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

(Stock Code: 3898)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of Zhuzhou CSR Times Electric Co., Ltd. (the “**Company**”) dated 31 March 2008 relating to the non-binding letter of intent the Company entered into with Dynex Power Inc. (“**Dynex**”) on 28 March 2008.

The board of directors (the “**Board**”) of the Company is aware that a typographical error was made in the fourth paragraph of page 2 of the English version of the Announcement regarding the binding exclusivity period. The Board would like to clarify that the binding exclusivity period is for a period of 100 days from the date a letter of credit for the Dynex Break Fee (as defined in the Announcement) is opened.

Save for the above correction, the contents of the Announcement remain the same.

By order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 1 April 2008

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 Liao Bin, Song Yali 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.