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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 TRANSACTION**

### **SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS (LOW INCOME RISK PRINCIPAL-PRESERVATION IN NATURE)**

The Board is pleased to announce that on 29 April 2014, the Company subscribed for Wealth Management Products at an aggregate subscription amounts of RMB700 million (equivalent to approximately HK\$878,500,000) in accordance with the Wealth Management Agreements.

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, and the relevant applicable percentage ratios (defined under the Listing Rules) exceed 5% but are 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 on 29 April 2014, the Company subscribed for Wealth Management Products at an aggregate subscription amounts of RMB700 million (equivalent to approximately HK\$878,500,000) in accordance with the Wealth Management Agreements. The Company utilised its temporarily idle funds for the payment of the subscription amount under each of the Wealth Management Agreements.

## **First CIB Wealth Management Agreement**

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

**(1) Date:**

Date of Wealth Management Agreement: 29 April 2014

Date of Subscription: 29 April 2014

**(2) Parties:**

(i) CIB; and

(ii) the Company

CIB is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, CIB and its ultimate beneficial owners are Independent Third Parties. 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.

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

RMB Wealth Management Products

**(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\$125,500,000)

**(7) Term of investment:**

From 29 April 2014 to 30 July 2014

**(8) Term of products:**

92 days

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|--|--|
| (9) <b>Expected rate of investment return per annum:</b>               | Not less than 5%   |
| (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 this issue of Wealth Management Products would be invested in other investment vehicles including interbank deposits, stocks, securities, futures, government and corporate bonds which comply with regulatory requirements   |
| (12) <b>Right of early termination:</b>                                | During the investment period for the Wealth Management Products, CIB 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 the Wealth Management Products till maturity, the principal and corresponding return of the Wealth Management Products would be paid in a lump sum upon the maturity date.  |

## Second CIB Wealth Management Agreement

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

- (1) **Date:**

Date of Wealth Management Agreement:	29 April 2014
Date of Subscription:	29 April 2014
- (2) **Parties:**

(i)	CIB; and
(ii)	the Company
- (3) **Name of the wealth management plan:**

RMB Wealth Management Products
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- (4) **Currency of investment and returns:**

RMB
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- (5) **Type of return:**

Principal-preservation and low income risk
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- (6) **Subscription amount:**

RMB350 million (equivalent to approximately HK\$439,250,000)
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- (7) **Term of investment:**

From 29 April 2014 to 30 October 2014
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- (8) **Term of products:**

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

Not less than 5%
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- (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.
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|--|--|
| (11) <b>Investment scope of the product:</b>                   | The funds raised through this issue of Wealth Management Products would be invested in other investment vehicles including interbank deposits, stocks, securities, futures, government and corporate bonds which comply with regulatory requirements |
| (12) <b>Right of early termination:</b>                        | During the investment period for the Wealth Management Products, CIB 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 the Wealth Management Products till maturity, the principal and corresponding return of the Wealth Management Products would be paid in a lump sum upon the maturity date.  |

## **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: 25 April 2014

Date of Subscription: 29 April 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:**

RMB Wealth Management Products

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

RMB

**(5) Type of return:**

Principal-preservation and low income risk

**(6) Subscription amount:**

RMB250 million (equivalent to approximately HK\$313,750,000)

**(7) Term of investment:**

From 29 April 2014 to 26 October 2014

**(8) Term of products:**

180 days

- |  |   |
|--|---|
| (9) <b>Expected rate of investment return per annum:</b>               | Not less than 5%  |
| (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 this issue of Wealth Management Products would be invested in other investment vehicles including cash, government bonds, municipal bonds, central bills, public policy financial bonds, short-term financing bonds, subordinated bonds, and corporate bonds which comply with regulatory requirements |
| (12) <b>Right of early termination:</b>                                | During the investment period for the Wealth Management Products, 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 the Wealth Management Products till maturity, the principal and corresponding return of the Wealth Management Products would be paid 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 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 CIB and SPD Bank, 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 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, and the relevant applicable percentage ratios (defined under the Listing Rules) exceed 5% but are 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.



## DEFINITIONS

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

“Board”	the board of Directors
“CIB”	Industrial Bank Co. Ltd. (興業銀行), 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
“Director(s)”	the director(s) of the Company
“First CIB Wealth Management Agreement”	the wealth management agreement entered into between the Company and CIB on 29 April 2014 in relation to the subscription of the Wealth Management Products at a subscription amount of RMB100 million
“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 CIB Wealth Management Agreement”	the wealth management agreement entered into between the Company and CIB on 29 April 2014 in relation to the subscription of the Wealth Management Products at a subscription amount of RMB350 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), 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 29 April 2014 in relation to the subscription of the Wealth Management Products at a subscription amount of RMB250 million
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Agreements”	the First CIB Wealth Management Agreement, the Second CIB Wealth Management Agreement, and the SPD Bank Wealth Management Agreement, as the context requires
“Wealth Management Products”	the wealth management products, which are of principal-preservation with low income 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\$1.255. 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, 30 April 2014

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