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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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株洲南车时代电气股份有限公司

ZHUZHOU CSR TIMES ELECTRIC CO., LTD.

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

(Stock Code: 3898)

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

A notice convening the annual general meeting for the year 2010 of Zhuzhou CSR Times Electric Co., Ltd. to be held at Qingdao Kilin Crown Hotel, Qingdao, the PRC, on Friday, 10 June 2011 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, 20 May 2011.

18 April 2011

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DEFINITIONS

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

“AGM”	the annual general meeting for the year 2010 of the Company to be held on Friday, 10 June 2011
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Company”	Zhuzhou CSR Times Electric Co., Ltd., a joint stock company incorporated in the PRC with limited liability
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“CSR”	中國南車股份有限公司 (CSR Corporation Limited, formerly known as 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 55.07% by CSRG and holds the entire equity interest in CSR ZELRI
“CSRG”	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
“Domestic Share(s)”	domestic share(s) of RMB1.00 each in the share capital of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	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
“Issue Mandate”	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

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Parent Company” or “CSR ZELRI”	南車株洲電力機車研究所有限公司 (CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd.), the controlling Shareholder holding approximately 54.38% of the registered share capital of the Company
“Parent Group”	the Parent Company and its subsidiaries (excluding the Group)
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	the holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Times New Materials”	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
“ZELW”	中國南車集團株州電力機車廠 (CSR Zhuhou Electric Locomotive Works), a PRC state-owned enterprise wholly-owned by CSRG

LETTER FROM THE BOARD



株洲南车时代电气股份有限公司

ZHUZHOU CSR TIMES ELECTRIC CO., LTD.

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

(Stock Code: 3898)

Executive Directors:

Mr. Ding Rongjun (*Chairman*)

Mr. Li Donglin

Non-executive Directors:

Mr. Deng Huijin

Mr. Yan Wu

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

18 April 2011

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS AND
PROPOSED ELECTION OR RE-ELECTION OF SUPERVISORS
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 or re-election of Supervisors; and (3) the renewal of the Issue Mandate to be proposed, among other resolutions, at the AGM.

**PROPOSED RE-ELECTION OF DIRECTORS AND PROPOSED ELECTION OR
RE-ELECTION OF SUPERVISORS**

Reference is made to the announcements dated 28 December 2010 and 30 December 2010 issued by the Company in relation to, among others, the appointment of Mr. Yan Wu ("Mr. Yan") as a non-executive Director with effect from 28 December 2010 till the conclusion of the AGM and will be subject to election by the Shareholders at the AGM.

LETTER FROM THE BOARD

The term of office of Mr. Deng Huijin (“Mr. Deng”), Mr. Li Donglin (“Mr. Li”) and Mr. Yan will expire at the conclusion of the AGM and the Board proposes that Mr. Li be re-elected as an executive Director and Mr. Deng and Mr. Yan be re-elected as non-executive Directors subject to the approval of the Shareholders at the AGM. In addition, pursuant to the Articles, Mr. Ding Rongjun (“Mr. Ding”), Mr. Ma Yunkun (“Mr. Ma”), Mr. Gao Yucai (“Mr. Gao”), Mr. Chan Kam Wing, Clement (“Mr. Chan”), Mr. Pao Ping Wing (“Mr. Pao”), Mr. Tan Xiao’ao (“Mr. Tan”) and Ms. Liu Chunru (“Ms. Liu”) shall retire as Directors at the AGM and are eligible for re-election thereat. Except for Mr. Tan, whose term of office will expire at the AGM and will not seek for re-election, all the retiring Directors will offer themselves for re-election at the AGM. The biographical details of the above retiring Directors offering for re-election at the AGM as required by the Listing Rules are set out in Appendix I of this circular.

Pursuant to the Articles, the Supervisory Committee shall comprise five Supervisors. The term of office of Ms. Wang Kun (“Ms. Wang”) and Mr. Shuai Tianlong (“Mr. Shuai”) as independent Supervisors and Mr. He Wencheng (“Mr. He”) as a shareholders’ representative Supervisor will expire at the conclusion of the AGM. Ms. Wang and Mr. Shuai, whose term of office will expire at the AGM and will not seek for re-election at the AGM. Mr. He will offer himself for re-election at the AGM. The Board also proposes that Mr. Geng Jianxin (“Mr. Geng”) be elected as an independent Supervisor subject to the approval of the Shareholders at the AGM. The biographical details of Mr. He and Mr. Geng are set out in Appendix I of this circular.

The Board confirms that there are no disagreements with each of Mr. Tan, Ms. Wang and Mr. Shuai and there is no matter in relation to each of their retirements that needs to be brought to the attention of the Shareholders.

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting for the year 2009 of the Company held on 18 June 2010, 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 18 June 2010.

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 Listing Rules and all other applicable laws, rules, regulations and requirements of relevant governmental or regulatory authorities.

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.

LETTER FROM THE BOARD

THE AGM

The votes at the AGM will be taken by poll.

Notice of the AGM to be held at Qingdao Kilin Crown Hotel, Qingdao, the PRC, on Friday, 10 June 2011 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, 11 May 2011 to Friday, 10 June 2011, 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, 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 Monday, 9 May 2011.

A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange (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, 20 May 2011.

RECOMMENDATION

The Board considers that the proposed re-election of Directors, the proposed election or re-election of Supervisors 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. Ding Rongjun**

Ding Rongjun, aged 50, the Chairman of the Board and an executive Director. Mr. Ding joined the Parent Group in August 1984 and has held the positions of deputy director and project manager of the scientific research division of CSR ZELRI from 1999 to 2000, and deputy director, deputy chief engineer and chief engineer of CSR ZELRI between 2000 and 2005. Mr. Ding graduated from Southwest Jiaotong University with a bachelor degree in Electric Locomotive in 1984 and from Changsha Railway Institute with a master degree in Traffic Information and Control in 1998. He later graduated from Hunan University with a master degree in Management Science and Engineering in 1999 and later graduated from Central South University with a doctor degree in Intelligent Control and Pattern Recognition in 2008. Mr. Ding served as the president of the Company from September 2005 to December 2007, and then joined CSR ZELRI as the secretary of the Party and deputy director in December 2007. He had been the secretary of the Party and vice general manager of CSR ZELRI from January 2008 to December 2008, general manager and vice secretary of the Party of CSR ZELRI from December 2008 to July 2009. He has been an executive director, general manager and vice secretary of the Party of CSR ZELRI since July 2009. Mr. Ding has been a director of Times New Materials since December 2008. Mr. Ding has been an executive Director of the Company since September 2005, and has been the Chairman of the Board since December 2007.

Mr. Ding has entered into a service contract with the Company for a term of three years commencing from December 2006. He retired and was re-elected as an executive Director for a term of three years commencing from 27 June 2008 by the Shareholders at the annual general meeting on 27 June 2008. Mr. Ding will retire and offer for re-election at 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 giving three months' prior written notice. Mr. Ding has waived his entitlement to receive a director's fee as an executive Director from the Company since 2011.

2. Deng Huijin

Deng Huijin, aged 54, 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 until the conclusion of the annual general meeting held on 18 June 2010. He retired and was re-elected as a non-executive Director for a term ending on the conclusion of the AGM by the Shareholders at the annual general meeting on 18 June 2010. Mr. Deng will retire and offer for re-election at 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 giving three months' prior written notice. Mr. Deng has waived his entitlement to receive a director's fee as a non-executive Director from the Company since 2011.

3. Li Donglin

Li Donglin, aged 44, an executive Director and the general manager. Mr. Li is the executive Director of Times Electronics, Ningbo Times, Times Equipment, Times Information, Shenyang Times, Hangzhou Electric and Kunming Electric. He is the Chairman of the Board of Baoji Times and a Director of Dynex. Mr. Li joined CSR ZELRI in July 1989 and has held the positions of 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 Drive Control in 1989. Mr. Li had 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 in April 2010.

Mr. Li has entered into a service contract with the Company for a term commencing from 17 April 2010 until the conclusion of the annual general meeting held on 18 June 2010. He retired and was re-elected as an executive Director for a term ending on the conclusion of the AGM by the Shareholders at the annual general meeting on 18 June 2010. Mr. Li will retire and offer for re-election at 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. Mr. Li has waived his entitlement to receive a director's fee as an executive Director from the Company since 2011, and his remuneration as the Company's general manager will be determined by the Board on the basis of his experience, level of responsibilities within the Group, the Company's performance, as well as remuneration benchmark in the industry and the market situation.

4. Yan Wu

Yan Wu, aged 44, a non-executive Director and secretary of the Board. Mr. Yan is a senior engineer. Mr. Yan joined CSR ZELRI in 1992. Mr. Yan graduated from Northwestern Polytechnical University with a bachelor degree in Electro-Technology in 1989 and a master degree in Aircraft Navigation and Control in 1992. Mr. Yan served as head of technical standards department of the Company from September 2005 to December 2007, and was appointed as head of the investor relations

department of the Company in January 2007. Mr. Yan was appointed as the general secretary of the National Electric Traction Equipment and System Standardization Technical Committee since September 2005. Mr. Yan was appointed as the secretary to the Board of the Company in December 2007 and as a non-executive Director in December 2010.

Mr. Yan has entered into a non-executive Director service contract with the Company for a term commencing from 28 December 2010 and ending on the conclusion of the AGM. Mr. Yan will retire and offer for re-election at 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 giving three months' prior written notice. Since 2011, Mr. Yan has waived his entitlement to receive a director's fee as a non-executive Director from the Company. However, Mr. Yan is entitled to receive remuneration for his roles as a member of the senior management of the Group, which will be determined by the Board of the Company on the basis of his experience, level of responsibilities within the Group, the Company's performance, as well as remuneration benchmark in the industry and the market situation.

5. Ma Yunkun

Ma Yunkun, aged 57, a non-executive Director. Mr. Ma has more than 10 years of experience in business management and was the chairman of the board of directors and general manager of Kunming China Railway from 2004 to December 2009 and has been the chairman of the board and secretary to the Party committee of Kunming China Railway from January 2010. Mr. Ma held the positions of deputy director of Kunming Machine Factory from 1994 to 2003 and the director and general manager of Kunming China Railway from 2003 to 2004. Mr. Ma was appointed as a non-executive Director of the Company in September 2005.

Mr. Ma has entered into a service contract with the Company for a term of three years commencing from December 2006. He retired and was re-elected as a non-executive Director for a term of three years commencing from 27 June 2008 by the Shareholders at the annual general meeting on 27 June 2008. Mr. Ma will retire and offer for re-election at 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 giving three months' prior written notice. He is entitled to receive a director's fee as a non-executive Director which is determined on the basis of his experience, level of responsibilities within the Group, the Company's performance, as well as remuneration benchmark in the industry and the market situation. His annual director's fee will be approximately RMB60,000, which is subject to revision by the Shareholders in general meeting.

6. Gao Yucai

Gao Yucai, aged 70, an independent non-executive Director. Mr. Gao is a senior engineer and has more than 20 years of experience in the urban rail transportation industry. Mr. Gao was deputy director of the Beijing Public Utility Bureau from 1983 to 1990 and general manager of Beijing Metro Corporation from 1990 to 2001. Mr. Gao is a commissioner of the China Communication and

Transportation Association (“CCTA”) and deputy director of the urban rail transportation committee of CCTA. Mr. Gao graduated from the PLA Engineering Academy (one of the predecessors of PLA University of Science and Technology) in 1966. Mr. Gao was appointed as an independent non-executive Director of the Company in November 2006.

Mr. Gao has entered into a service contract with the Company commencing from December 2006 until the conclusion of the annual general meeting held on 27 June 2008. He retired and was re-elected as an independent non-executive Director for a term of three years commencing from 27 June 2008 by the Shareholders at the annual general meeting on 27 June 2008. Mr. Gao will retire and offer for re-election at the AGM. Upon his re-election as an independent 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 giving three months’ prior written notice. He is entitled to receive a director’s fee as an independent non-executive Director which is determined on the basis of his experience, level of responsibilities within the Group, the Company’s performance, as well as remuneration benchmark in the industry and the market situation. His annual director’s fee will be approximately RMB71,000, which is subject to revision by the Shareholders in general meeting.

7. Chan Kam Wing, Clement

Chan Kam Wing, Clement, aged 53, an independent non-executive Director. Mr. Chan is a certified public accountant in Hong Kong, a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Chan possesses the appropriate financial management expertise as required by the Listing Rules. Mr. Chan has been the Managing Partner of BDO Limited since May 2009. Mr. Chan was the Asia Pacific regional director and the Board member of Horwath International from 1996 to April 2009, during which Mr. Chan was the Managing Director of Horwath Hong Kong CPA Limited. Mr. Chan was elected as a council member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”) since 2007 and is actively involved in the work and matters of the technical and industry monitoring committees of HKICPA. Since January 2010, Mr. Chan has been appointed as the chairman of the Financial Reporting Standards Committee of the HKICPA and is responsible for the research, editing and promulgation of the Hong Kong Financial Reporting Standards. Mr. Chan is also the vice-chairman of the Registration and Practising Committee of the HKICPA. Mr. Chan obtained a bachelor degree in Accounting and a master degree in Commerce from the United Kingdom and Australia, respectively. Mr. Chan has been an independent non-executive Director of the Company since September 2005.

Mr. Chan has entered into a service contract with the Company commencing from December 2006 until the conclusion of the annual general meeting held on 27 June 2008. He retired and was re-elected as an independent non-executive Director for a term of three years commencing from 27 June 2008 by the Shareholders at the annual general meeting on 27 June 2008. Mr. Chan will retire and offer for re-election at the AGM. Upon his re-election as an independent 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 giving three months’ prior written notice. He is entitled to receive a director’s fee as an independent

non-executive Director which is determined on the basis of his experience, level of responsibilities within the Group, the Company's performance, as well as remuneration benchmark in the industry and the market situation. His annual director's fee will be approximately RMB214,000, which is subject to revision by the Shareholders in general meeting.

8. Pao Ping Wing

Pao Ping Wing, aged 64, an independent non-executive Director. Mr. Pao was a fellow of the Hong Kong Institute of Directors. Mr. Pao is an independent non-executive director of Oriental Press Group Limited, UDL Holdings Limited, Sing Lee Software (Group) Limited, Maoye International Holdings Limited, Hembly International Holdings Limited, and Soundwill Holdings Limited. Mr. Pao was appointed as a Justice of Peace since 1987. Mr. Pao was appointed by The Government of the Hong Kong Special Administrative Region as a member of the Town Planning Board, the Advisory Council on the Environment, the Hong Kong Housing Authority and the Land Development Corporation. Mr. Pao obtained a master degree in Science of Human Settlement Planning and Development. Mr. Pao was appointed as an independent non-executive Director of the Company in September 2005.

Mr. Pao has entered into a service contract with the Company commencing from December 2006 until the conclusion of the annual general meeting held on 27 June 2008. He retired and was re-elected as an independent non-executive Director for a term of three years commencing from 27 June 2008 by the Shareholders at the annual general meeting on 27 June 2008. Mr. Pao will retire and offer for re-election at the AGM. Upon his re-election as an independent 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 giving three months' prior written notice. He is entitled to receive a director's fee as an independent non-executive Director which is determined on the basis of his experience, level of responsibilities within the Group, the Company's performance, as well as remuneration benchmark in the industry and the market situation. His annual director's fee will be approximately RMB214,000, which is subject to revision by the Shareholders in general meeting.

9. Liu Chunru

Liu Chunru, aged 40, an independent non-executive Director. Ms. Liu is a certified asset valuer. Ms. Liu was the vice president of Beijing China Enterprise Appraisal Co., Ltd. and had been a deputy general manager of Zhongfa International Appraisal Co., Ltd. from 2003 to March 2008. She has been general manager of Zhongfa International Appraisal Co., Ltd. since March 2008. Ms. Liu graduated from Chongqing University with a bachelor degree in Engineering in 1994 and graduated from Tsinghua University with a master degree in Business Administration in 2008. Ms. Liu was a supervisor of the Company from September 2005 to April 2008. Ms. Liu was appointed as an independent non-executive Director of the Company in June 2008.

Ms. Liu has entered into a service contract with the Company commencing from 27 June 2008 until the conclusion of the AGM. Ms. Liu will retire and offer for re-election at the AGM. Upon her re-election as an independent 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 giving three months' prior written notice. She is entitled to receive a director's fee as an independent non-executive Director which is determined on the basis of his experience, level of responsibilities within the Group, the Company's performance, as well as remuneration benchmark in the industry and the market situation. Her annual director's fee will be approximately RMB71,000, which is subject to revision by the Shareholders in general meeting.

SUPERVISORS PROPOSED FOR ELECTION OR RE-ELECTION

1. He Wencheng

He Wencheng, aged 53, a Supervisor and the Chairman of the Supervisory Committee. Mr. He is a senior accountant. Mr. He joined the Parent Group in September 2009 as the vice general manager and chief financial officer. He held various positions as accountant, deputy manager of the financial asset 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 Ldomotive Co., Ltd from January 2008 to September 2009. Mr. He studied at East China Jiaotong University from August 1983 to July 1985. Mr. He has been a supervisor of the Company since June 2010.

Mr. He has entered into a service contract with the Company for a term commencing from 18 June 2010 until the conclusion of the AGM. Mr. He will retire and offer for re-election at the AGM. Upon his re-election as a shareholders' representative Supervisor 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 giving three months' prior written notice. Mr. He has waived his entitlement to receive a Supervisor's fee as a Supervisor from the Company since 2011.

2. Geng Jianxin

Geng Jianxin, aged 57, has been a teacher at the Department of Accounting of the Renmin University of China since 1993 and now a professor and a doctoral supervisor thereof. Mr. Geng graduated from Zhejiang Metallurgy and Economics College, majoring in accountancy in 1981. He worked as an assistant accountant for a geophysics exploration company of the Ministry of Metallurgical Industry from 1981 to 1984 and for the Taxation Bureau of Baoding, Hebei from 1984 to 1985. He obtained his master degree in economics from Zhongnan University of Law and Economics in 1988 and worked as a lecturer and assistant professor at Hebei university of Economics and Business from 1988 to 1990. He obtained his doctorate degree in administration from the Department of Accounting of the Renmin University of China in 1993.

Upon elected as an independent Supervisor at the AGM, Mr. Geng 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 which shall continue until determined by either party giving three months' prior written notice. The proposed annual fee for his appointment as an independent Supervisor will be approximately RMB71,000, which is determined on the basis of his experience, level of responsibilities within the Group, the Company's performance, as well as remuneration benchmark in the industry and the market situation and subject to revision by the Shareholders in general meeting.

RELATIONSHIPS AND INTERESTS IN SHARES

Save as disclosed herein, each of Mr. Ding, Mr. Deng, Mr. Li, Mr. Yan, Mr. Ma, Mr. Gao, Mr. Chan, Mr. Pao, Ms. Liu, Mr. He and Mr. Geng has no relationship with any other Directors, senior management or substantial or controlling shareholders 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. Ding, Mr. Deng, Mr. Li, Mr. Yan, Mr. Ma, Mr. Gao, Mr. Chan, Mr. Pao, Ms. Liu, Mr. He and Mr. Geng has not held any directorships at present or 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. Ding, Mr. Deng, Mr. Li, Mr. Yan, Mr. Ma, Mr. Gao, Mr. Chan, Mr. Pao, Ms. Liu, Mr. He and Mr. Geng does not have any interest in the Shares 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 re-election of Mr. Ding and Mr. Li as executive Directors, Mr. Deng, Mr. Yan and Mr. Ma as non-executive Directors and Mr. Gao, Mr. Chan, Mr. Pao and Ms. Liu as independent non-executive Directors, the proposed re-election of Mr. He as a shareholders' representative Supervisor and the proposed election of Mr. Geng as an independent 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) (h) to (v) of the Listing Rules.



中国南车

株洲南车时代电气股份有限公司**ZHUZHOU CSR TIMES ELECTRIC CO., LTD.***(a joint stock company incorporated in the People's Republic of China with limited liability)***(Stock Code: 3898)****NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2010**

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of Zhuzhou CSR Times Electric Co., Ltd. (the “**Company**”) for the year 2010 will be held at Qingdao Kilin Crown Hotel, Qingdao, the People’s Republic of China (the “**PRC**”), on Friday, 10 June 2011 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 2010.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2010.
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2010 and the auditors’ report thereon.
4. To consider and approve the profits distribution plan of the Company for the year ended 31 December 2010 and to declare a final dividend for the year ended 31 December 2010.
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. Ding Rongjun 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 re-election of Mr. Li Donglin as an executive Director and his emolument.
9. To consider and approve the re-election of Mr. Yan Wu as a non-executive Director and his emolument.
10. To consider and approve the re-election of Mr. Ma Yunkun as a non-executive Director and his emolument.

11. To consider and approve the re-election of Mr. Gao Yucai as an independent non-executive Director and his emolument.
12. To consider and approve the re-election of Mr. Chan Kam Wing, Clement as an independent non-executive Director and his emolument.
13. To consider and approve the re-election of Mr. Pao Ping Wing as an independent non-executive Director and his emolument.
14. To consider and approve the re-election of Ms. Liu Chunru as an independent non-executive Director and her emolument.
15. To consider and approve the re-election of Mr. He Wencheng as a shareholders' representative supervisor of the Company and his emolument.
16. To consider and approve the election of Mr. Geng Jianxin as an independent supervisor of the Company and his emolument.

As Special Resolutions

17. 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
- (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, 18 April 2011

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, 11 May 2011 to Friday, 10 June 2011, 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

APPENDIX II NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2010

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 Monday, 9 May 2011.

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 Monday, 9 May 2011 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.
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, 20 May 2011.
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 vice chairman of the Board and non-executive director is Deng Huijin, our other executive director is Li Donglin, our non-executive directors are Yan Wu 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.