, the ZELRI Lease Agreement, the Electrical Building Lease Agreement, the Previous Factory Lease Agreements, the Fourth Factory Lease Agreement and the Beijing Lease Agreements
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“NERCC”	株洲變流技術國家工程研究中心有限公司 (Zhuzhou National Engineering Research Center of Converters Co., Ltd.), formerly known as 株洲變流技術國家工程研究中心(Zhuzhou National Engineering Research Center of Converters), a wholly-owned subsidiary of the Parent Company

“Parent Company”	南車株洲電力機車研究所有限公司 (CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd.), formerly known as 中國南車集團株洲電力機車研究所 (CSR Zhuzhou Electric Locomotive Research Institute), a limited liability company under the laws of the PRC
“PRC” or “China”	The People’s Republic of China
“PRC Government”	the government of the PRC, including any provincial, municipal and other regional or local governmental entities and any regulatory authorities in the PRC
“Previous Factory Lease Agreements”	the First Factory Lease Agreement, the Second Factory Lease Agreement and the Third Factory Lease Agreement
“Prospectus”	the prospectus of the Company dated 8 December 2006
“Renewed First Lease Agreement”	a property and equipment leasing agreement dated 27 April 2009 entered into between the Company and the Parent Company pursuant to which the Company agreed to let to the Parent Company the Renewed Premises and ancillary facilities at an annual rental of approximately RMB 1,147,099.89 for a term commenced from 1 January 2009 to 31 December 2009
“Renewed Premises”	three floors of the research administrative building of the Company with a total area of 5,220 square meters in Tianxin Shidai Road, Shifeng District Zhuzhou, the PRC
“Second Beijing Lease Agreement”	a lease agreement dated 4 July 2008 entered into between Times Information and Beijing Tianyu pursuant to which Times Information agreed to let to Beijing Tianyu office premises located at 3rd — 4th floors of No. 1 Building, District 6 (Headquarters), No. 188 Xi Si Wan South Road, Feng Tai District, Beijing City, the PRC with a total area of approximately 560 square meters, together with ancillary facilities for a term of two years from 1 June 2008 to 31 May 2010

“Second Factory Lease Agreement”	a lease agreement dated 1 July 2007 entered into between Times Electronics and NERCC pursuant to which Times Electronics agreed to let to NERCC certain factory premises located at District 2, Tian Tai Industrial Park, Huanghe South Road, Tian Yuan District, Zhuzhou City, the PRC with a total area of approximately 3,116.46 square meters together with ancillary facilities for a term of six months from 1 July 2007 to 31 December 2007
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Factory Lease Agreement”	a lease agreement dated 20 August 2008 entered into between Times Electronics and NERCC pursuant to which Times Electronics agreed to let to NERCC certain factory premises located at District 2, Tian Tai Industrial Park, Huanghe South Road, Tian Yuan District, Zhuzhou City, the PRC with a total area of approximately 3,116.46 square meters together with ancillary facilities for a term of one year from 1 January 2008 to 31 December 2008
“Times Electric Vehicle”	湖南南車時代電動汽車股份有限公司 (Hunan CSR Times Electric Vehicle Co., Ltd.), a joint stock company incorporated in the PRC with limited liability and the Parent Company being its controlling shareholder
“Times Electronics”	株洲時代電子技術有限公司 (Zhuzhou Times Electronics Technology Co., Ltd.), a wholly-owned subsidiary of the Company
“Times Information”	北京南車時代信息技術有限公司 (Beijing CSR Times Information Technology Co., Ltd.), a limited liability company under the laws of the PRC and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

“ZELRI Lease
Agreement”

a lease agreement dated 28 April 2008 entered into between the Company and the Parent Company pursuant to which the Company agreed to let to the Parent Company certain factory premises located at Tianxin Hi-Tech Park, Shifeng District, Zhuzhou, the PRC, with a total floor area of approximately 9,828 square meters for a term of 20 months from 1 May 2008 to 31 December 2009

By order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 27 April 2009

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.