

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following words and expressions shall have the following meanings.

“Application Form(s)”	WHITE application form(s) and YELLOW application form(s), or where the context so requires, any of them
“Articles of Association” or “Articles”	the articles of association of the Company as amended from time to time, a summary of which is set out in Appendix VII
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board of Directors” or “Board”	the board of directors of the Company
“Business Day”	any day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAF”	CAF Securities Company Limited
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Broker Participant”	a person admitted to participate in CCASS as a broker participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as a investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Broker Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“CIETAC”	China International Economic and Trade Arbitration Commission
“CNR”	中國北方機車車輛工業集團公司 (China Northern Locomotive & Rolling Stock Industry (Group) Corporation), a PRC state-owned enterprise under the supervision of SASAC established in July 2002 as a result of the reorganisation of LORIC; CNR holds a 49% interest in the Parent Company
“CNR Group”	CNR and its subsidiaries
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and as amended from time to time

DEFINITIONS

“Company”	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 PRC with limited liability on 26 September 2005 and where the context refers to any time prior to the Effective Date, those entities and businesses which contributed to and became part of the Company upon the Effective Date, collectively
“Company Law”	中華人民共和國公司法, the Company Law of the PRC, as enacted by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSR”	中國南方機車車輛工業集團公司 (China Southern Locomotive & Rolling Stock Industry (Group) Corporation), a PRC state-owned enterprise under the supervision of SASAC established on 12 July 2002 as a result of the reorganisation of LORIC; CSR is the controlling shareholder of the Parent Company
“CSR Group”	CSR and its subsidiaries
“CSR Qishuyan”	中國南車集團戚墅堰機車車輛廠 (CSR Qishuyan Locomotive & Rolling Stock Works), a PRC state-owned enterprise established on 25 December 1978, a wholly-owned subsidiary of CSR and one of the Promoters
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission)
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares issued by the Company, with a par value of RMB1.00 each, which are subscribed and paid up in Renminbi
“Effective Date”	30 September 2004
“GAAP”	generally accepted accounting principles
“Global Coordinator”	Macquarie
“Global Offering”	the Public Offer and the International Placing

DEFINITIONS

“Group”	the Company and its subsidiaries and, in respect of any time prior to the incorporation of the Company and prior to the Company becoming the holding company of its present subsidiaries, reference to the Group, where the context requires, includes the businesses in which the Company’s predecessor (the Parent Company) or its present subsidiaries were engaged and which were assumed by the Company pursuant to the Reorganisation in contemplation of the Global Offering
“H Shares”	foreign shares in the share capital of the Company, with a par value of RMB1.00 each, for which application has been made for listing and permission to deal on the Stock Exchange, and which are subscribed for and traded in Hong Kong dollars
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKIAC”	Hong Kong International Arbitration Centre
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited
“Hong Kong”, “HKSAR” or “HK”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“International Placing”	the conditional placing by the International Underwriters of the International Placing Shares with institutional and professional investors and other investors expected to have a sizeable demand for the Shares, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Placing Shares”	the 324,504,000 new H Shares being initially offered at the Offer Price pursuant to the International Placing together, where relevant, with any additional Shares issued pursuant to the exercise of the Over-allotment Option (subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus)
“International Underwriters”	the underwriters of the International Placing whose names are set out in “Underwriting — International Underwriters” in this prospectus

DEFINITIONS

“International Underwriting Agreement”	the international underwriting agreement expected to be entered into on or before 14 December 2006 by, inter alia, the Company and the International Underwriters in respect of the International Placing
“Joint Sponsors”	Macquarie and CAF
“Kunming China Railway”	昆明中鐵大型養路機械集團有限公司 (China Railway Large Maintenance Machinery Co., Kunming), a limited liability company established under the laws of the PRC on 29 August 1998 and held as to 55.56% by 中國鐵道建築總公司 (China Railway Construction Corporation), as to 41.68% by the Staff Committee (職工持股會) of Kunming China Railway, as to 0.27% by 鐵道科學研究院 (China Academy of Railway Sciences), as to 1.06% by CSR Qishuyan, as to 1.06% by the Parent Company, one of the Promoters and as to 0.27% by 鐵道專業設計院 (China Academy of Railway Designs)
“Latest Practicable Date”	1 December 2006, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Listing Date”	the date on which dealings in the Shares commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LORIC”	中國鐵路機車車輛工業總公司 (China National Railways Locomotive and Rolling Stock Industrial Corporation), a state-owned enterprise established in February 1986 and dissolved in 2002; LORIC was the predecessor of CNR and CSR
“Mandatory Provisions”	the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (as amended from time to time), for inclusion in the articles of association of companies incorporated in China to be listed overseas, which were promulgated by the former Securities Commission of the State Council of China and the former State Commission for Restructuring the Economic Systems of China on August 27, 1994
“Macquarie”	Macquarie Securities Limited
“MOF”	中華人民共和國財政部 (Ministry of Finance of the PRC)

DEFINITIONS

“MOR”	中華人民共和國鐵道部 (Ministry of Railways of the PRC)
“MOST”	中華人民共和國科學技術部 (Ministry of Science and Technology of the PRC)
“NDRC”	中華人民共和國國家發展和改革委員會 (National Development and Reform Commission of the PRC)
“NERCC”	株洲變流技術國家工程研究中心 (Zhuzhou National Engineering Research Center of Converters), a PRC state-owned enterprise established on 29 January 1999 and wholly-owned by the Parent Company
“New Leap”	新力搏交通裝備投資發展有限公司 (New Leap Communication Equipment Invest Development Co., Ltd.), a limited liability company established under the laws of the PRC on 26 April 1999 and held as to 98% by CSR and as to 1% each by 中國南車集團資陽機車廠 (CSR Ziyang Locomotive Works) and 中國南車集團南京浦鎮車輛廠 (CSR Nanjing Puzhen Rolling Stock Works), one of the Promoters, previously known as 南車營銷租賃有限公司 (CSR Marketing and Leasing Corp., Ltd.)
“Ningbo Company”	寧波南車時代傳感技術有限公司 (Ningbo CSR Times Sensor Technology Company, Ltd.), previously known as 株洲電力機車研究所寧波分所 (Zhuzhou Electric Locomotive Research Institute, Ningbo Branch), established under the laws of the PRC on 4 February 1992 as a state-owned enterprise and converted to a limited liability company on 20 June 2006. Ningbo Company is a wholly-owned subsidiary of the Company
“NSSF”	全國社會保障基金 (National Social Security Fund), the national social security funds managed by the NSSF Council, which comprise funds arising from disposal of state-owned shares and other equity assets, funds allocated by the central government of the PRC, funds raised from other sources approved by the State Council and other investment income centrally held by the PRC government
“NSSF Council”	中華人民共和國全國社會保障基金理事會 (the PRC National Council for Social Security Fund), an organisation authorised by the State Council and responsible for the administration of the National Social Security Fund

DEFINITIONS

“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%) not more than HK\$5.30 and expected to be not less than HK\$4.18, such price to be agreed upon by the Company and the Global Coordinator (on behalf of the Underwriters) at or before the Price Determination Date
“Offer Shares”	the Public Offer Shares and the International Placing Shares collectively, where relevant, with any additional H Shares issued pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option granted by the Company to the Global Coordinator under the International Underwriting Agreement pursuant to which the Company may be required to allot and issue up to 54,084,000 additional new H Shares, representing 15% of the Shares initially available under the Global Offering at the Offer Price, solely to cover over-allocations in the International Placing
“Parent Company” or “ZELRI”	中國南車集團株洲電力機車研究所 (CSR Zhuzhou Electric Locomotive Research Institute) previously known as 株洲電力機車研究所 (Zhuzhou Electric Locomotive Research Institute), a PRC state-owned enterprise established on 5 June 1959 and held as to 51% by CSR and as to 49% by CNR; one of the Promoters and also the controlling shareholder of the Company
“Parent Group”	the Parent Company and its subsidiaries (excluding the Group)
“PBOC”	The People’s Bank of China
“Polaris”	Polaris Securities (Hong Kong) Limited
“PRC” or “China”	the People’s Republic of China, excluding (unless the context otherwise requires) Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Government”	the government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities)
“PRC Railway” or “PRC Railways”	the railway systems that are regulated by the MOR in the PRC, which does not include urban rail
“Price Determination Date”	the date, expected to be on or before 14 December 2006 but not later than 18 December 2006, on which the Offer Price will be fixed for the purpose of the Global Offering

DEFINITIONS

“Promoters”	the Parent Company, Kunming China Railway, CSR Qishuyan, New Leap and ZELC
“Public Offer”	the offer for subscription by the public of the Public Offer Shares for cash at the Offer Price, on and subject to the terms and conditions described in this prospectus and in the Application Forms
“Public Offer Shares”	the 36,056,000 new H Shares being initially offered by the Company for subscription by the public in Hong Kong under the Public Offer (subject to adjustment as described in the section headed “Structure of the Global Offering” in this prospectus)
“Public Offer Underwriters”	the underwriters of the Public Offer whose names are set out in the section headed “Underwriting — Public Offer Underwriters” in this prospectus
“Public Offer Underwriting Agreement”	the public offer underwriting agreement dated 7 December 2006 entered into by, inter alia, the Company and the Public Offer Underwriters
“QIBs”	qualified institutional buyers within the meaning of Rule 144A
“Regulation S”	Regulation S under the US Securities Act
“Reorganisation”	the reorganisation of assets and liabilities of the Parent Group and the Group and their respective subsidiaries and associates in preparation for the Listing as described in the paragraph headed “Corporate Reorganisation” in Appendix VIII of this prospectus
“Reorganisation Agreement”	the reorganisation agreement dated 6 April 2005 entered into between the Company and the Parent Company and supplemented on 26 June 2006 as referred to in the section headed “History and Development — Reorganisation” in this prospectus
“Restructuring Commission”	中華人民共和國國家經濟體制改革委員會 (the State Commission for the Restructuring of the Economic System of the PRC), abolished in 1998 pursuant to the 國務院關於機構設置的通知 (Notice of the State Council regarding organisation structure), and its functions were merged into 中華人民共和國國務院經濟改革辦公室 (the Restructuring Office of the State Council of the PRC).
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the US Securities Act

DEFINITIONS

“SAFE”	中華人民共和國國家外匯管理局 (The State Administration of Foreign Exchange of the PRC)
“SASAC”	國務院國有資產監督管理委員會 (the state-owned Assets Supervision and Administration Commission of the State Council) of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	shares of the Company, comprising Domestic Shares and H Shares
“Shiling”	株洲時菱交通設備有限公司 (Zhuzhou Shiling Transportation Equipment Company, Ltd.), a Sino-foreign joint venture established in the PRC on 8 April 2005 and held as to 50% by the Parent Company, as to 40% by Mitsubishi Electric Corporation and as to 10% by Mitsubishi Electric (China) Ltd.
“Siemens Zhuzhou”	株洲西門子牽引設備有限公司 (Siemens Traction Equipment Ltd., Zhuzhou), a Sino-foreign joint venture established in the PRC on 28 November 1998 and held as to 17% by the Parent Company, as to 51% by Siemens Ltd. China and as to 32% by ZELW
“Special Regulations”	國務院關於股份有限公司境外募集股份及上市的特別規定, the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies promulgated by the State Council on 4 August 1994, as amended, supplemented or otherwise modified from time to time
“State Council”	中華人民共和國國務院 (the State Council of the PRC)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Supervisors”	the members of the supervisory committee of the Company
“Times Electric US”	Times Electric USA, LLC, a wholly-owned subsidiary of the Company, incorporated in Pennsylvania, US
“Times Electronics”	株洲時代電子技術有限公司 (Zhuzhou Times Electronics Technology Co., Ltd.), a company established under the laws of the PRC with limited liability on 28 December 1992 and a wholly-owned subsidiary of the Company

DEFINITIONS

“Times Fittings”	株洲時代配件技術服務有限責任公司 (Zhuzhou Times Fittings Technical Service Co., Ltd.) previously known as 株洲時代配件實業有限責任公司 (Zhuzhou Times Fittings Industrial Co., Ltd.), a limited liability company established under the laws of PRC on 28 February 2000, which was held as to 20% by the Parent Company and as to 80% by 26 individuals prior to the Reorganisation and was wholly-owned by the Parent Company immediately prior to its dissolution pursuant to the Reorganisation on 30 September 2004
“Times Guangchuang”	株洲時代廣創變流技術有限公司 (Zhuzhou Times Guangchuang Converter Technology Co., Ltd.), a limited liability company established under the laws of PRC with limited liability on 15 May 2001, a 70% equity interest in which is owned by Times Electronics
“Times Monitor”	株洲時代監控技術有限責任公司 (Zhuzhou Times Monitor Technology Co., Ltd.), a limited liability company established under the laws of PRC on 9 July 2003, which was held as to 60% by the Parent Company prior to the Reorganisation and was wholly-owned by the Parent Company immediately prior to its dissolution pursuant to the Reorganisation on 30 September 2004
“Times Investment”	株洲時代投資有限責任公司 (Zhuzhou Times Investment Company, Ltd.), a limited liability company established under the laws of PRC on 12 May 2003, a 99.26% equity interest in which is owned by 湖南省信托投資有限公司 (Hunan Province Trust and Investment Co., Ltd) and the remaining 0.74% equity interest in which is owned by NERCC, which is in turn wholly-owned by the Parent Company
“Times New Materials”	株洲時代新材料科技股份有限公司 (Zhuzhou Times New Materials Technology Company Limited), a joint stock company established under the laws of PRC on 24 May 1994 and listed on the Shanghai Stock Exchange, a 16.79% equity interest in which is owned by the Parent Company
“Times PCB”	株洲時代印製電路技術有限責任公司 (Zhuzhou Times Printed Circuit Board Technology Co. Ltd.), a limited liability company established under the laws of PRC on 12 December 2002, which was held as to 98.33% by the Parent Company and as to 1.67% by an individual prior to the Reorganisation and was wholly-owned by the Parent Company immediately prior to its dissolution pursuant to the Reorganisation on 30 September 2004

DEFINITIONS

“Track Record Period”	the three financial years ended 31 December 2005 and the six months ended 30 June 2006
“UK”	the United Kingdom
“Underwriters”	the International Underwriters and the Public Offer Underwriters
“Underwriting Agreements”	the Public Offer Underwriting Agreement and the International Underwriting Agreement
“United States” or “US”	the United States as defined in Regulation S
“US Securities Act”	the US Securities Act of 1933, as amended
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“WTO”	World Trade Organization
“ZELC”	中國南車集團株洲電力機車有限公司 (CSR Zhuzhou Electric Locomotive Company, Ltd.) , a limited liability company established under the laws of the PRC on 31 August 2005 and held as to 76.05% by CSR, as to 12.61% by the Parent Company, as to 10.08% by New Leap and as to 1.26% by 株洲聯誠集團有限責任公司 (Zhuzhou Lince Group Co., Ltd.); ZELC is one of the Promoters
“ZELW”	中國南車集團株洲電力機車廠 (CSR Zhuzhou Electric Locomotive Works), a state-owned enterprise wholly-owned by CSR
“Zhuzhou CSR Electric”	株洲南車電機股份有限公司 (Zhuzhou CSR Electric Co., Ltd.), a joint stock company established under the laws of the PRC on 14 April 2004, the holding company of which is ZELC
“Zhuzhou Jierui”	株洲杰瑞電氣工程有限公司 (Zhuzhou Jierui Electric Engineering Co., Ltd), a limited liability company established under the laws of the PRC on 20 December 2002, which was held as to 25.71% by the Parent Company, as to 5% by Yong’an Locomotive Depot Xiamen Industrial Company, as to 34.29% by Times Investment and as to 35% by various individuals prior to the Reorganisation. Times Electronics acquired 100% equity interest in Zhuzhou Jierui and Zhuzhou Jierui was subsequently dissolved pursuant to the Reorganisation in September 2004

DEFINITIONS

In this prospectus, unless otherwise specified, amounts denominated in RMB and US\$ have been translated, for the purpose of illustration only, into Hong Kong dollars at the following rates:

HK\$1.00 = RMB1.0154

HK\$7.7907 = US\$1.00

RMB7.9040 = US\$1.00

No representation is made that any amounts in RMB, US\$ or HK\$ can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

If there is any inconsistency between the Chinese names of the PRC entities mentioned in this prospectus and their English translations, the Chinese names shall prevail.