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 OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

The board of directors (the "Board") of Zhuzhou CSR Times Electric Co., Ltd. (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009, together with the comparative figures in 2008, set out (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi) as follows:-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
REVENUE	4	**3,325,593**	2,119,323
Cost of sales		**(2,118,287)**	(1,332,142)
Gross profit		**1,207,306**	787,181
Other income and gains	4	**88,678**	119,432
Selling and distribution costs		**(203,353)**	(127,541)
Administrative expenses		**(463,594)**	(284,411)
Other expenses		**(12,469)**	(4,895)
PROFIT FROM OPERATIONS		**616,568**	489,766
Finance costs	6	**(8,013)**	(959)
Share of profits and losses of:			
A jointly-controlled entity		**15,767**	8,309
Associates		**(97)**	(274)
PROFIT BEFORE TAX	5	**624,225**	496,842
Income tax expense	7	**(89,836)**	(73,505)
PROFIT FOR THE YEAR		**534,389**	423,337
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		**10,648**	(16,289)
Income tax effect		**—**	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**10,648**	(16,289)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**545,037**	407,048

	Notes	**2009** *RMB'000*	2008 *RMB'000*
Profit attributable to:			
Owners of the parent		**530,881**	422,300
Minority interests		**3,508**	1,037
		534,389	423,337
Total comprehensive income attributable to:			
Owners of the parent		**539,579**	408,396
Minority interests		**5,458**	(1,348)
		545,037	407,048
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
- Basic and diluted		**RMB0.49**	RMB0.39

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,312,741**	933,250
Prepaid land lease payments		**102,490**	73,937
Goodwill		**52,874**	47,743
Other intangible assets		**94,670**	87,557
Interest in a jointly-controlled entity		**97,091**	81,325
Interests in associates		**19,793**	18,906
Available-for-sale investments		**400**	400
Deferred tax assets		**20,828**	12,630
Total non-current assets		**1,700,887**	1,255,748
CURRENT ASSETS			
Inventories		**888,925**	523,293
Trade receivables	10	**742,255**	711,544
Bills receivable		**691,190**	327,937
Prepayments, deposits and other receivables		**210,081**	450,516
Financial assets at fair value through profit or loss		**—**	100,000
Pledged deposits		**28,811**	3,362
Cash and cash equivalents		**1,138,562**	796,722
Total current assets		**3,699,824**	2,913,374
CURRENT LIABILITIES			
Trade payables	11	**718,381**	370,358
Bills payable		**162,780**	46,234
Other payables and accruals		**322,278**	193,927
Provision for warranties		**93,360**	51,573
Interest-bearing bank and other borrowings		**120,800**	20,703
Government grants		**4,656**	6,916
Tax payable		**48,304**	12,130
Total current liabilities		**1,470,559**	701,841
NET CURRENT ASSETS		**2,229,265**	2,211,533
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,930,152**	3,467,281

	Notes	**2009**	2008
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**3,330**	3,736
Government grants		**37,242**	27,000
Deferred tax liabilities		**10,961**	8,876
Total non-current liabilities		**51,533**	39,612
NET ASSETS		**3,878,619**	3,427,669
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**1,084,256**	1,084,256
Reserves		**2,484,757**	2,156,805
Proposed final dividend	8	**211,430**	168,060
		3,780,443	3,409,121
Minority interests		**98,176**	18,548
TOTAL EQUITY		**3,878,619**	3,427,669

Notes:

1. CORPORATE INFORMATION

The Company was established in the People's Republic of China (the "PRC") on 26 September 2005 as a joint stock company with limited liability under the Company Law of the PRC.

The registered office of the Company is located at Times Road, Shifeng District, Zhuzhou City, Hunan Province, PRC.

The Company and its subsidiaries are principally engaged in the sale and manufacture of train-borne electrical systems and electrical components.

In the opinion of the directors, the holding company of the Group is CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd. ("ZELRI") and the ultimate holding company of the Group is China South Locomotive & Rolling Stock Industry (Group) Corporation ("CSRG"), which were established in the PRC.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board and International Accounting Standards ("IAS") and Standing Interpretations Committee interpretations ("IFRICs") approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance (the "Companies Ordinance"). They have been prepared under the historical cost convention, except for certain financial assets as further explained in notes to the financial statements.

The Company was established in September 2005 as part of the restructuring of ZELRI (the "Reorganisation") and pursuant to the Reorganisation, ZELRI transferred its assets, liabilities and businesses relating to the manufacture and sale of train-borne electrical systems and electrical components (the "Relevant Businesses") to the Company as a capital contribution, and the Company issued certain shares to ZELRI credited as fully paid as consideration.

As ZELRI controlled the Relevant Businesses before the Reorganisation and continues to have control over the Company and its subsidiaries (collectively the "Group") after the Reorganisation, the Reorganisation has been accounted for as a reorganisation of entities under common control in a manner similar to pooling of interests. As a result, the Group's financial statements have been prepared on the basis as if the Relevant Businesses had been transferred to the Company by ZELRI from the earliest date presented or since the date when the Relevant Businesses first came under common control. Accordingly, the assets and liabilities comprising the Relevant Businesses transferred to the Company and carried forward to the years ended 31 December 2008 and 2009 have been stated at historical amounts in the Company's and the Group's financial statements.

These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2009. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which the Group had control. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

Except for reorganisation under common control which has been accounted for as a combination of business under common control in a manner similar to a pooling of interests, the acquisition of subsidiaries has been accounted for using the purchase method of accounting.

The pooling-of-interests method of accounting involves incorporating the financial statement items of the combining entities or business in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

The purchase method of accounting involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries. An acquisition of minority interests is accounted for using the parent entity extension method whereby the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies, the adoption of these new and revised IFRSs has had no significant effect on these financial statements.

IFRS 1 and IAS 27 Amendments	Amendments to IFRS 1 *First-time Adoption of IFRSs* and IAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
IFRS 8	*Operating Segments*
IAS 1 (Revised)	*Presentation of Financial Statements*
IAS 18 Amendment*	Amendment to Appendix to IAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*
IAS 23 (Revised)	*Borrowing Costs*

IAS 32 and IAS 1 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
IFRIC 9 and IAS 39 Amendments	Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
IFRIC 13	*Customer Loyalty Programmes*
IFRIC 15	*Agreements for the Construction of Real Estate*
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*
IFRIC 18	*Transfers of Assets from Customers* (adopted from 1 July 2009)
Improvements to IFRSs (May 2008)	Amendments to a number of IFRSs

* Included in *Improvements to IFRSs 2009* (as issued in April 2009).

The principal effects of adopting these new and revised IFRSs are as follows:

(a) Amendments to IFRS 1 *First-time Adoption of IFRSs* and IAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

The IAS 27 Amendment requires all dividends from subsidiaries, associates or jointly-controlled entities to be recognised in the profit or loss in the parent's separate financial statements. The distinction between pre and post acquisition profits is no longer required. However, the payment of such dividends requires the Company to consider whether there is an indicator of impairment. The amendment is applied prospectively. IAS 27 has also been amended to deal with the measurement of the cost of investments where a parent reorganises the structure of its group by establishing a new entity as its parent. As the Group is not a first-time adopter of IFRSs, the IFRS 1 Amendment is not applicable to the Group.

(b) Amendments to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*

The IFRS 2 Amendments clarify that vesting conditions are service conditions and performance conditions only. Any other conditions are non-vesting conditions. Where an award does not vest as a result of a failure to meet a vesting or non-vesting condition that is within the control of either the entity or the counterparty, this is accounted for as a cancellation. The adoption of this amendments did not have any impact on the financial position or result of operations of the Group.

(c) Amendments to IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The IFRS 7 Amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures and the revised liquidity risk disclosures are not significantly impacted by the amendments.

(d) IFRS 8 *Operating Segments*

IFRS 8, which replaces IAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segment determined in accordance with IFRS 8 are the same as the business segment previously identified under IAS 14.

(e) IAS 1 (Revised) *Presentation of Financial Statements*

IAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present one single statement.

(f) Amendment to Appendix to IAS 18 *Revenue – Determining whether an entity is acting as a principal or as an agent*

Guidance has been added to the appendix (which accompanies the standard) to determine whether the Group is acting as a principal or as an agent. The features to consider are whether the Group (i) has the primary responsibility for providing the goods or services, (ii) has inventory risk, (iii) has the discretion to establish prices and (iv) bears credit risk. The Group has assessed its revenue arrangements against these criteria and concluded that it is acting as a principal in all arrangements. The amendment has had no impact on the financial position or results of operations of the Group.

(g) IAS 23 (Revised) *Borrowing Costs*

IAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard has had no impact on the financial position or results of operations of the Group.

(h) Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*

The IAS 32 Amendments provide a limited scope exception for puttable financial instruments and instruments that impose specified obligations arising on liquidation to be classified as equity if they fulfil a number of specified features. The IAS 1 Amendments require disclosure of certain information relating to these puttable financial instruments and obligations classified as equity. As the Group currently has no such financial instruments or obligations, the amendments have had no impact on the financial position or results of operations of the Group.

(i) Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*

The amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 has been revised to state that if an embedded derivative cannot be separately measured, the entire hybrid instrument must remain classified as fair value through profit or loss in its entirety. The adoption of the amendments has had no impact on the financial position or results of operations of the Group.

(j) IFRIC 13 *Customer Loyalty Programmes*

IFRIC 13 requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. As the Group currently has no customer loyalty award scheme, the interpretation has had no impact on the financial position or results of operations of the Group.

(k) IFRIC 15 *Agreements for the Construction of Real Estate*

IFRIC 15 clarifies when and how an agreement for the construction of real estate should be accounted for as a construction contract in accordance with IAS 11 *Construction Contracts* or an agreement for the sale of goods or services in accordance with IAS 18 *Revenue*. As the Group currently is not involved in any construction of real estate, the interpretation is unlikely to have any financial impact on the Group.

(l) IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*

IFRIC 16 provides guidance on the accounting for a hedge of a net investment in a foreign operation. This includes clarification that (i) hedge accounting may be applied only to the foreign exchange differences arising between the functional currencies of the foreign operation and the parent entity; (ii) a hedging instrument may be held by any entities within a group; and (iii) on disposal of a foreign operation, the cumulative gain or loss relating to both the net investment and the hedging instrument that was determined to be an effective hedge should be reclassified to the profit or loss as a reclassification adjustment. As the Group currently has no hedge of a net investment in a foreign operation, the interpretation has had no impact on the financial position or results of operations of the Group.

(m) IFRIC 18 *Transfers of Assets from Customers* (adopted from 1 July 2009)

IFRIC 18 provides guidance on accounting by recipients that receive from customers items of property, plant and equipment or cash for the acquisition or construction of such items, provided that these assets must then be used to connect customers to networks or to provide ongoing access to a supply of goods or services, or both. As the Group currently has no such transactions, the interpretation has had no impact on the financial position or results of operations of the Group.

(n) In May 2008, the IASB issued its first Improvements to IFRSs which sets out amendments to a number of IFRSs. Except for the amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary* which are effective for annual periods beginning on or after 1 July 2009, the Group adopted all the amendments from 1 January 2009. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact to the Group. Details of the key amendments most applicable to the Group are as follows:

IFRS 7 *Financial Instruments: Disclosures:* Removes the reference to "total interest income" as a component of finance costs.

IAS 1 *Presentation of Financial Statements:* Clarifies that assets and liabilities which are classified as held for trading in accordance with IAS 39 are not automatically classified as current in the statement of financial position.

IAS 16 *Property, Plant and Equipment:* Replaces the term "net selling price" with "fair value less costs to sell" and the recoverable amount of property, plant and equipment is the higher of an asset's fair value less costs to sell and its value in use.

In addition, items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental are transferred to inventories when rental ceases and they are held for sale.

IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance:* Requires government loans granted in the future with no or at a below-market rate of interest to be recognised and measured in accordance with IAS 39 and the benefit of the reduced interest to be accounted for as a government grant.

IAS 27 *Consolidated and Separate Financial Statements:* Requires that when a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

IAS 28 *Investments in Associates:* Clarifies that an investment in an associate is a single asset for the purpose of conducting the impairment test and that no impairment is separately allocated to goodwill included in the investment balance.

IAS 36 *Impairment of Assets:* When discounted cash flows are used to estimate "fair value less costs to sell", additional disclosures (e.g., discount rate and growth rate used) are required which are consistent with the disclosures required when the discounted cash flows are used to estimate "value in use".

IAS 38 *Intangible Assets:* Expenditure on advertising and promotional activities is recognised as an expense when the Group either has the right to access the goods or has received the service.

The reference to there being rarely, if ever, persuasive evidence to support an amortisation method for intangible assets other than the straight-line method has been removed. The Group has reassessed the useful lives of its intangible assets and concluded that the straight-line method is still appropriate.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 1 (Revised)	*First-time Adoption of International Financial Reporting Standards* [1]
IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters* [2]
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions* [2]
IFRS 3 (Revised)	*Business Combinations* [1]
IFRS 9	*Financial Instruments* [6]
IAS 24 (Revised)	*Related Party Disclosures* [5]
IAS 27 (Revised)	*Consolidated and Separate Financial Statements* [1]
IAS 32 Amendment	Amendment to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* [3]
IAS 39 Amendment	Amendment to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* [1]
IFRIC 14 Amendments	Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement* [5]
IFRIC 17	*Distributions of Non-cash Assets to Owners* [1]
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments* [4]
Amendments to IFRS 5 included in *Improvements to IFRSs* issued in May 2008	Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary* [1]

Apart from the above, the IASB has issued *Improvements to IFRSs 2009* which sets out amendments to a number of IFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to IFRS 2, IAS 38, IFRIC 9 and IFRIC 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36 and IAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 January 2010
[3] Effective for annual periods beginning on or after 1 February 2010
[4] Effective for annual periods beginning on or after 1 July 2010
[5] Effective for annual periods beginning on or after 1 January 2011
[6] Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that except for the adoption of IFRS 3 (Revised), IAS 27 (Revised) may result in changes in accounting policies, these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating activities are attributable to a single operating segment, focusing on manufacture and sale of electrical systems and components relating to locomotive and rolling stock. Therefore, no analysis by operating segment is presented.

Geographical information

(a) Revenue from external customers

	2009	2008
	RMB'000	*RMB'000*
Mainland China (place of domicile)	**2,983,437**	1,947,599
Overseas	**342,156**	171,724
	3,325,593	2,119,323

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2009	2008
	RMB'000	*RMB'000*
Mainland China (place of domicile)	**1,484,319**	1,134,820
Overseas	**195,340**	107,898
	1,679,659	1,242,718

The non-current asset information above is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue generated from the three major customers for the year ended 31 December 2009 were RMB1,681,455,000, RMB360,529,000 and RMB341,356,000, respectively (2008: RMB882,786,000, RMB286,729,000 and RMB260,399,000).

4. REVENUE, OTHER INCOME AND GAINS

Revenue on sale of goods

Revenue represents the net invoiced value of goods sold, after allowance for returns and trade discounts, and excludes sale taxes.

An analysis of the Group's revenue, other income and gains is as follows:

	Notes	2009 *RMB'000*	2008 *RMB'000*
Revenue:			
Sale of goods		**3,325,593**	2,119,323
Other income and gains:			
Bank interest income		**15,770**	18,275
Profit from sale of scrap materials		**1,069**	870
Investment income from financial instruments		**3,090**	31,205
Gross rental income		**6,069**	5,281
Exchange gains, net		**—**	21,002
Value-added tax refund	(i)	**33,600**	20,897
Technical service income		**6,500**	2,945
Government grants	(ii)	**18,559**	17,965
Others		**4,021**	992
Total		**88,678**	119,432

(i) Value-added tax refund

Sales of goods are generally subject to value-added tax ("VAT") at a rate of 17%. Pursuant to the "Notice on the Taxation Policy Issues relating to Encouraging the Development of the Software Industry and Integrated Circuit Industry" issued by the State Administration of Taxation and General Administration of Custom, the Group is entitled to a refund of VAT paid in excess of 3% in respect of the sale of certain products during the years ended 31 December 2009 and 2008.

(ii) Government grants

Government grants have been received for certain research and development projects. There are no unfulfilled conditions or contingencies attaching to these grants.

5. PROFIT BEFORE TAX

The Group's profit before tax from operating activities is arrived at after charging/(crediting):

	Note	2009 *RMB'000*	2008 *RMB'000*
Cost of inventories sold		**2,118,287**	1,332,142
Staff costs (including directors' and supervisors' remuneration)	(i)	**363,762**	248,840
Auditors' remuneration		**5,700**	5,780
Depreciation of items of property, plant and equipment		**76,578**	59,976
Amortisation of prepaid land lease prepayments		**1,753**	1,564
Amortisation of other intangible assets		**10,772**	3,514
Minimum lease payments under operating leases in respect of:			
Land and buildings		**6,731**	8,842
Plant and equipment		**1,723**	872
Provision for obsolete inventories		**23,511**	10,398
Exchange (gains)/losses		**2,581**	(21,002)
Research and development costs		**174,998**	127,413
Less: staff costs included above		**(82,757)**	(34,528)
development costs capitalised		**(6,136)**	(47,003)
Research and development costs net of staff costs and development costs capitalised		**86,105**	45,882
Loss on disposal of items of property, plant and equipment		**1,509**	1,358
Impairment of trade and other receivables		**5,873**	3,560
Impairment of items of property, plant and equipment		**213**	—
Provision for warranties		**80,275**	37,071
Bank interest income		**(15,770)**	(18,275)
Gross rental income		**(6,069)**	(5,281)

(i) Staff costs

	2009 *RMB'000*	2008 *RMB'000*
Wages, salaries and bonuses	**262,405**	171,996
Contribution to government-operated pension schemes	**22,731**	20,120
Contribution to a pension annuity plan	**6,779**	5,323
Welfare and other expenses	**71,847**	51,401
Total	**363,762**	248,840

In 2006, the Group implemented an employee pension annuity plan. Pursuant to such pension annuity plan, the Group is required to contribute a fixed percentage of salaries to the annuity plan regularly and has no further payment obligation to the pension annuity plan once the contributions have been made.

6. FINANCE COSTS

	2009 *RMB'000*	2008 *RMB'000*
Interest paid on bank and other borrowings	**8,013**	959

7. INCOME TAX EXPENSE

Pursuant to the relevant laws and regulations in the PRC, the statutory corporate income tax rates of 15% to 25% were applied to the Company and PRC subsidiaries for the years ended 31 December 2009 and 2008.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2009 *RMB'000*	2008 *RMB'000*
Current income tax - PRC corporate income tax	**96,843**	79,179
Deferred	**(7,007)**	(5,674)
Income tax charge for the year	**89,836**	73,505

A reconciliation of the tax expense applicable to profit before tax at the statutory rate in the PRC to the tax expense at the effective tax rate is as follows:

	2009		2008	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**624,225**		496,842	
Tax at the statutory tax rate	**156,056**	**25.0**	124,211	25.0
Reconciling items:				
Profits and losses attributable to a jointly-controlled entity and associates	**(3,917)**	**(0.6)**	(2,009)	(0.4)
Expenses not deductible for tax	**12,603**	**2.0**	7,325	1.5
Income not subject to tax	**(8,683)**	**(1.4)**	(3,996)	(0.8)
Entities subject to lower statutory tax rates	**(59,141)**	**(9.5)**	(47,771)	(9.6)
Tax losses not recognised	**2,200**	**0.4**	1,319	0.3
Others*	**(9,282)**	**(1.5)**	(5,574)	(1.1)
Total tax charge for the year	**89,836**	**14.4**	73,505	14.9

* Others mainly comprised income tax benefits on research and development expenditure.

The share of tax attributable to a jointly-controlled entity and associates amounting to RMB1,882,000 (2008: RMB1,187,000) is included in "Share of profit and loss of a jointly-controlled entity and associates" on the face of the consolidated statement of comprehensive income.

8. DIVIDENDS

	2009	2008
	RMB'000	*RMB'000*
Proposed final – RMB0.195 (2008: RMB0.155) per ordinary share	**211,430**	168,060
	211,430	168,060

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on:

	2009	2008
	RMB'000	*RMB'000*
Earnings:		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**530,881**	422,300
Shares:		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**1,084,255,637**	1,084,255,637

The diluted earnings per share amounts are the same as the respective basic earnings per share amounts as no diluting events existed during the years ended 31 December 2009 and 2008.

10. TRADE RECEIVABLES

	The Group	
	2009	2008
	RMB'000	*RMB'000*
Trade receivables	**778,008**	746,537
Impairment	**(35,753)**	(34,993)
	742,255	711,544

The Group generally stipulates payment upon delivery in sales contracts entered into with customers. However, in the opinion of the directors, the Group has effectively granted an average credit period of around six months to its customers after taking into account the practice of the industry in which the Group conducts its business.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provision for impairment of receivables, is as follows:

	The Group	
	2009	2008
	RMB'000	*RMB'000*
Within 1 year	**711,169**	662,131
Over 1 year but within 2 years	**27,710**	38,268
Over 2 years but within 3 years	**3,376**	11,145
Over 3 years	**—**	—
	742,255	711,544

The movements in the provision for impairment of trade receivables are as follows:

	The Group	
	2009	2008
	RMB'000	*RMB'000*
At 1 January	**34,993**	45,305
Impairment losses recognised	**6,138**	9,533
Amount written off as uncollectible	**(2,411)**	(13,253)
Impairment losses reversed	**(4,433)**	(6,897)
Acquisition of a subsidiary	**—**	305
Exchange realignment	**1,466**	—
	35,753	34,993

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB6,740,000 (2008: RMB6,899,000) with a carrying amount before provision of RMB6,740,000 (2008: RMB6,899,000). The Group does not hold collateral or other credit enhancements over these balances.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	The Group	
	2009	2008
	RMB'000	*RMB'000*
Neither past due nor impaired	**625,402**	614,936
Less than 6 months past due	**—**	—
6 months to 1 year past due	**—**	—
	625,402	614,936

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

11. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	The Group	
	2009	2008
	RMB'000	*RMB'000*
Within 3 months	**541,086**	333,479
Over 3 months but within 1 year	**153,077**	30,802
Over 1 year but within 2 years	**22,562**	3,821
Over 2 years but within 3 years	**872**	408
Over 3 years	**784**	1,848
	718,381	370,358

PERFORMANCE OVERVIEW

The Group's turnover in 2009 was RMB3,325.6 million (2008: RMB2,119.3 million), an increase of 56.9% from the previous year. Profit attributable to owners of the parent was RMB530.9 million (2008: RMB422.3 million), basic earnings per share was RMB0.49 (2008: RMB0.39), representing an increase of 25.7% year-on-year.

BUSINESS REVIEW

In 2009, while the global economy recovered slowly from the financial crisis, the manufacturing industry of railway locomotives in China experienced an important turnaround in development opportunities. During the year, the Company achieved remarkable business results and significant business progress was made in the following areas:

Under the active guidance of introduction, absorption and further innovation policies of the Ministry of Railways and the leadership of not defined in this announcement, the Company focused on scientific research and manufacturing advantages during 2009, and jointly developed the 7200 kW high-powered electric locomotives with wholly self-owned intellectual property rights with the CSR manufacturing units. In less than ten months from project commencement at the beginning of the year to layout designs, test production and bulk delivery of products, the project had satisfied the requirements of the Ministry of Railways and all railway bureau users completely, creating a miracle in the history of the Company's scientific research and test production of large projects, which further strengthened our industry position and resulted in significant growth in our annual results.

The Wuhan-Guangzhou high-speed railway was completed and commenced operation at the end of 2009, signifying the arrival of a new age of passenger transport by the new generation high-speed railways. The Wuhan-Guangzhou high-speed railway is a railway line for passenger transport with the longest length, highest standard in technology and largest scale of investment among all existing completed railways in China. It is 1,068.6 km in full length with a designed speed of 350 km per hour. After its operation, the travelling time between Wuhan and Guangzhou has been reduced from 11 hours formerly to 3 hours currently. The first batch of 22 trains of the Harmony CRH2 model high-speed train manufactured by CRH formally commenced operation on the Wuhan-Guangzhou high-speed railway. The Company provided key technology and core components of the trailing electricity transmission system and network control system for these high-speed trains with excellent energy-saving and environmental protection performance.

The Company formed a joint venture company, Baoji Times, with China Railway Bus in March 2009 and entered into the manufacturing business of medium and small size railway engineering machinery and whole vehicles. In 2009, the Company secured winning bids in the tenders for Beijing Metro Changping Line, No. 8 Line and Fangshan Line and Chongqing Metro No. 6 Line, and began batch supply of products for the Shenyang Metro No. 2 Line project. The expansion and renovation project of Shanghai Metro No. 1 Line completed smoothly, and the Company's metro trailing system with wholly self-owned intellectual property rights started to receive general acceptance among domestic railway owners.

The 6-inch thyristor inverter valve researched and manufactured by the Company was successfully applied to the State Grid Lingbao Project (靈寶項目). Three semiconductor production lines were completed and commenced operation, securing our leading positions in technology and scale in the domestic industry, and better facilitating the provision of high-end electricity semiconductor products for the power and railway markets. During the production process, much attention was attracted from State and local government officials who made a number of site visits to our plants. Share placement by Dynex was also completed during the year for financing the expansion and renovation of the IGBT chips.

In 2009, the management standard of the Company was further enhanced to a new level through information technology measures.

OUTLOOK

In 2010, the PRC government's policies of increasing domestic demand and investments to stimulate economic growth will continue. Increased efforts in the construction of railways in China will remain an important measure for initiating domestic demand and stimulating the economy.

Better market opportunities will continue to be available for 7200 kW high-powered locomotive products this year. It is expected the Company will deliver electrical control system products for several hundreds of 7200 kW high-powered locomotives to CSR throughout the year, contributing as one of the major driving forces of significant growth of the annual results for the coming year.

CSR secured a new generation 350 km/h high-speed rolling stock project from the Ministry of Railways in 2009. The Company will supply key electrical equipment such as traction converters, auxiliary converters and train information systems. A sales contract was signed between the Company and CSR Sifang Co., Ltd on 14 April 2010 under which the contract amount reached RMB5.145 billion.

For other business segments of the Company, fast growth will be expected in the electric systems for metro vehicles, large size railway maintenance machinery and medium and small size railway machinery related products. Train operation safety equipment will see rebounding growth. Increased efforts will be exerted in the marketing and application of high-powered semiconductor devices.

In the new business segments, the Company intends to focus on expanding the technology for converter systems to the area of industrial converters, creating a wide range of converter products with various power ratings to satisfy the future needs from the emerging markets such as metallurgy and chemicals, oil drilling and exploration, and photovoltaic power grid connection.

The Company joined the UN Global Compact at the end of 2009 and publicly declared its desire to actively take up social responsibilities. The first report on social responsibilities will be published shortly.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

	2009	2008
	(RMB million)	*(RMB million)*
Train power converters, auxiliary power supply equipment and control systems	**1,891.0**	1,109.7
Including:		
Locomotives	**1,024.4**	347.7
Electric Multiple units	**711.4**	632.2
Metropolitan rail transportation equipment	**155.2**	129.8
Train operation safety equipment	**233.0**	241.3
Railway maintenance vehicles related products	**483.4**	293.8
Train-borne electrical systems	**2,607.4**	1,644.8
Power semiconductor components	**452.4**	217.2
Sensors and related products	**71.8**	80.9
Other products	**194.0**	176.4
Electric components	**718.2**	474.5
Total revenue	**3,325.6**	2,119.3

Revenue increased by RMB1,206.3 million or 56.9% from RMB2,119.3 million for the year ended 31 December 2008 to RMB3,325.6 million for the year ended 31 December 2009.

Except for the decrease in revenue from train operation safety equipment and sensors and related products, fast growth was seen in revenue from other product categories of the Group in 2009. The Group recorded the strongest growth of RMB781.3 million in revenue of train power converters, auxiliary power supply equipment and control systems. Such increase was mainly due to the delivery of electrical systems for 7,200kW high-powered locomotives. The second strongest growth of RMB235.2 million was recorded in power semiconductor devices and modules, mainly due to the further expansion into the high-voltage equipment market such as power system by the Company in 2009 and the revenue of RMB226.2 million contributed by Dynex. The third strongest growth of RMB189.6 million was recorded in electrical control systems for large railway maintenance vehicles, mainly due to the increase in the purchase of electrical control systems made in China for large railway maintenance vehicles with its own intellectual property right by the Ministry of Railways and the revenue of RMB100.4 million contributed by the newly established Baoji Times.

Cost of sales

Cost of sales increased by 59.0% to RMB2,118.3 million for the year ended 31 December 2009 from RMB1,332.1 million for the year ended 31 December 2008. The increase in cost of sales was mainly due to the growth in the Group's revenue by RMB1,206.3 million.

Gross profit

Based on the above factors, the Group's gross profit increased by 53.4% to RMB1,207.3 million for the year ended 31 December 2009 from RMB787.2 million for the year ended 31 December 2008. The Group's gross profit margin decreased from 37.1% for the year ended 31 December 2008 to 36.3% for the year ended 31 December 2009. The decrease in gross profit margin was mainly due to the change in the product mix which led to the decrease in the gross profit margin. Due to the gradual opening of the railway industry in China and the increasingly fierce competition as well as the expansion of the Company scale, more and more products fall into other categories beyond railway sectors, the management of the Group is of the view that the Company's gross profit margin still faces the possibility of a continuous fall in the future.

Other income and gains

Other income and gains of the Group decreased by 25.7% to RMB88.7 million for the year ended 31 December 2009 from RMB119.4 million for the year ended 31 December 2008. The decrease in other income and gains was mainly due to the decrease in investment income from financial instruments.

Selling and distribution costs

Selling and distribution costs of the Group increased by 59.5% to RMB203.4 million (representing 6.1% of the Group's revenue for the whole year) for the year ended 31 December 2009 from RMB127.5 million (representing 6.0% of the Group revenue for the whole year) for the year ended 31 December 2008. The selling and distribution costs increased as the Group increased its business operations and increased the percentage of provision for warranties made for the sub-contraction fees of the 7200kW locomotive projects.

Administration expenses

The Group's administration expenses increased by 63.0% to RMB463.6 million for the year ended 31 December 2009 (representing 13.9% of the annual revenue of the Group) from RMB284.4 million for the year ended 31 December 2008 (representing 13.4% of the annual revenue of the Group). The increase in administration expenses is due to the increase in business operation and in research and development costs of the Group in 2009.

Profit from operations

The Group's profit from operations increased by 25.9% to RMB616.6 million for the year ended 31 December 2009 from RMB489.8 million for the year ended 31 December 2008, which was mainly due to increase in revenue. The Group's operating profit margins for the years ended 31 December 2008 and 2009 were 23.1% and 18.5% respectively.

Finance costs

Finance costs increased by 700.0% to RMB8.0 million for the year ended 31 December 2009 from RMB1.0 million for the year ended 31 December 2008. The increase in finance costs was mainly due to the fact that interest expenses for 2009 increased as compared with 2008. Finance costs mainly comprised of interests to the loans from Dynex.

Profit before tax

Based on the above factors, the Group's profit before tax increased by 25.6% to RMB624.2 million for the year ended 31 December 2009 from RMB496.8 million for the year ended 31 December 2008.

Income tax expenses

The Group's income tax expenses increased by 22.2% from RMB73.5 million for the year ended 31 December 2008 to RMB89.8million for the year ended 31 December 2009. The Group's income tax expenses comprised current income tax of RMB96.8 million and deferred tax credit of RMB7.0 million.

In 2008, the Company, Times Electronics and Ningbo Company were recognized as high and new technology enterprises and received the approval from the relevant government authority, thus they were subject to the preferential corporate income tax at the rate of 15% from 1 January 2008.

Times Information and Shenyang Company, were subject to the corporate income tax at the rate of 25%.

Baoji Times benefited from the tax reduction policy under the Western Development initiative of the PRC and was subject to a corporate income tax rate of 15%.

The Group's deferred tax credit of RMB7.0 million, which was recognised in the profit or loss of the year, was mainly arising from the temporary differences upon the recognition of provision for warranties calculated in accordance with the applicable tax rates during different periods.

The effective tax rates of the Group for the years ended 31 December 2008 and 2009 were 14.9% and 14.4%, respectively.

Net profit attributable to owners of the parent

The Group's net profit attributable to owners of the parent increased by 25.7% from RMB422.3 million for the year ended 31 December 2008 to RMB530.9 million for the year ended 31 December 2009. The Group's net profit margins for the years ended 31 December 2008 and 2009 were 20.0% and 16.0%, respectively.

Profit and loss attributable to minority interests

Profit and loss attributable to minority interests increased from RMB1.0 million for the year ended 31 December 2008 to RMB3.5 million for the year ended 31 December 2009. The increase was mainly due to the Group's recognition of the profit and loss attributable to minority interests of Dynex for the twelve months ended 31 December 2009.

Earnings per share

Earnings per share increased RMB0.10 from RMB0.39 for the year ended 31 December 2008 to RMB0.49 for the year ended 31 December 2009.

Liquidity and source of capital

Cash flows and working capital

The Group's needs for working capital were mainly satisfied by cash generated from operations. Cash and cash equivalents of the Group increased by RMB311.7 million in 2009 mainly due to the strengthened management of funds recovery by the Group and the increase in net cash flows from operating activities.

Net cash flows from operating activities

The Group's net cash flows from operating activities increased from RMB255.4 million for the year ended 31 December 2008 to RMB 452.4 million for the year ended 31 December 2009, mainly due to the strengthened management of funds recovery by the Group.

Net cash flows used in investment activities

For the year ended 31 December 2009, the Group's net cash flows used in investment activities was approximately RMB103.5 million. Cash flows used in investment activities represents mainly the payment for the acquisition of property, plant and equipment of RMB436.0 million. Cash flows from investment activities represents mainly the recovery of funds from bank financial products of RMB400.0 million.

Net cash flows used in financing activities

For the year ended 31 December 2009, the Group's net cash flows used in financing activities amounted to RMB37.2 million. Cash flows used in financing activities mainly represents payment of dividends of RMB168.3 million and the repayment of borrowings of RMB25.2 million. Cash flows from financing activities mainly represents capital contributions from minority shareholders of RMB43.7 million and new borrowings of RMB120.7 million.

Liquidity

The Board confirms that the Group has sufficient liquidity to meet the Group's present requirements for liquid funds.

Commitments

The Group's capital commitments as at the dates indicated are set out as follows:

	As at 31 December	
	2009	2008
	(RMB million)	*(RMB million)*
Contracted but not provided:		
Purchase of items of property, plant and equipment	**234.7**	167.8
Purchase of items of other intangible assets	**106.5**	113.7
Total	**341.2**	281.5

Indebtedness

The Group's indebtedness as at the dates indicated is set out as follows:

	As at 31 December	
	2009	2008
	(RMB million)	*(RMB million)*
Interest-bearing bank and other borrowings	**124.1**	24.4

Gearing ratio

The Group monitors capital using the gearing ratio, which is net debt divided by capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade payables, bills payable and other payables and accruals, less cash and cash equivalents. Capital represents equity attributable to owners of the parent. The Group's gearing ratio was -5% as at 31 December 2008 and 5% as at 31 December 2009. The change in the gearing ratio was mainly attributed to the change in the net debt of the Group from RMB-161.8 million for the year ended 31 December 2008 to RMB189.0 million for the year ended 31 December 2009.

Contingent liabilities

The Group is not involved in any material litigation, and to the best of the Group's knowledge, there is no pending or potential material litigation in which the Group will be involved.

Market risks

The Group is subject to various market risks, including interest rate risk, foreign exchange risk and inflation risk in the ordinary course of its business. Details of the risks are set out in notes to the financial statements.

PROPOSED DISTRIBUTION OF FINAL DIVIDENDS

The Board proposes distribution of a cash dividend of RMB0.195 per share (including applicable tax) for the year.

Pursuant to the provisions of the Corporate Income Tax Law of the People's Republic of China and the Implementing Regulations of the Corporate Income Tax Law of the People's Republic of China, effective from 1 January 2008, any PRC domestic enterprise shall withhold the enterprise income tax upon the distribution of dividends payable to the shareholders being non-resident enterprises (legal persons) for accounting periods starting from 1 January 2008, and the payer shall serve as the withholding agent. The Company will strictly abide by the law and identify all shareholders who are subject to the withholding and payment of income tax, whose names appear in the Company's register of members as holders of H shares on the record date and who are not individuals (including HKSCC Nominees Limited, other corporate nominees or trustees, and other entities or organisations that are all considered as non-resident enterprise shareholders). The Company will distribute the relevant dividends after deducting income tax of 10%.

The proposed dividend to be distributed is subject to the approval of the shareholders at the annual general meeting to be held on 18 June 2010.

The dividend is payable to shareholders whose names appear on the register of members at the close of business on 18 May 2010.

CLOSURE OF REGISTER

The register of the members of the Company will be temporarily closed from 19 May 2010 to 18 June 2010 (both days inclusive), during which no transfer of shares will be registered. In order to be entitled for the final dividends, all instruments of transfer together with the relevant share certificates must be delivered to the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of holders of H Shares) before 4:30 p.m. on 18 May 2010.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, there was no purchase, redemption or sale of any listed securities of the Company by the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

The Company has always been dedicated to improving the quality of its governance, and to maximizing long-term shareholder value by increasing the Group's accountability and transparency through strict implementation of corporate governance.

I Corporate Governance

The Company places great emphasis on the authority, dependability and prudence of its corporate governance. For the reporting period ended 31 December 2009, the Company has adopted and applied the principles contained in the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 14 of the Listing Rules and has complied with all provisions of the CG Code.

The Board and management of the Company make every effort to comply with the CG Code in order to protect and enhance interests of its shareholders. As the Company continues to grow, in order to ensure compliance with the general regulations and standards required by shareholders, the Company will monitor and revise its corporate governance policies on an ongoing basis.

In accordance with relevant laws and regulations, the Company has set up a structure in which corporate governance mechanism such as shareholders' general meetings, the Board, special committees of the Board, the supervisory committee and powers of the management check and balance one another. The division of responsibilities among the shareholders' general meeting, the Board, special committees of the Board, the supervisory committee and the management are distinct, and each of them is assigned with clearly defined responsibilities. The Company will continue to perfect its corporate governance mechanism, exercise discipline in the fulfilment of corporate duties, and strengthen the disclosure of information concerning its operations.

II Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct for directors' securities transactions.

Having made specific inquiries to the directors, the Company confirmed that all directors have complied with the relevant standards in the Model Code concerning securities transaction by directors during the reporting period.

REVIEW BY THE AUDIT COMMITTEE

The Company's annual results for the year ended 31 December 2009 and this results announcement have been reviewed and confirmed by the audit committee of the Board.

By Order of the Board
Zhuzhou CSR Times Electric Co., Ltd.
Ding Rongjun
Chairman

Changsha, China, 17 April 2010

As at the date of this announcement, our chairman of the Board and executive director is Ding Rongjun, our other executive director is Li Donglin, our non-executive directors are Deng Huijin, Lu Penghu 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.