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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)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the profit of the Group for the three months to be ended 31 March 2013 is expected to record a substantial decrease as compared to that for the same period in 2012.

The information contained in this announcement is only based on the Board's preliminary review of the Unaudited Accounts which have not been audited by the Company's auditors and may be subject to adjustment as necessary.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

This announcement is made by Zhuzhou CSR Times Electric Co., Ltd. (the "**Company**", together with its subsidiaries shall be referred to as the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**").

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company and potential investors that, based on the Board's preliminary review of the unaudited consolidated management accounts of the Group for the period commenced from 1 January 2013 up to and including 27 March 2013 (the "**Unaudited Accounts**"), the profit of the Group for the three months to be ended 31 March 2013 is expected to record a substantial decrease as compared to that for the same period in 2012.

Based on the information available to the Company immediately preceding the release of this announcement, such decrease in profit is mainly attributable to the transition of the Chinese government leadership and railway marketization.

The information contained in this announcement is only based on the preliminary review of the Unaudited Accounts by the Board and not on any data or information reviewed or audited by the Company's auditors and may be subject to adjustments as necessary. Shareholders of the Company and potential investors are advised to read carefully the quarterly results of the Group for the three months ended 31 March 2013 which is expected to be published in mid-April 2013.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Ding Rongjun
Chairman

Changsha, China, 28 March 2013

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 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 and Liu Chunru.