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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)

ANNOUNCEMENT OF UNAUDITED QUARTERLY RESULTS FOR the nine months ENDED 30 September 2010

The board of directors (the "Board") of Zhuzhou CSR Times Electric Co., Ltd. (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group") for the nine months ended 30 September 2010 which have been prepared in accordance with the International Financial Reporting Standards, set out as follows (unless otherwise stated, the figures contained in this announcement are denominated in Renminbi):

Condensed Consolidated Income Statement

	For the nine months ended 30 September	
	2010	2009
	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	4,006,831	2,113,596
Cost of sales	(2,464,699)	(1,318,838)
Gross profit	1,542,132	794,758
Other income and gains	31,495	35,906
Selling and distribution costs	(237,084)	(114,576)
Administrative expenses	(499,591)	(273,100)
Other expenses	(14,403)	(18,829)
PROFIT FROM OPERATIONS	822,549	424,159
Finance costs	(5,862)	(6,615)
Share of profits and losses of:		
A jointly-controlled entity	12,264	8,779
Associates	14,113	(871)

	For the nine months ended 30 September	
	2010	2009
	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
PROFIT BEFORE TAX	843,064	425,452
Income tax expense	<u>(133,981)</u>	<u>(62,949)</u>
PROFIT FOR THE PERIOD	709,083	362,503
Profit attributable to:		
Owners of the parent	707,987	360,243
Non-controlling interests	<u>1,096</u>	<u>2,260</u>
	<u>709,083</u>	<u>362,503</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (basic)	<u>RMB0.65</u>	<u>RMB0.33</u>

Condensed Consolidated Statement of Financial Position

	30 September 2010 <i>(unaudited)</i> RMB'000	31 December 2009 <i>(audited)</i> RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,356,301	1,312,741
Prepaid land lease payments	101,053	102,490
Goodwill	49,577	52,874
Other intangible assets	201,423	94,670
Interests in a jointly-controlled entity	109,355	97,091
Interests in associates	32,921	19,793
Available-for-sale investments	400	400
Deferred tax assets	<u>33,626</u>	<u>20,828</u>
Total non-current assets	<u>1,884,656</u>	<u>1,700,887</u>
CURRENT ASSETS		
Inventories	1,247,210	888,925
Trade receivables	1,757,080	742,255
Bills receivable	1,153,364	691,190
Prepayments, deposits and other receivables	249,548	210,081
Pledged deposits	11,785	28,811
Cash and cash equivalents	<u>845,319</u>	<u>1,138,562</u>
Total current assets	<u>5,264,306</u>	<u>3,699,824</u>
CURRENT LIABILITIES		
Trade payables	1,078,613	718,381
Bills payable	192,010	162,780
Other payables and accruals	642,008	322,278
Provision for warranties	184,480	93,360
Interest-bearing bank and other borrowings	500,901	120,800
Government grants	20,128	4,656
Tax payable	<u>100,784</u>	<u>48,304</u>
Total current liabilities	<u>2,718,924</u>	<u>1,470,559</u>
NET CURRENT ASSETS	<u>2,545,382</u>	<u>2,229,265</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>4,430,038</u>	<u>3,930,152</u>

	30 September 2010 <i>(unaudited)</i> RMB'000	31 December 2009 <i>(audited)</i> RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	14,012	3,330
Government grants	38,624	37,242
Deferred tax liabilities	6,486	<u>10,961</u>
Total non-current liabilities	59,122	<u>51,533</u>
NET ASSETS	4,370,916	3,878,619
EQUITY		
Equity attributable to equity holders of the parent		
Issued capital	1,084,256	1,084,256
Reserves	3,187,210	2,484,757
Proposed final dividend	—	<u>211,430</u>
	4,271,466	3,780,443
Non-controlling interests	99,450	<u>98,176</u>
TOTAL EQUITY	4,370,916	3,878,619

The Group's revenue for the nine months ended 30 September 2010 increased by RMB1,893.2 million from RMB2,113.6 million in the same period last year to RMB4,006.8 million, representing an increase of 89.6%.

The Group's gross profit for the nine months ended 30 September 2010 increased by RMB747.3 million from RMB794.8 million in the same period last year to RMB1,542.1 million, representing an increase of 94.0%. The Group's gross profit margin for the nine months ended 30 September 2010 increased from 37.6% in the same period last year to 38.5%.

Net profit attributable to owners of the parent for the nine months ended 30 September 2010 increased by RMB347.7 million from RMB360.2 million in the same period last year to RMB708.0 million, representing an increase of 96.6%.

Earnings per share (basic) attributable to ordinary equity holders of the parent of the Group for the nine months ended 30 September 2010 increased by RMB0.32 from RMB0.33 in the same period last year to RMB0.65.

As at 30 September 2010, net assets of the Group was RMB4,370.9million, cash and cash equivalents of the Group accounted for 11.8% of total assets, with a current ratio of 1.9.

The Group has adopted the gearing ratio, which is net debt divided by total capital plus net debt, to monitor its capital. Net debt included interest-bearing borrowings, trade payables, bills payable, other payables and accruals, less cash and cash equivalents. As at 30 September 2010, the Group's gearing ratio was 27%.

As at the date of this announcement, the immediate controlling shareholder of the Company is CSR Zhuzhou Electric Locomotive Research Institute Co., Ltd. ("CSR ZELRI") and the ultimate controlling shareholder of the Company is CSR Group ("CSRG"). CSRG holds approximately 57.57% equity interests in China South Locomotive & Rolling Stock Corporation Limited which in turn holds approximately 56.17% equity interests in the Company through its three subsidiaries, i.e., approximately 54.38%, 0.87% and 0.92% through CSR ZELRI, CSR Investment & Leasing Co., Ltd. and CSR Zhuzhou Electric Locomotive Co., Ltd. respectively. In addition, CSRG also holds 0.87% equity interest in the Company through CSR Qishuyan Locomotive & Rolling Stock Works.

Review by Audit Committee

The Group's unaudited quarterly results for the nine months ended 30 September 2010 and this results announcement have been reviewed and confirmed by the audit committee of the Board.

General

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.

By Order of the Board
Ding Rongjun
Chairman

Zhuzhou, China, 25 October 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 XiaoŌao and Liu Chunru.