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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 CERTAIN WEALTH MANAGEMENT PRODUCTS (LOW INCOME RISK PRINCIPAL-PRESERVATION IN NATURE)**

The Board is pleased to announce that in November 2014, the Company subscribed for November Wealth Management Products at an aggregate subscription amounts of RMB300 million (equivalent to approximately HK\$376.8 million) in accordance with the November Wealth Management Agreements. In addition, the Company subscribed for December Wealth Management Products at an aggregate subscription amounts of RMB800 million (equivalent to approximately HK\$1,004.8 million) in accordance with the December Wealth Management Agreements.

Each of the Wealth Management Agreements (defined as the November Wealth Management Agreements and December Wealth Management Agreements) by itself does not constitute a discloseable transaction of the Company under the Rule 14.06 of the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, the relevant subscription amounts under the Wealth Management Agreements will be aggregated. The relevant applicable percentage ratios (defined under the Listing Rules) of the transactions under the Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, all 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 in November 2014, the Company subscribed for November Wealth Management Products at an aggregate subscription amounts of RMB300 million (equivalent to approximately HK\$376.8 million) in accordance with the November Wealth Management Agreements. In addition, the Company subscribed for December Wealth Management Products at an aggregate subscription amounts of RMB800 million (equivalent to approximately HK\$1,004.8 million) in accordance with the December Wealth Management Agreements. The Company utilised its temporarily idle funds for the payment of the subscription amount under each of the Wealth Management Agreements.

## 1. First BOC Wealth Management Agreement

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

(1) **Date:**

Date of Wealth Management Agreement: 27 November 2014

Date of Subscription: 27 November 2014

(2) **Parties:**

(i) Bank of China; and

(ii) the Company

Bank of China is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, Bank of China and its ultimate beneficial owners are Independent Third Parties. The principal businesses of Bank of China include the provision of consumer banking, corporate banking, finance and insurance, investment banking, private banking, private equity, securities, asset management and wealth management.

(3) **Name of the wealth management plan:**

RMB “Open-ended Product with due dates” Products (人民幣「按期開放」產品)

(4) **Currency of investment and returns:**

RMB

(5) **Type of return:**

Principal-preservation and low income risk

(6) **Subscription amount:**

RMB100 million (equivalent to approximately HK\$125.6 million)

(7) **Term of investment:**

From 27 November 2014 to 5 January 2015

(8) **Term of products to be held:**

39 days

(9) **Expected rate of investment return per annum:**

At 4.20%

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|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (10) <b>Principle for calculation of product returns:</b>        | Return on the product is calculated based on the investment principal, days of investment, and the actual annualized return rate.                                                                                                                                           |
| (11) <b>Investment scope of the product:</b>                     | The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, central bills, import-export agency bonds, agricultural bonds and short-term bills, which comply with regulatory requirements. |
| (12) <b>Right of early termination:</b>                          | During the investment period for this product, Bank of China has the right of early termination but the Company has no right to early termination.                                                                                                                          |
| (13) <b>The payment of principal and return upon redemption:</b> | If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date.                                                                                                          |

## 2. First Guangfa Bank Wealth Management Agreement

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

(1) **Date:**

Date of Wealth Management Agreement: 28 November 2014

Date of Subscription: 28 November 2014

(2) **Parties:**

- (i) Guangfa Bank; and
- (ii) the Company

Guangfa Bank is a licensed bank incorporated under the laws of the PRC. 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 customer banking, corporate banking, asset management, wealth management as well as other financial services.

(3) **Name of the wealth management plan:**

RMB “Guangying Anxin” Income-Guaranteed Wealth Management Plan (Type B) (「廣贏安薪」保證收益型B款人民幣理財計劃)

(4) **Currency of investment and returns:**

RMB

(5) **Type of return:**

Principal-preservation and low income risk

(6) **Subscription amount:**

RMB100 million (equivalent to approximately HK\$125.6 million)

(7) **Term of investment:**

From 28 November 2014 to 27 February 2015

(8) **Term of products to be held:**

91 days

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|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (9) <b>Expected rate of investment return per annum:</b>               | At 4.80%                                                                                                                                                                                                                                                                                     |
| (10) <b>Principle for calculation of product returns and interest:</b> | Return on the product is calculated based on the investment principal, days of investment, and the actual annualized return rate. Interest during the proceeds raising period is calculated based on the current deposit interest rate and will not be included in the investment principal. |
| (11) <b>Investment scope of the product:</b>                           | The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, corporate bonds, municipal bonds, financing bonds, central bills and short-term bonds, which comply with regulatory requirements.               |
| (12) <b>Right of early termination:</b>                                | During the investment period for this product, Guangfa Bank has the right of early termination but the Company has no right to early termination                                                                                                                                             |
| (13) <b>The payment of principal and return upon maturity:</b>         | If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date.                                                                                                                           |

### 3. Changsha Bank Wealth Management Agreement

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

(1) **Date:**

Date of Wealth Management Agreement: 27 November 2014

Date of Subscription: 28 November 2014

(2) **Parties:**

- (i) Changsha Bank; and
- (ii) the Company

Changsha Bank is a licensed bank incorporated under the laws of the PRC. 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, trading related services as well as other financial services.

(3) **Name of the wealth management plan:**

Gold Hibiscus Chang'an Series Institution No.1 RMB Wealth Management Products (金芙蓉長安系列機構第(1)號人民幣理財產品)

(4) **Currency of investment and returns:**

RMB

(5) **Type of return:**

Principal-preservation and low income risk

(6) **Subscription amount:**

RMB100 million (equivalent to approximately HK\$125.6 million)

(7) **Term of investment:**

From 28 November 2014 to 3 March 2015

(8) **Term of products to be held:**

95 days

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|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (9) <b>Expected rate of investment return per annum:</b>       | At 4.55%                                                                                                                                                                                                                                  |
| (10) <b>Principle for calculation of product returns:</b>      | Return on the product is calculated based on the investment principal, days of investment, and the actual annualized return rate.                                                                                                         |
| (11) <b>Investment scope of the product:</b>                   | The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, central bills, financial bonds and corporate bonds which comply with regulatory requirements |
| (12) <b>Right of early termination:</b>                        | During the investment period for this product, Changsha Bank has the right of early termination but the Company has no right to early termination.                                                                                        |
| (13) <b>The payment of principal and return upon maturity:</b> | If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date.                                                                        |

#### 4. Second BOC Wealth Management Agreement

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

(1) **Date:**

Date of Wealth Management Agreement: 9 December 2014

Date of Subscription: 9 December 2014

(2) **Parties:**

- (i) Bank of China; and
- (ii) the Company

Bank of China is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, Bank of China and its ultimate beneficial owners are Independent Third Parties. The principal businesses of Bank of China include the provision of consumer banking, corporate banking, finance and insurance, investment banking, private banking, private equity, securities, asset management and wealth management.

(3) **Name of the wealth management plan:**

RMB “Open-ended” Product with due dates Products (人民幣「按期開放」產品)

(4) **Currency of investment and returns:**

RMB

(5) **Type of return:**

Principal-preservation and low income risk

(6) **Subscription amount:**

RMB200 million (equivalent to approximately HK\$251.2 million)

(7) **Term of investment:**

From 9 December 2014 to 8 January 2015

(8) **Term of products to be held:**

30 days

(9) **Expected rate of investment return per annum:**

At 3.70%



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|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (10) <b>Principle for calculation of product returns:</b>        | Return on the product is calculated based on the investment principal, days of investment, and the actual annualized return rate.                                                                                                                                           |
| (11) <b>Investment scope of the product:</b>                     | The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, central bills, import-export agency bonds, agricultural bonds and short-term bills, which comply with regulatory requirements. |
| (12) <b>Right of early termination:</b>                          | During the investment period for this product, Bank of China has the right of early termination but the Company has no right to early termination.                                                                                                                          |
| (13) <b>The payment of principal and return upon redemption:</b> | If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date.                                                                                                          |

## 5. Second Guangfa Bank Wealth Management Agreement

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

(1) **Date:**

Date of Wealth Management Agreement: 9 December 2014

Date of Subscription: 9 December 2014

(2) **Parties:**

- (i) Guangfa Bank; and
- (ii) the Company

Guangfa Bank is a licensed bank incorporated under the laws of the PRC. 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 customer banking, corporate banking, asset management, wealth management as well as other financial services etc.

(3) **Name of the wealth management plan:**

RMB “Guangying Anxin” Income-Guaranteed Wealth Management Plan Type B (「廣贏安薪」保證收益型(B款)人民幣理財計劃)

(4) **Currency of investment and returns:**

RMB

(5) **Type of return:**

Principal-preservation and low income risk

(6) **Subscription amount:**

RMB200 million (equivalent to approximately HK\$251.2 million)

(7) **Term of investment:**

From 9 December 2014 to 9 June 2015

(8) **Term of products to be held:**

182 days

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|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (9) <b>Expected rate of investment return per annum:</b>               | At 5.00%                                                                                                                                                                                                                                                                                     |
| (10) <b>Principle for calculation of product returns and interest:</b> | Return on the product is calculated based on the investment principal, days of investment, and the actual annualized return rate. Interest during the proceeds raising period is calculated based on the current deposit interest rate and will not be included in the investment principal. |
| (11) <b>Investment scope of the product:</b>                           | The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, corporate bonds, municipal bonds, financing bonds, central bills and short-term bonds, etc. which comply with regulatory requirements.          |
| (12) <b>Right of early termination:</b>                                | During the investment period for this product, Guangfa Bank has the right of early termination but the Company has no right to early termination                                                                                                                                             |
| (13) <b>The payment of principal and return upon maturity:</b>         | If the Company holds this product till maturity, the principal and corresponding return of the this product would become payable in a lump sum upon the maturity date.                                                                                                                       |

## 6. Agricultural Bank Wealth Management Agreement

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

(1) **Date:**

Date of Wealth Management Agreement: 9 December 2014

Date of Subscription: 9 December 2014

(2) **Parties:**

- (i) Agricultural Bank; and
- (ii) the Company

Agricultural Bank is a licensed bank incorporated under the laws of the PRC. 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 consumer banking, corporate banking, investment banking, investment management, global wealth management and private equity.

(3) **Name of the wealth management plan:**

“Benlifeng” 90-day RMB Wealth Management Products (「本利豐90天」人民幣理財產品)

(4) **Currency of investment and returns:**

RMB

(5) **Type of return:**

Principal-preservation and low income risk

(6) **Subscription amount:**

RMB200 million (equivalent to approximately HK\$251.2 million)

(7) **Term of investment:**

From 9 December 2014 to 10 March 2015

(8) **Term of products to be held:**

90 days

(9) **Expected rate of investment return per annum:**

At 4.20%

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|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (10) <b>Principle for calculation of product returns and interest:</b> | Return on the product is calculated based on the investment principal, days of investment, and the actual annualized return rate. Interest during the proceeds raising period is calculated based on the current deposit interest rate and will not be included in the investment principal. |
| (11) <b>Investment scope of the product:</b>                           | The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, financing bonds and central bills, etc which comply with regulatory requirements.                                                               |
| (12) <b>Right of early termination:</b>                                | During the investment period for this product, SPD Bank has the right of early termination but the Company has no right to early termination.                                                                                                                                                |
| (13) <b>The payment of principal and return upon maturity:</b>         | If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date.                                                                                                                           |

## 7. SPD Bank Wealth Management Agreement

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

(1) **Date:**

Date of Wealth Management Agreement: 9 December 2014

Date of Subscription: 9 December 2014

(2) **Parties:**

- (i) SPD Bank; and
- (ii) the Company

SPD Bank is a licensed bank incorporated under the laws of the PRC. 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, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services.

(3) **Name of the wealth management plan:**

Liduoduo Fortune Vehicle No. 4 (利多多財富班車4號)

(4) **Currency of investment and returns:**

RMB

(5) **Type of return:**

Principal-preservation and low income risk

(6) **Subscription amount:**

RMB200 million (equivalent to approximately HK\$251.2 million)

(7) **Term of investment:**

From 9 December 2014 to 8 June 2015

(8) **Term of products to be held:**

180 days

(9) **Expected rate of investment return per annum:**

At 4.60%

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|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(10) <b>Principle for calculation of product returns and interest:</b></p>              | <p>Return on the product is calculated based on the investment principal, days of investment, and the actual annualized return rate. Interest during the proceeds raising period is calculated based on the current deposit interest rate and will not be included in the investment principal.</p> |
| <p>(11) <b>Investment scope of the product:</b></p>                                        | <p>The funds raised through issue of this product would be invested in other investment vehicles including but not limited to cash, government bonds, municipal bonds, central bills and corporate bonds which comply with regulatory requirements.</p>                                             |
| <p>(12) <b>Right of early termination:</b></p>                                             | <p>During the investment period for this product, SPD Bank has the right of early termination but the Company has no right to early termination.</p>                                                                                                                                                |
| <p>(13) <b>The payment of principal and return upon end of the term of investment:</b></p> | <p>If the Company holds this product till end of the term of investment, the principal and corresponding return of this product would become payable in a lump sum upon end of the term of investment.</p>                                                                                          |

## **RISK CONTROL MEASURES**

Giving top priority to risk prevention, the Company implemented stringent control and made prudent decisions in respect of the purchase of Wealth Management Products on the principle of protecting the interests of all Shareholders and the Company. The Wealth Management Products purchased by the Company are of a principal-preservation nature with low income risk. During the term of Wealth Management Products, the Company will keep in close contact with each of banks involved, to follow up the operation of wealth management funds, strengthen risk control and supervision, and strictly control the safety of funds.

## **REASON FOR AND BENEFIT OF THE SUBSCRIPTION**

The subscription of Wealth Management Products, which are of principal-preservation and low income risk in nature, with certain temporarily idle funds of the Company was and will be conducted on the premises that such investments would not affect the working capital of the Company or the operation of the Company's principal businesses.

The subscription of Wealth Management Products is conducive to improve the capital usage efficiency and generate investment return from the Company's temporarily idle funds. As such, the Directors (including the independent non-executive Directors) are of view that the Wealth Management Agreements are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE GROUP**

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

## **IMPLICATIONS UNDER THE LISTING RULES**

Each of the Wealth Management Agreements by itself does not constitute a discloseable transaction of the Company under the Rule 14.06 of the Listing Rules. However, pursuant to Rule 14.22 of the Listing Rules, the relevant subscription amounts under the Wealth Management Agreements will be aggregated. The relevant applicable percentage ratios (defined under the Listing Rules) of the transactions under the Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, all 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.

## **DEFINITIONS**

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

“Agricultural Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and Agricultural Bank on 9 December 2014 in relation to the subscription of the December Wealth Management Products at a subscription amount of RMB200 million
“Agricultural Bank”	Agricultural Bank of China Limited (中國農業銀行股份有限公司), a licensed bank incorporated under the laws of the PRC
“Bank of China”	Bank of China Limited (中國銀行股份有限公司), a licensed bank incorporated under the laws of the PRC
“Board”	the board of Directors



“Changsha Bank”	Bank of Changsha Bank Co., Ltd. (長沙銀行股份有限公司), a licensed 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 on 27 November 2014 in relation to the subscription of the November Wealth Management Products at a subscription amount of RMB100 million
“Company”	Zhuzhou CSR Times Electric Co. Ltd., a joint stock company incorporated in the PRC with limited liability
“December Wealth Management Agreements”	the Second BOC Wealth Management Agreement, the Second Guangfa Bank Wealth Management Agreement, the Agricultural Bank Wealth Management Agreement, and the SPD Bank Wealth Management Agreement, as the context requires
“December Wealth Management Products”	the wealth management products with an aggregate subscription amounts of RMB800 million (equivalent to approximately HK\$1,004.8 million), which are of principal-preservation with low income risk in nature, denominated in Renmenbi subscribed for the Company under the December Wealth Management Agreements
“Director(s)”	the director(s) of the Company
“First BOC Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of China on 27 November 2014 in relation to the subscription of the November Wealth Management Products at a subscription amount of RMB100 million
“First Guangfa Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and Guangfa Bank on 28 November 2014 in relation to the subscription of the November Wealth Management Products at a subscription amount of RMB100 million
“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 licensed bank incorporated under the laws of the PRC
“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
“November Wealth Management Agreements”	the Changsha Bank Wealth Management Agreement, the First BOC Wealth Management Agreement and the First Guangfa Bank Wealth Management Agreement, as the context requires
“November Wealth Management Products”	the wealth management products with an aggregate subscription amounts of RMB 300 million (equivalent to approximately HK\$376.8 million), which are of principal-preservation with low income risk in nature, denominated in Renminbi subscribed for the Company under the November Wealth Management Agreements
“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 BOC Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of China on 9 December 2014 in relation to the subscription of the December Wealth Management Products at a subscription amount of RMB200 million
“Second Guangfa Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and Guangfa on 9 December 2014 in relation to the subscription of the December Wealth Management Products at a subscription amount of RMB200 million
“Shareholder(s)”	the shareholder(s) of the Company

“SPD Bank”	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司), a licensed 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 on 9 December 2014 in relation to the Subscription of the December Wealth Management Products at a subscription amount of RMB200 million
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Agreements”	collectively, the November Wealth Management Agreements and December 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\$1.256. 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, 9 December 2014

*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.*