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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)**

## **DISCLOSEABLE TRANSACTIONS**

### **SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

#### **(LOW RETURN AND LOW RISK AND PRINCIPAL-PRESERVATION IN NATURE)**

The Board is pleased to announce that from 18 December to 31 December 2015, the Company and its subsidiary, Guangzhou CSR Times, entered into the respective Wealth Management Agreements to subscribe for the Wealth Management Products in an aggregate subscription amount of RMB1.410 billion (equivalent to approximately HK\$1.690 billion). The Group utilised its temporarily idle raised proceeds for the payment of the subscription amount under each of the Wealth Management Agreements.

Each of the Wealth Management Agreements by itself does not constitute a discloseable transaction of the Company under Rule 14.06 of the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, when the relevant subscription amounts under the Wealth Management Agreements are aggregated, one of the applicable percentage ratios exceeds 5% but is lower than 25%. Therefore, the Wealth Management Agreements, on an aggregate basis, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under the Listing Rules.

The Board is pleased to announce that from 18 December to 31 December 2015, the Company and its subsidiary, Guangzhou CSR Times entered into the respective Wealth Management Agreements to subscribe for the Wealth Management Products in an aggregate subscription amount of RMB1.410 billion (equivalent to approximately HK\$1.690 billion). The Group utilised its temporarily idle raised proceeds for the payment of the subscription amount under each of the Wealth Management Agreements.

## 1. THE WEALTH MANAGEMENT AGREEMENTS

### 1.1 First Agricultural Bank Wealth Management Agreement

A summary of the terms of the First Agricultural Bank Wealth Management Agreement is set out as follows:

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|------|--|--|
| (1)  | <b>Date of the agreement</b>                         | 18 December 2015   |
| (2)  | <b>Date of Subscription:</b>                         | 18 December 2015   |
| (3)  | <b>Parties:</b>                                      | (i) Agricultural Bank; and<br>(ii) Guangzhou CSR Times   |
|      |  | To the best knowledge, information and belief of the Directors, Agricultural Bank and its ultimate beneficial owners are independent third parties. The principal businesses of Agricultural Bank include the provision of corporate and retail services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services. |
| (4)  | <b>Name of the wealth management plan:</b>           | "Benlifeng" 34-day RMB Wealth Management Product   |
| (5)  | <b>Currency of investment and returns:</b>           | RMB  |
| (6)  | <b>Type of return:</b>                               | Wealth management product with principal-preservation and low return and low risk  |
| (7)  | <b>Subscription amount:</b>                          | RMB10 million (equivalent to approximately HK\$11.984 million)   |
| (8)  | <b>Term of investment:</b>                           | From 18 December 2015 to 22 January 2016   |
| (9)  | <b>Term of product:</b>                              | 34 days  |
| (10) | <b>Expected rate of investment return per annum:</b> | Approximately 2.90%  |

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|---|---|
| (11) <b>Principle for calculation of return and interest:</b> | Return on the product is calculated based on the investment principal, days of investment, and the actual annualized return rate.           |
| (12) <b>Investment scope of the product:</b>                  | The funds raised would be invested in, among other investment products, government bonds, central bills, money market instruments and bonds |
| (13) <b>Right of early termination:</b>                       | During the investment period, only Agricultural Bank has the right of early termination but not Guangzhou CSR Times                         |
| (14) <b>Payment of principal and return upon maturity:</b>    | The principal and corresponding return would be paid in a lump sum on the maturity date   |

## 1.2 BOC Wealth Management Agreement

A summary of the terms of the BOC Wealth Management Agreement is set out as follows:

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|--|--|
| (1) <b>Date of the agreement:</b>              | 24 December 2015   |
| (2) <b>Date of Subscription:</b>               | 24 December 2015   |
| (3) <b>Parties:</b>                            | <p>(i) BOC; and</p> <p>(ii) the Company</p> <p>To the best knowledge, information and belief of the Directors, BOC and its ultimate beneficial owners are independent third parties. The principal businesses of BOC include the provision of corporate and retail services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services</p> |
| (4) <b>Name of the wealth management plan:</b> | RMB “Open-ended Product with due dates” Products   |

(5)	<b>Currency of investment and returns:</b>	RMB
(6)	<b>Type of return:</b>	Wealth management product with principal-preservation and low return and low risk
(7)	<b>Subscription amount:</b>	RMB200 million (equivalent to approximately HK\$239.68 million)
(8)	<b>Term of investment:</b>	From 24 December 2015 to 13 January 2016
(9)	<b>Term of product:</b>	21 days
(10)	<b>Expected rate of investment return per annum:</b>	Approximately 3.50%
(11)	<b>Principle for calculation of return and interest:</b>	Return on the product is calculated based on the investment principal, days of investment and the actual annualized rate of return
(12)	<b>Investment scope of the product:</b>	The funds raised would be invested in, among other investment products, government bonds, central bills, interbank deposits, money market instruments, bonds and purchase of shares
(13)	<b>Right of early termination:</b>	During the investment period, only BOC has the right of early termination but not the Company
(14)	<b>Payment of principal and return upon maturity:</b>	The principal and corresponding return would be paid in a lump sum on the maturity date

### 1.3 Changsha Bank Wealth Management Agreement

A summary of the terms of the Changsha Bank Wealth Management Agreement is set out as follows:

(1)	<b>Date of the agreement:</b>	25 December 2015
(2)	<b>Date of Subscription:</b>	28 December 2015

- (3) **Parties:**
- (i) Changsha Bank; and
  - (ii) the Company

To the best knowledge, information and belief of the Directors, Changsha Bank and its ultimate beneficial owners are independent third parties. The principal businesses of Changsha Bank include the provision of corporate and retail services, capital operation, assets management, and financial leasing as well as other financial services

- (4) **Name of the wealth management plan:** Gold Hibiscus Chang'an Series Institution No.16 RMB Wealth Management Products

- (5) **Currency of investment and returns:** RMB

- (6) **Type of return:** Wealth management product with principal-preservation and low return and low risk

- (7) **Subscription amount:** RMB200 million (equivalent to approximately HK\$239.68million)

- (8) **Term of investment:** From 28 December 2015 to 27 June 2016

- (9) **Term of product:** 183 days

- (10) **Expected rate of investment return per annum:** 3.55%

- (11) **Principle for calculation of return and interest:** Return on the product is calculated based on the investment principal, days of investment and the actual annualized rate of return

- (12) **Investment scope of the product:** The funds raised would be invested in, among other investment products, government bonds, central bills, interbank deposits, money market instruments and bonds

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|--|---|
| (13) <b>Right of early termination:</b>                    | During the investment period, only Changsha Bank has the right of early termination but not the Company |
| (14) <b>Payment of principal and return upon maturity:</b> | The principal and corresponding return would be paid in a lump sum on the maturity date                 |

#### 1.4 SPD Bank Wealth Management Agreement

A summary of the terms of the SPD Bank Wealth Management Agreement is set out as follows:

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|--|---|
| (1) <b>Date of the agreement:</b>              | 30 December 2015  |
| (2) <b>Date of Subscription:</b>               | 31 December 2015  |
| (3) <b>Parties:</b>                            | (i) SPD Bank; and<br>(ii) the Company   |
|  | To the best knowledge, information and belief of the Directors, SPD Bank and its ultimate beneficial owners are independent third parties. The principal businesses of SPD Bank include the provision of corporate and retail services, investment banking, assets management, brokerage as well as other financial services. |
| (4) <b>Name of the wealth management plan:</b> | Liduoduo Fortune Vehicle No.4   |
| (5) <b>Currency of investment and returns:</b> | RMB   |
| (6) <b>Type of return:</b>                     | Wealth management product with principal-preservation and low return and low risk   |
| (7) <b>Subscription amount:</b>                | RMB200 million (equivalent to approximately HK\$239.68 million)   |
| (8) <b>Term of investment:</b>                 | From 31 December 2015 to 27 June 2016   |
| (9) <b>Term of product:</b>                    | 180 days  |

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|------|--|---|
| (10) | <b>Expected rate of investment return per annum:</b>             | 3.30%   |
| (11) | <b>Principle for calculation of product return and interest:</b> | Return on the product is calculated based on the investment principal, days of investment and the actual annualized return rate   |
| (12) | <b>Investment scope of the product:</b>                          | The funds raised would be invested in, among other investment products, government bonds, central bills, interbank deposits, money market instruments, bonds and purchase of shares |
| (13) | <b>Right of early termination:</b>                               | During the investment period, only SPD Bank has the right of early termination but not the Company  |
| (14) | <b>Payment of principal and return upon maturity :</b>           | The principal and corresponding return would be paid in a lump sum on the maturity date   |

### 1.5 Guangfa Bank Wealth Management Agreement

A summary of the terms of the Guangfa Bank Wealth Management Agreement is set out as follows:

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|-----|-------------------------------|---|
| (1) | <b>Date of the agreement:</b> | 30 December 2015                          |
| (2) | <b>Date of Subscription:</b>  | 31 December 2015                          |
| (3) | <b>Parties:</b>               | (i) Guangfa Bank; and<br>(ii) the Company |

To the best knowledge, information and belief of the Directors, Guangfa Bank and its ultimate beneficial owners are independent third parties. The principal businesses of Guangfa Bank include the provision of corporate and retail services, capital operation, assets management, trust and financial leasing as well as other financial services

(4)	<b>Name of the wealth management plan:</b>	"Guangying Anxin" Return-Guaranteed Wealth Management Plan Type B
(5)	<b>Currency of investment and returns:</b>	RMB
(6)	<b>Type of return:</b>	Wealth management product with principal-preservation and low return and low risk
(7)	<b>Subscription amount:</b>	RMB200 million (equivalent to approximately HK\$239.68 million)
(8)	<b>Term of investment:</b>	From 31 December 2015 to 30 June 2016
(9)	<b>Term of product:</b>	183 days
(10)	<b>Expected rate of investment return per annum:</b>	Approximately 3.90%
(11)	<b>Principle for calculation of return and interest:</b>	Return on the product is calculated based on the investment principal, days of investment and the actual annualized rate of return
(12)	<b>Investment scope of the product:</b>	The funds raised would be invested in, among other investment products, bonds (including but not limited to government bonds and corporate bonds) and money market instruments (including but not limited to interbank deposits and cash)
(13)	<b>Right of early termination:</b>	During the investment period, only Guangfa Bank has the right of early termination but not the Company
(14)	<b>Payment of principal and return upon maturity:</b>	The principal and corresponding return would be paid in a lump sum on the maturity date



## 1.6 CITIC Wealth Management Agreement

A summary of the terms of the CITIC Wealth Management Agreement is set out as follows:

- |      |  |   |
|------|--|---|
| (1)  | <b>Date of the agreement:</b>                            | 30 December 2015  |
| (2)  | <b>Date of Subscription:</b>                             | 30 December 2015  |
| (3)  | <b>Parties:</b>  | (i) CITIC; and<br>(ii) the Company  |
|      |  | To the best knowledge, information and belief of the Directors, CITIC and its ultimate beneficial owners are independent third parties. The principal businesses of CITIC include the provision of corporate and retail services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services |
| (4)  | <b>Name of the wealth management plan:</b>               | Win Series (Duigong) No. 15484 Structured Wealth Management Product   |
| (5)  | <b>Currency of investment and returns:</b>               | RMB   |
| (6)  | <b>Type of return:</b>                                   | Wealth management product with principal-preservation and low return and low risk   |
| (7)  | <b>Subscription amount:</b>                              | RMB400 million (equivalent to approximately HK\$479.36 million)   |
| (8)  | <b>Term of investment:</b>                               | From 30 December 2015 to 29 June 2016   |
| (9)  | <b>Term of product:</b>                                  | 183 days  |
| (10) | <b>Expected rate of investment return per annum:</b>     | Approximately 3.45%   |
| (11) | <b>Principle for calculation of return and interest:</b> | Return on the product is calculated based on the investment principal, days of investment and the actual annualized rate of return  |

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|--|---|
| (12) <b>Investment scope of the product:</b>               | The funds raised would be invested by way of structured interest rate swap                      |
| (13) <b>Right of early termination:</b>                    | During the investment period, only CITIC has the right of early termination but not the Company |
| (14) <b>Payment of principal and return upon maturity:</b> | The principal and corresponding return would be paid in a lump sum on the maturity date         |

## 1.7 Second Agricultural Bank Wealth Management Agreement

A summary of the terms of the Second Agricultural Bank Wealth Management Agreement is set out as follows:

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|---|---|
| (1) <b>Date of the agreement</b>                          | 31 December 2015  |
| (2) <b>Date of Subscription:</b>                          | 31 December 2015  |
| (3) <b>Parties:</b>                                       | (i) Agricultural Bank; and<br>(ii) the Company                                    |
| (4) <b>Name of the wealth management plan:</b>            | “Benlifeng” 181-day RMB Wealth Management Product                                 |
| (5) <b>Currency of investment and returns:</b>            | RMB   |
| (6) <b>Type of return:</b>                                | Wealth management product with principal-preservation and low return and low risk |
| (7) <b>Subscription amount:</b>                           | RMB200 million (equivalent to approximately HK\$239.68 million)                   |
| (8) <b>Term of investment:</b>                            | From 31 December 2015 to 30 June 2016   |
| (9) <b>Term of product:</b>                               | 181 days  |
| (10) <b>Expected rate of investment return per annum:</b> | Approximately 3.35%   |

- |   |   |
|---|---|
| (11) <b>Principle for calculation of return and interest:</b> | Return on the product is calculated based on the investment principal, days of investment, and the actual annualized return rate.           |
| (12) <b>Investment scope of the product:</b>                  | The funds raised would be invested in, among other investment products, government bonds, central bills, money market instruments and bonds |
| (13) <b>Right of early termination:</b>                       | During the investment period, only Agricultural Bank has the right of early termination but not the Company                                 |
| (14) <b>Payment of principal and return upon maturity:</b>    | The principal and corresponding return would be paid in a lump sum on the maturity date   |

## **2. RISK CONTROL MEASURES**

Giving top priority to risk prevention, the Company implemented stringent control and made prudent decisions in respect of the purchase of the Wealth Management Products on the principle of protecting the interests of all the Shareholders and the Company. The Wealth Management Products purchased by the Company and Guangzhou CSR Times are of a principal-preservation nature with low return and low risk. During the term of the Wealth Management Products, the Company will keep in close contact with each of Agricultural Bank, BOC, Changsha Bank, SPD Bank, Guangfa Bank and CITIC to monitor the operation of wealth management funds, strengthen risk control and supervision, and strictly control the safety of funds.

## **3. INFORMATION ON THE GROUP**

The Group is principally engaged in the sale and manufacture of train-borne electrical systems and electrical components.

## **4. REASONS FOR AND BENEFIT FOR ENTRY INTO THE WEALTH MANAGEMENT AGREEMENTS**

The subscription of the Wealth Management Products, which are of a principal-preservation nature with low return and low risk, with certain temporarily idle raised proceeds of the Group was conducted on the premises that such investments would not affect the working capital of the Group or the operation of the Group's principal businesses.

The subscription of the Wealth Management Products is conducive to improving the capital usage efficiency and generating investment return from the Group's temporarily idle raised proceeds. As such, the Directors are of view that the Wealth Management Agreements are fair and reasonable and in the best interests of the Group and the Shareholders as a whole.

## **5. IMPLICATIONS UNDER THE LISTING RULES**

Each of the Wealth Management Agreements by itself does not constitute a discloseable transaction of the Company under Rule 14.06 of the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, when the relevant subscription amounts under the Wealth Management Agreements are aggregated, one of the applicable percentage ratios exceeds 5% but is lower than 25%. Therefore, the Wealth Management Agreements, on an aggregate basis, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under the Listing Rules.

## **6. DEFINITIONS**

Unless the context otherwise requires, the following terms used herein have the following meanings:

“Agricultural Bank”	Agricultural Bank of China Limited (中國農業銀行股份有限公司), a bank incorporated under the laws of the PRC
“Board”	the board of Directors
“BOC”	Bank of China Limited (中國銀行股份有限公司), a bank incorporated under the laws of the PRC
“BOC Wealth Management Agreement”	the wealth management agreement entered into between the Company and BOC as described in the section headed “1.2 BOC Wealth Management Agreement”
“Changsha Bank”	Bank of Changsha Co., Ltd. (長沙銀行股份有限公司), a bank incorporated under the laws of the PRC
“Changsha Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and Changsha Bank as described in the section headed “1.3 Changsha Bank Wealth Management Agreement”
“CITIC”	China CITIC Bank Co., Ltd. (中信銀行股份有限公司), a bank incorporated under the laws of the PRC

“CITIC Wealth Management Agreement”	the wealth management agreement entered into between the Company and CITIC as described in the section headed “1.6 CITIC Wealth Management Agreement”
“connected person”	has the meaning given to it under the Listing Rules Chapter 14
“Company”	Zhuzhou CSR Times Electric Co. Ltd., a joint stock company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“First Agricultural Bank Wealth Management Agreement”	the wealth management agreement entered into between Guangzhou CSR Times and Agricultural Bank as described in the section headed “1.1 First Agricultural Bank Wealth Management Agreement”
“Group”	the Company and its subsidiaries from time to time
“Guangfa Bank”	China Guangfa Bank Co. Ltd. (廣發銀行股份有限公司), a bank incorporated under the laws of the PRC
“Guangfa Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and Guangfa Bank as described in the section headed “1.5 Guangfa Bank Wealth Management Agreement”
“Guangzhou CSR Times”	Guangzhou CSR Times Electric Technology Co., Ltd. (廣州南車時代電氣技術有限公司), a direct subsidiary of the Company in which the Company holds 60% of its equity interest
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“independent third parties”	third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC

“Second Agricultural Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and Agricultural Bank as described in the section headed “1.7 Second Agricultural Bank Wealth Management Agreement”
“Shareholder(s) ”	the shareholder(s) of the Company
“SPD Bank”	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行), a bank incorporated under the laws of the PRC
“SPD Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and SPD Bank as described in the section headed “1.4 SPD Bank Wealth Management Agreement”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Agreements”	collectively, the First Agricultural Bank Wealth Management Agreement, the BOC Wealth Management Agreement, the Changsha Bank Wealth Management Agreement, the SPD Bank Wealth Management Agreement, the Guangfa Bank Wealth Management Agreement, CITIC Wealth Management Agreement and the Second Agricultural Bank Wealth Management Agreement
“Wealth Management Products”	the wealth management products, which are principal-preservation with low return and low risk in nature, denominated in Renminbi subscribed for by the Company under the Wealth Management Agreements
“%”	per cent

*In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.1984. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

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

Zhuzhou, China, 31 December 2015

*As at the date of this announcement, the Chairman of the Board and executive director is Ding Rongjun, the Vice-chairman of the Board and executive director is Deng Huijin, the other executive directors are Li Donglin and Yan Wu, the non-executive director is Ma Yunkun, and the independent non-executive directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing and Liu Chunru.*