

The forecast of the Group's consolidated profit attributable to the equity holders of the Company for the year ending 31 December 2006 is set out in the section headed "Financial Information — Profit Forecast" in this prospectus.

(A) BASES AND ASSUMPTIONS

The Directors have prepared the forecast of the Group's consolidated profit attributable to the equity holders of the Company for the year ending 31 December 2006 on the basis of the audited consolidated results of the Group for the six months ended 30 June 2006, the results shown in the unaudited management accounts of the Group for the three months ended 30 September 2006 and a forecast of the consolidated results of the Group for the three months ending 31 December 2006. The forecast has been prepared on a basis consistent in all material respects with the accounting policies currently adopted by the Group as summarised in Appendix I to this prospectus and is based on the following principal assumptions:

- there will be no material changes in the existing political, legal, fiscal, market or economic conditions in the PRC or any other country or territory in which the Group carries on its business or from which it imports or sources its materials;
- there will be no changes in legislation, regulations or rules in the PRC or any other country or territory where the Group carries on its business or with which it has arrangements or agreements, which may have a material adverse effect on its business;
- there will be no material changes in the bases or rates of taxation or duties in the PRC or any other country or territory where the Group carries on its business, except as otherwise disclosed in this Prospectus; and
- there will be no material changes in interest rates or foreign currency exchanges rates from those prevailing as at the last audited balance sheet date;

(B) LETTERS

The following is the text of a letter, prepared for inclusion in this prospectus, received by the Directors and the Sponsors from the Company's reporting accountants, Ernst & Young, in connection with the forecast of the Group's consolidated profit attributable to equity holders of the Company for the year ending 31 December 2006.



18th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

8 December 2006

The Directors
Zhuzhou CSR Times Electric Co., Ltd.
Macquarie Securities Limited
CAF Securities Company Limited

Dear Sirs,

We have reviewed the accounting policies and calculations adopted in arriving at the forecast of the Group's consolidated profit attributable to the equity holders of the Company of Zhuzhou CSR Times Electric Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ending 31 December 2006 (the "Forecast"), for which the directors of the Company are solely responsible, as set out in the paragraph headed "Profit Forecast" in the section headed "Financial Information" in the prospectus of the Company dated 8 December 2006 (the "Prospectus").

The Forecast has been prepared by the directors of the Company based on the audited consolidated results of the Group for the six months ended 30 June 2006, the results shown in the unaudited management accounts of the Group for the three months ended 30 September 2006 and a forecast of the consolidated results of the Group for the three months ending 31 December 2006.

In our opinion, the Forecast, so far as the accounting policies and calculations are concerned, has been properly compiled in accordance with the bases and assumptions adopted by the directors of the Company as set out in appendix III to the Prospectus, and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated 8 December 2006, the text of which is set out in appendix I to the Prospectus.

Your faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong



8 December 2006

The Directors
Zhuzhou CSR Times Electric Co., Ltd

Dear Sirs,

We refer to the forecast of the consolidated profit attributable to equity holders of Zhuzhou CSR Times Electric Co., Ltd (the "Company") for the year ending 31 December 2006 (the "Profit Forecast") as set out in the prospectus issued by the Company dated 8 December 2006 (the "Prospectus").

We have discussed with you the bases and assumptions made by the directors of the Company as set out in Appendix III to the prospectus upon which the Profit Forecast has been made. We have also considered the letter dated 8 December 2006 addressed to yourselves and ourselves from Ernst & Young regarding the accounting policies and calculations upon which the Profit Forecast has been made.

On the basis of the information comprising the Profit Forecast and on the basis of the accounting policies and calculations adopted by you and reviewed by Ernst & Young, we are of the opinion that the Profit Forecast, for which you as directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of
Macquarie Securities Limited

William Je
*Managing Director,
Corporate Finance*

Xia Shen
*Managing Director,
Corporate Finance*

For and on behalf of
CAF Securities Company Limited

Michael Ng
*Executive Director,
Head of Corporate Finance*