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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)**

## **ANNOUNCEMENT ISSUE OF SHORT-TERM DEBENTURES**

This announcement is made by Zhuzhou CSR Times Electric Co., Ltd. (the **“Company”**).

Reference is made to the announcement of the Company dated 9 June 2011 (the **“Announcement”**).

The board of directors of the Company (the **“Board”**) is pleased to announce that the Company completed the issue of the second tranche of short-term debentures in the principal amount of RMB500 million for 2011 (the **“Debentures”**) on 16 June 2011. Shanghai Pudong Development Bank Co., Ltd. acts as the lead underwriter to form an underwriting syndicate for the Debentures. The issue size of the Debenture is RMB 500 million with a maturity period of 366 days and a unit face value of RMB100. Both the par value and the issue price of the Debentures are RMB100 per unit. The issue date of the Debentures was 14 June 2011 and the registration date of the Debentures was 16 June 2011. The Company wishes to clarify that fixed interest rate of 4.77% was determined based on market prices on the issue date (instead of at the close of the offer period on 20 June 2011 as stated in the Announcement). The principal will be repaid together with interests on the maturity date.

The Company intends to apply the net proceeds of the issue of the Debentures to supplement the working capital needs of its major production and business operation activities.

Details of the announcement relating to the completion of the issue of the Debentures will be posted on the websites of China Money (<http://www.chinamoney.com.cn>) and China Bond (<http://www.chinabond.com.cn>) on 17 June 2011.

The issue of the Debentures does not constitute any transaction under Chapter 14 and Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By order of the Board

**Ding Rongjun**

*Chairman*

Zhuzhou, China, 17 June 2011

*As at the date of this announcement, our chairman of the Board and executive Director is Ding Rongjun, our vice chairman of the Board and non-executive directors is Deng Huijin, our other executive Director is Li Donglin, our other 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 and Liu Chunru.*