
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

(Stock Code: 3898)

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting for the year 2008 of Zhuzhou CSR Times Electric Co., Ltd. is set out on pages 6 to 9 of 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 Wednesday, 3 June 2009.

30 April 2009

CONTENTS

	<i>Page</i>
Contents	i
Definitions	1
Letter from the Board	2
Appendix — Notice of Annual General Meeting for the Year 2008	6

DEFINITIONS

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

“AGM”	the annual general meeting for the year 2008 of the Company to be held on Tuesday, 23 June 2009
“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
“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
“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
“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

LETTER FROM THE BOARD



(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. Lu Penghu

Non-executive Directors:

Mr. Song Yali
Mr. Liao Bin
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

30 April 2009

To the Shareholders

Dear Sir/Madam,

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
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 reasonably necessary to enable you to make an informed decision on whether to vote for or against the special resolutions for the amendments to the Articles and the granting of the Issue Mandate which will be proposed, among other resolutions, at the AGM to be held on Tuesday, 23 June 2009.

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE ARTICLES

To reflect the change of corporate name of a promoter of the Company, the Board proposes to amend the Articles in the following manner:

- (a) Delete the entirety of the particulars of promoter 4 in the third paragraph of Article 1 which provides that:

“Promotor 4: 新力搏交通裝備投資租賃有限公司
New Leap Transportation Equipment Investment & Leasing Co., Ltd.”

and replace it with the following:

“Promotor 4: 南車投資租賃有限公司
CSR Investment & Leasing Co., Ltd.”;

- (b) Delete the corporate name of “新力搏交通裝備投資租賃有限公司 New Leap Transportation Equipment Investment & Leasing Co., Ltd.” as it appeared in the second paragraph of Article 19 which provides that:

“The share capital structure of the Company is as follows: The Company has issued a total of 1,084,255,637 ordinary shares. Of which, 589,585,699 shares or 54.377% thereof are held by 南車株洲電力機車研究所有限公司 CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd., a promoter; 10,000,000 shares or 0.922% thereof are held by 南車株洲電力機車有限公司 CSR Zhuzhou Electric Locomotive Co., Ltd., a promoter; 9,380,769 shares or 0.865% thereof are held by 中國南車集團戚墅堰機車車輛廠 CSR Qishuyan Locomotive & Rolling Stock Works, a promoter; 9,380,769 shares or 0.865% thereof are held by 新力搏交通裝備投資租賃有限公司 New Leap Transportation Equipment Investment & Leasing Co., Ltd., a promoter; 9,800,000 shares or 0.904% thereof are held by 昆明中鐵大型養路機械集團有限公司 Kunming China Railway Large Road Maintenance Machinery Co. Ltd.; and 456,108,400 shares or 42.067% thereof are held by shareholders of overseas listed foreign shares.”

and replace it with “南車投資租賃有限公司 CSR Investment & Leasing Co., Ltd.” in the following new second paragraph:

“The share capital structure of the Company is as follows: The Company has issued a total of 1,084,255,637 ordinary shares. Of which, 589,585,699 shares or 54.377% thereof are held by 南車株洲電力機車研究所有限公司 CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd., a promoter; 10,000,000 shares or 0.922% thereof are held by 南車株洲電力機車有限公司 CSR Zhuzhou Electric Locomotive Co., Ltd., a promoter; 9,380,769 shares or 0.865% thereof are held by 中國南車集團戚墅堰機車車輛廠 CSR Qishuyan Locomotive & Rolling Stock Works, a promoter; 9,380,769 shares or 0.865% thereof are held by 南車投資租賃有限公司 CSR Investment & Leasing Co., Ltd., a

LETTER FROM THE BOARD

promoter; 9,800,000 shares or 0.904% thereof are held by 昆明中鉄大型養路機械集團有限公司 Kunming China Railway Large Road Maintenance Machinery Co. Ltd.; and 456,108,400 shares or 42.067% thereof are held by shareholders of overseas listed foreign shares.”

GENERAL MANDATE TO ISSUE SHARES

In order to ensure flexibility and discretion for the Board to issue new Shares, the Board will seek approval from the Shareholders at the AGM, by way of a special resolution, for the grant of 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 such resolution, subject to the conditions as set out in the notice of AGM provided in the Appendix 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 Rules Governing the Listing of Securities on the Stock Exchange and all other applicable laws, rules, regulations and requirements of relevant governmental or regulatory authorities.

The Board has no present plan to cause the Company to issue any new Shares under the Issue Mandate if the Issue Mandate is approved by the Shareholders. However, the Board believes that it is in the best interests of the Company and the Shareholders as a whole for the Board to have a general authority from the Shareholders to enable the Board to issue new Shares.

THE AGM

The votes at the AGM will be taken by poll.

Notice of the AGM to be held at Times Hotel, Zhuzhou City, Hunan Province, the PRC, on Tuesday, 23 June 2009 at 9:00 a.m. is set out in the Appendix to this circular.

The register of members of the Company will be closed from Monday, 25 May 2009 to Tuesday, 23 June 2009, 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 Friday, 22 May 2009.

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

LETTER FROM THE BOARD

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 Wednesday, 3 June 2009.

RECOMMENDATION

The Board considers that the proposed amendments to the Articles and the granting 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



(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 2008

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Zhuzhou CSR Times Electric Co., Ltd. (the “**Company**”) for the year 2008 will be held at Times Hotel, Zhuzhou City, Hunan Province, the People’s Republic of China (the “**PRC**”), on Tuesday, 23 June 2009 at 9:00 a.m. for the following purposes:

As Ordinary Resolutions

1. To consider and approve the report of the board of directors of the Company (“the **Board**”) for the year ended 31 December 2008.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2008.
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2008 and the auditors’ report thereon.
4. To consider and approve the profits distribution plan of the Company for the year ended 31 December 2008 and to declare a final dividend for the year ended 31 December 2008.
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 amendments to the Procedural Rules of the Board.

As Special Resolutions

7. To consider and, if thought fit, approve with or without modifications, the following amendments to the Articles of Association of the Company (the “**Articles**”):
 - (a) Delete the entirety of the particulars of promoter 4 in the third paragraph of Article 1 and replace it with the following:

“Promotor 4: 南車投資租賃有限公司
CSR Investment & Leasing Co., Ltd.”

- (b) Delete the corporate name of “新力搏交通裝備投資租賃有限公司 New Leap Transportation Equipment Investment & Leasing Co., Ltd.” as it appeared in the second paragraph of Article 19 and replace it with “南車投資租賃有限公司 CSR Investment & Leasing Co., Ltd.”.
8. 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

APPENDIX NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2008

- (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, 30 April 2009

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 Monday, 25 May 2009 to Tuesday, 23 June 2009, 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 or, for holders of domestic shares, the registered office address of the Company, no later than 4:30 p.m. on Friday, 22 May 2009.
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 Friday, 22 May 2009 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.

APPENDIX NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2008

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 Wednesday, 3 June 2009.

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: 86 733 849 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 other executive Director is Lu Penghu, our non-executive Directors are Song Yali, Liao Bin 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.