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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  
(PRINCIPAL-PRESERVATION WITH FLOATING RETURN IN NATURE)**

The Board is pleased to announce that in December 2014, the Company and its subsidiary, Baoji Times, entered into the respective Wealth Management Agreements to subscribe for the Wealth Management Products in an aggregate subscription amount of RMB1.29 billion (equivalent to approximately HK\$1.6 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 in December 2014, the Company and its subsidiary, Baoji Times entered into the respective Wealth Management Agreements to subscribe for the Wealth Management Products in an aggregate subscription amount of RMB1.29 billion (equivalent to approximately HK\$1.6 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 CCB Wealth Management Agreement

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

- |      |  |  |
|------|--|--|
| (1)  | <b>Date of the agreement:</b>                            | 9 December 2014  |
| (2)  | <b>Date of Subscription:</b>                             | 9 December 2014  |
| (3)  | <b>Parties:</b>  | (i) CCB; and<br>(ii) the Company   |
| (4)  | <b>Name of the wealth management plan:</b>               | “Qian Yuan” Principal-Preservation RMB Wealth Management Product   |
| (5)  | <b>Currency of investment and returns:</b>               | RMB  |
| (6)  | <b>Type of return:</b>                                   | Principal-preservation with floating income  |
| (7)  | <b>Subscription amount:</b>                              | RMB200 million (equivalent to approximately HK\$248.92 million)  |
| (8)  | <b>Term of investment:</b>                               | From 9 December 2014 to 13 March 2015  |
| (9)  | <b>Term of product:</b>                                  | 94 days  |
| (10) | <b>Expected rate of investment return per annum:</b>     | Approximately 4.40%  |
| (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 investment products which comply with regulatory requirements, including interbank deposits  |
| (13) | <b>Right of early termination:</b>                       | During the investment period, only CCB 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  |

## 1.2 First CITIC Wealth Management Agreement

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

- |      |  |   |
|------|--|---|
| (1)  | <b>Date of the agreement:</b>                            | 10 December 2014  |
| (2)  | <b>Date of Subscription:</b>                             | 12 December 2014  |
| (3)  | <b>Parties:</b>  | (i) CITIC; and<br>(ii) the Company  |
| (4)  | <b>Name of the wealth management plan:</b>               | CITIC Win Series Wealth Management Product No. 14200 RMB Wealth Management Product  |
| (5)  | <b>Currency of investment and returns:</b>               | RMB   |
| (6)  | <b>Type of return:</b>                                   | Principal-preservation with floating income   |
| (7)  | <b>Subscription amount:</b>                              | RMB200 million (equivalent to approximately HK\$248.92 million)   |
| (8)  | <b>Term of investment:</b>                               | From 12 December 2014 to 13 March 2015  |
| (9)  | <b>Term of product:</b>                                  | 91 days   |
| (10) | <b>Expected rate of investment return per annum:</b>     | Approximately 4.40%   |
| (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, cash, interbank deposits, government bonds, bills of central bank and corporate bonds |
| (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 upon the maturity date   |

### 1.3 First Everbright Wealth Management Agreement

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

- |      |  |  |
|------|--|--|
| (1)  | <b>Date of the agreement:</b>                            | 23 December 2014   |
| (2)  | <b>Date of Subscription:</b>                             | 23 December 2014   |
| (3)  | <b>Parties:</b>  | (i) China Everbright; and<br>(ii) the Company  |
| (4)  | <b>Name of the wealth management plan:</b>               | Stable and Flexible Treasure (Institutions)  |
| (5)  | <b>Currency of investment and returns:</b>               | RMB  |
| (6)  | <b>Type of return:</b>                                   | Principal-preservation with floating income  |
| (7)  | <b>Subscription amount:</b>                              | RMB200 million (equivalent to approximately HK\$248.92 million)  |
| (8)  | <b>Term of investment:</b>                               | From 23 December 2014 to 24 March 2015   |
| (9)  | <b>Term of product:</b>                                  | 91 days  |
| (10) | <b>Expected rate of investment return per annum:</b>     | Approximately 4.9%   |
| (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, interbank deposits, money market instruments, bonds and purchase of new shares |
| (13) | <b>Right of early termination:</b>                       | The Company may redeem early   |
| (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 Second CITIC Wealth Management Agreement

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

- |      |  |   |
|------|--|---|
| (1)  | <b>Date of the agreement:</b>                            | 17 December 2014  |
| (2)  | <b>Date of Subscription:</b>                             | 19 December 2014  |
| (3)  | <b>Parties:</b>  | (i) CITIC; and<br>(ii) Baoji Times  |
| (4)  | <b>Name of the wealth management plan:</b>               | CITIC Win Series Wealth Management Product No. 14201 RMB Wealth Management Product  |
| (5)  | <b>Currency of investment and returns:</b>               | RMB   |
| (6)  | <b>Type of return:</b>                                   | Principal-preservation with floating income   |
| (7)  | <b>Subscription amount:</b>                              | RMB30 million (equivalent to approximately HK\$37.34 million)   |
| (8)  | <b>Term of investment:</b>                               | From 19 December 2014 to 23 January 2015  |
| (9)  | <b>Term of product:</b>                                  | 35 days   |
| (10) | <b>Expected rate of investment return per annum:</b>     | Approximately 4.10%   |
| (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, cash, interbank deposits, government bonds, bills of central bank and corporate bonds |
| (13) | <b>Right of early termination:</b>                       | During the investment period, only CITIC has the right of early termination but not Baoji 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   |

## 1.5 CIB Wealth Management Agreement

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

- |      |  |   |
|------|--|---|
| (1)  | <b>Date of the agreement:</b>                            | 31 December 2014  |
| (2)  | <b>Date of Subscription:</b>                             | 31 December 2014  |
| (3)  | <b>Parties:</b>  | (i) CIB; and<br>(ii) the Company  |
| (4)  | <b>Name of the wealth management plan:</b>               | CIB Gold Snow Ball — Priority No. 2   |
| (5)  | <b>Currency of investment and returns:</b>               | RMB   |
| (6)  | <b>Type of return:</b>                                   | Principal-preservation with floating income   |
| (7)  | <b>Subscription amount:</b>                              | RMB140 million (equivalent to approximately HK\$174.24 million)   |
| (8)  | <b>Term of investment:</b>                               | From 31 December 2014 to 7 January 2015   |
| (9)  | <b>Term of product:</b>                                  | 7 days  |
| (10) | <b>Expected rate of investment return per annum:</b>     | Approximately 3.5%  |
| (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, money market vehicles, bank deposits, government bonds, bills of central bank and corporate bonds |
| (13) | <b>Right of early termination:</b>                       | The Company may redeem early  |
| (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 Third CITIC Wealth Management Agreement

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

- |      |  |   |
|------|--|---|
| (1)  | <b>Date of the agreement:</b>                            | 30 December 2014  |
| (2)  | <b>Date of Subscription:</b>                             | 31 December 2014  |
| (3)  | <b>Parties:</b>  | (i) CITIC; and<br>(ii) the Company  |
| (4)  | <b>Name of the wealth management plan:</b>               | CITIC Win Series Wealth Management Product — Daily Express No. 3  |
| (5)  | <b>Currency of investment and returns:</b>               | RMB   |
| (6)  | <b>Type of return:</b>                                   | Principal-preservation with floating income   |
| (7)  | <b>Subscription amount:</b>                              | RMB300 million (equivalent to approximately HK\$373.38)   |
| (8)  | <b>Term of investment:</b>                               | From 31 December 2014 to 7 January 2015   |
| (9)  | <b>Term of product:</b>                                  | 7 days  |
| (10) | <b>Expected rate of investment return per annum:</b>     | Approximately 3.2%  |
| (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, cash, interbank deposits, government bonds, bills of central bank and corporate bonds |
| (13) | <b>Right of early termination:</b>                       | The Company may redeem early  |
| (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 Everbright Wealth Management Agreement

The terms of the Second Everbright Wealth Management Agreement are substantially the same as the First Everbright Wealth Management Agreement save and except that the following information applies only to the Second Everbright Wealth Management Agreement but not the First Everbright Wealth Management Agreement:

- |     |                               |  |
|-----|-------------------------------|--|
| (1) | <b>Date of the agreement:</b> | 30 December 2014                       |
| (2) | <b>Date of Subscription:</b>  | 31 December 2014                       |
| (3) | <b>Term of investment:</b>    | From 31 December 2014 to 31 March 2015 |
| (4) | <b>Term of product:</b>       | 90 days                                |

## 1.8 Fourth CITIC Wealth Management Agreement

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

- |     |  |  |
|-----|--|--|
| (1) | <b>Date of the agreement:</b>              | 30 December 2014   |
| (2) | <b>Date of Subscription:</b>               | 31 December 2014   |
| (3) | <b>Parties:</b>                            | (i) CITIC; and<br>(ii) Baoji Times                               |
| (4) | <b>Name of the wealth management plan:</b> | CITIC Win Series Wealth Management Product — Daily Express No. 2 |
| (5) | <b>Currency of investment and returns:</b> | RMB  |
| (6) | <b>Type of return:</b>                     | Principal-preservation with floating income                      |
| (7) | <b>Subscription amount:</b>                | RMB20 million (equivalent to approximately HK\$24.89 million)    |
| (8) | <b>Term of investment:</b>                 | From 31 December 2014 to 9 February 2015                         |



- |      |  |   |
|------|--|---|
| (9)  | <b>Term of product:</b>                                  | 41 days   |
| (10) | <b>Expected rate of investment return per annum:</b>     | Approximately 2.8%  |
| (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, cash, interbank deposits, government bonds, bills of central bank and corporate bonds |
| (13) | <b>Right of early termination:</b>                       | Baoji Times may redeem early  |
| (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 Baoji Times are of a principal-preservation nature with floating returns. During the terms of the Wealth Management Products, the Company will keep in close contact with each of CCB, CITIC, China Everbright and CIB 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. INFORMATION ON CCB, CITIC, CHINA EVERBRIGHT AND CIB**

- (a) CCB is a bank incorporated in the PRC. The principal businesses of CCB include the provision of corporate and retail services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services.
- (b) CITIC is a bank incorporated in the PRC. 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.
- (c) China Everbright is a bank incorporated in the PRC. The principal businesses of China Everbright include the provision of corporate and retail services, investment banking, assets management, brokerage as well as other financial services.
- (d) CIB is a bank incorporated in the PRC. The principal businesses of CIB include the provision of corporate and retail services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services.

To the best knowledge, information and belief of the Directors, each of CCB, CITIC, China Everbright and CIB and their respective ultimate beneficial owners are independent third parties.

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

The subscription of the Wealth Management Products, which are of principal-preservation with floating return in nature, 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.

## 6. 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.

## 7. DEFINITIONS

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

“Baoji Times”	Baoji CSR Times Engineering Machinery Co., Ltd. (寶雞南車時代工程機械有限公司), a direct subsidiary of the Company in which the Company holds 85.8% of its equity interest
“Board”	the board of Directors
“CCB”	China Construction Bank Corporation (中國建設銀行), a bank incorporated under the laws of the PRC
“CCB Wealth Management Agreement”	the wealth management agreement entered into between the Company and CCB as described in the section headed “1.1 CCB Wealth Management Agreement”
“China Everbright”	China Everbright Bank Co., Ltd. (中國光大銀行), a bank incorporated under the laws of the PRC
“CIB”	Industrial Bank Co., Ltd. (興業銀行), a bank incorporated under the laws of the PRC
“CIB Wealth Management Agreement”	the wealth management agreement entered into between the Company and CIB as described in the section headed “1.5 CIB 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
“connected person”	has the meaning given to it under the Listing Rules

“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 CITIC Wealth Management Agreement”	the wealth management agreement entered into between the Company and CITIC as described in the section headed “1.2 First CITIC Wealth Management Agreement”
“First Everbright Wealth Management Agreement”	the wealth management agreement entered into between the Company and China Everbright as described in the section headed “1.3 First Everbright Wealth Management Agreement”
“Fourth CITIC Wealth Management Agreement”	the wealth management agreement entered into between Baoji Times and CITIC as described in the section headed “1.8 Fourth CITIC Wealth Management Agreement”
“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)
“RMB”	Renminbi, the lawful currency of the PRC
“Second CITIC Wealth Management Agreement”	the wealth management agreement entered into between Baoji Times and CITIC as described in the section headed “1.4 Second CITIC Wealth Management Agreement”
“Second Everbright Wealth Management Agreement”	the wealth management agreement entered into between the Company and China Everbright as described in the section headed “1.7 Second Everbright Wealth Management Agreement”

“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third CITIC Wealth Management Agreement”	the wealth management agreement entered into between the Company and CITIC as described in the section headed “1.6 Third CITIC Wealth Management Agreement”
“Wealth Management Agreements”	collectively, the CCB Wealth Management Agreement, the First CITIC Wealth Management Agreement, the First Everbright Wealth Management Agreement, the Second CITIC Wealth Management Agreement, the CIB Wealth Management Agreement, the Third CITIC Wealth Management Agreement, the Second Everbright Wealth Management Agreement and the Fourth CITIC Wealth Management Agreement
“Wealth Management Products”	the wealth management products, which are principal-preservation with floating return 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\$1.2446. 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 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.*