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 **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 People’s Republic of China with limited liability)
(Stock Code: 3898)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 26 November 2007, the Company entered into a Sales Contract with CSR Sifang under which the Company agreed to supply certain train-borne electrical systems in connection with the 200km/h - 250km/h EMUs project to CSR Sifang for a consideration of RMB596,635,460.

Save as disclosed herein, the Board is not aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The board of directors (“**Board**”) of Zhuzhou CSR Times Electric Co., Ltd. (“**Company**”) is pleased to announce that, on 26 November 2007 the Company entered into a sales contract (“**Sales Contract**”) with 南方四方機車車輛股份有限公司 (CSR Sifang Locomotive Joint Stock Company Limited) (“**CSR Sifang**”) under which the Company agreed to supply to CSR Sifang certain train-borne electrical systems (including power converters, auxiliary converters, ventilation systems and train information systems) (“**200-250EMUs Products**”) in connection with the 200km/h - 250km/h electric multiple units (“**EMUs**”) project for a consideration of RMB596,635,460. Pursuant to the Sales Contract, the Company committed to supply the 200-250EMUs Products to CSR Sifang according to as agreed schedule (“**Supply Schedule**”) commencing in the first term of the year 2008 and ending in the first term of the year 2009.

The Company entered into a mutual supply agreement with 中國南方機車車輛工業集團有限公司 (China Southern Locomotive & Rolling Stock Industry (Group) Corporation) (“**CSR**”) on 4 December 2006 (“**Mutual Supply Agreement**”), under which the Company agreed to supply and procure its subsidiaries to supply to CSR and its subsidiaries train-borne electrical systems and electrical components, whereas

CSR agreed to supply and procure its subsidiaries to supply to the Company and its subsidiaries (“**Group**”) certain parts and components for the Group’s production of train-borne electrical systems for a term commencing on 20 December 2006, the date of the Company’s listing of its shares on the Main Board of the Stock Exchange, and ending on 31 December 2008.

CSR Sifang is a 90.04% owned subsidiary of CSR, the controlling shareholder of 中國南車集團株洲電力機車研究所 (CSR Zhuzhou Electric Locomotive Research Institute) (“**Parent Company**”, a promoter and the controlling shareholder of the Company, holding approximately 54.38% of the registered share capital of the Company). CSR Sifang is therefore a connected person of the Company under the Listing Rules. The Sales Contract, forming part of the Mutual Supply Agreement, constitutes a continuing connected transaction for the Company under the Listing Rules.

Pursuant to Rule 14A.42(3) of the Listing Rules, the Company applied for, and the Stock Exchange granted, a waiver (“**Waiver**”) from strict compliance with the announcement and the independent shareholders’ approval requirement under the Listing Rules in respect of the Mutual Supply Agreement. Pursuant to the Waiver, the annual value of products to be supplied by the Group to the CSR Group (excluding the Parent Company and its subsidiaries) shall not exceed RMB806.1 million (“**2008 Annual Cap**”) for the financial year ending 31 December 2008. The 2008 Annual Cap was determined with reference to, among others, the Group’s supply of train-borne electrical systems in connection with the 300km/h EMUs project (“**300EMUs Products**”) to CSR Sifang in an anticipated amount of RMB528.3 million for the financial year ending 31 December 2008. According to the Supply Schedule under the Sales Contract, the supply of a portion of the 300EMUs Products shall be postponed from the financial year ending 31 December 2008 to that ending 31 December 2009. Therefore, the sum of the annual value of the 200-250EMUs Products and the 300EMUs Products will not exceed the 2008 Annual Cap notwithstanding the entering into of the Sales Contract.

Save as disclosed herein, the Board is not aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

By order of the Board
Liao Bin
Chairman

Zhuzhou, 26 November 2007

As at the date of this announcement, our chairman of the Board and non-executive director is Liao Bin, our executive directors are Ding Rongjun and Lu Penghu, our other non-executive directors are Tian Lei and Ma Yunkun, and our independent non-executive directors are Zhou Heliang, Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing and Tan Xiao’ao.