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中国南车

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 TRANSACTION

SUBSCRIPTION OF SECOND CHANGSHA BANK WEALTH MANAGEMENT PRODUCT (LOW INCOME RISK PRINCIPAL-PRESERVATION IN NATURE)

The Board is pleased to announce that on 12 December 2014, the Company entered into the Second Changsha Bank Wealth Management Agreement with Changsha Bank at a subscription amount of RMB100 million (equivalent to approximately HK\$125.6 million) in accordance with such agreement.

Pursuant to the earlier December Discloseable Transactions Announcement issued by the Company, the Company has entered into certain Previous Wealth Management Agreements to subscribe to Certain Wealth Management Products with an aggregate subscription amounts of RMB1,100 million (equivalent to approximately HK\$1,381.6 million).

The subscription of Second Changsha Bank Wealth Management Product under the Second Changsha Bank Wealth Management Agreement 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, the relevant subscription amount under the Second Changsha Bank Wealth Management Agreement will be aggregated with the subscription amounts under the Previous Wealth Management Agreements. The relevant applicable percentage ratios (defined under the Listing Rules) of the transactions under the Second Changsha Bank Wealth Management Agreement and the Previous Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, the transactions under these 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 on 12 December 2014, the Company entered into the Second Changsha Bank Wealth Management Agreement with Changsha Bank at a subscription amount of RMB100 million (equivalent to approximately HK\$125.6 million) in accordance with such agreement. The Company intends to utilise its temporarily idle funds for the payment of the subscription amount under the Second Changsha Bank Wealth Management Agreement.

Second Changsha Bank Wealth Management Agreement

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

(1) Date:

Date of agreement: 12 December 2014

Date of subscription: 18 December 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:

Changsha Bank 2014 Gold Hibiscus Wealth Management “Chang’an No.3” (長沙銀行2014年金芙蓉理財“長安3號”)

(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)

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| (7) Term of investment: | From 18 December 2014 to 22 January 2015 |
| (8) Term of products to be held: | 35 days |
| (9) Expected rate of investment return per annum: | At 4.50% |
| (10) Principle for calculation of product returns and interest: | 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) Investment scope of the product: | The funds raised through this issue of the Second Changsha Bank Wealth Management 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) Right of early termination: | During the investment period, Changsha Bank has the right of early termination but the Company has no right to early termination. |
| (13) The payment of principal and return upon maturity: | If the Company holds the Second Changsha Bank Wealth Management Product till maturity, the principal and corresponding return would become payable in a lump sum upon the maturity date. |

RISK CONTROL MEASURES

Giving top priority to risk prevention, the Company implemented stringent control and made prudent decisions in respect of the purchase of Second Changsha Bank Wealth Management Product on the principle of protecting the interests of all Shareholders and the Company. The Second Changsha Bank Wealth Management Product to be purchased by the Company is of a principal-preservation nature with low income risk. During the term of the Second Changsha Bank Wealth Management

Product, the Company will keep in close contact with Changsha Bank to follow up the operation of wealth management fund, strengthen risk control and supervision, and strictly control the safety of fund.

REASON FOR AND BENEFIT OF THE SUBSCRIPTION

The subscription of Second Changsha Bank Wealth Management Product, which is of principal-preservation and low income risk in nature, with certain temporarily idle funds of the Company is to be conducted on the premises that such investment would not affect the working capital of the Company or the operation of the Company's principal businesses.

The subscription of Second Changsha Bank Wealth Management Product 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 Second Changsha Bank Wealth Management Agreement is 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

Pursuant to the earlier December Discloseable Transactions Announcement issued by the Company, the Company has entered into Previous Wealth Management Agreements to subscribe to Certain Wealth Management Products with an aggregate subscription amounts of RMB1,100 million (equivalent to approximately HK\$1,381.6 million).

The subscription of Second Changsha Bank Wealth Management Product under the Second Changsha Bank Wealth Management Agreement 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, the relevant subscription amount under the Second Changsha Bank Wealth Management Agreement will be aggregated with the subscription amounts under the Previous Wealth Management Agreements. The relevant applicable percentage ratios (defined under the Listing Rules) of the transactions under the Second Changsha Bank Wealth Management Agreement and the Previous Wealth Management Agreements exceed 5% but are lower than 25%. Therefore, the transactions under these 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:

“Board”	the board of Directors
“Certain Wealth Management Products”	the wealth management products with an aggregate subscription amounts of RMB1,100 million (equivalent to approximately HK\$1,381.6 million), which are of principal-preservation with low income risk in nature, denominated in Renmenbi subscribed for the Company under the Previous Wealth Management Agreements (which are defined as “November Wealth Management Products” and “December Wealth Management Products” in the December Discloseable Transactions Announcement)
“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
“Company”	Zhuzhou CSR Times Electric Co. Ltd., a joint stock company incorporated in the PRC with limited liability
“December Discloseable Transactions Announcement”	the discloseable transactions announcement issued by the Company dated 9 December 2014 in relation to the Previous Wealth Management Agreements
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“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)

“Previous Wealth Management Agreements”	the wealth management agreements entered into by the Company with various banks in November and December 2014 (which are defined as “Wealth Management Agreements” in the December Discloseable Transactions Announcement)
“RMB”	Renminbi, the lawful currency of the PRC
“Second Changsha Bank Wealth Management Agreement”	the wealth management agreement entered into between the Company and Changsha Bank on 12 December 2014 in relation to the subscription of the Second Changsha Bank Wealth Management Product at a subscription amount of RMB100 million
“Second Changsha Bank Wealth Management Product”	the wealth management product with a subscription amount of RMB100 million which are of principal-preservation with low income risk in nature, denominated in Renmenbi subscribed for the Company under the Second Changsha Bank Wealth Management Agreement
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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, 12 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.