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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 (PRINCIPAL-PRESERVATION WITH FLOATING RETURN IN NATURE)

The Board is pleased to announce that (i) on 20 December 2013, the Company subscribed for Wealth Management Products at a subscription amount of RMB250 million (equivalent to approximately HK\$313,750,000) in accordance with the 2013 CCB Wealth Management Agreement; and (ii) on 28 April 2014 and 29 April 2014, the Company subscribed for Wealth Management Products at an aggregate subscription amounts of RMB 400 million (equivalent to approximately HK\$502,000,000) in accordance with the 2014 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 a discloseable transaction of the Company and are subject to the reporting and announcement requirements under the Listing Rules.

The Board is pleased to announce that (i) on 20 December 2013, the Company subscribed for Wealth Management Products at a subscription amounts RMB250 million (equivalent to approximately HK\$313,750,000) in accordance with the 2013 CCB Wealth Management Agreement; and (ii) on 28 April 2014 and 29 April 2014, the Company subscribed for Wealth Management Products at an aggregate subscription amounts of RMB 400 million (equivalent to approximately HK\$502,000,000) in accordance with the 2014 Wealth Management Agreements. The Company utilised its temporarily idle funds for the payment of the subscription amount under each of the Wealth Management Agreements.

2013 CCB Wealth Management Agreement

A summary of the terms of the 2013 CCB Wealth Management Agreement is set out as follows:

(1) **Date:**

Date of Wealth Management Agreement: 20 December 2013

Date of Subscription: 20 December 2013

(2) **Parties:**

(i) CCB; and

(ii) the Company

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

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

“Qian Yuan (乾元)” Principal-Preservation RMB Wealth Management Products

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

RMB

(5) **Type of return:**

Principal-preservation with floating return

(6) **Subscription amount:**

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

(7) **Term of investment:**

From 20 December 2013 to 26 June 2014

(8) **Term of products:**

188 days

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

Approximately 6.00%

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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. |
| (11) Investment scope of the product: | The funds raised through this issue of Wealth Management Products would be invested in other investment vehicles including interbank deposits, central bank bills, public policy financial bonds and bond repurchase, which comply with regulatory requirements |
| (12) Right of early termination: | During the investment period for the Wealth Management Products, CCB 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 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. |

2014 CGB Wealth Management Agreement

A summary of the terms of the 2014 CGB Wealth Management Agreement is set out as follows:

(1) **Date:**

Date of Wealth Management Agreement: 28 April 2014

Date of Subscription: 28 April 2014

(2) **Parties:**

(i) CGB; and

(ii) the Company

CGB is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, CGB and its ultimate beneficial owners are Independent Third Parties. The principal businesses of CGB 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:**

High-end Principal-Preservation Wealth Management Products

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

RMB

(5) **Type of return:**

Principal-preservation with floating return

(6) **Subscription amount:**

RMB200 million (equivalent to approximately HK\$251,000,000)

(7) **Term of investment:**

From 28 April 2014 to 28 July 2014

(8) **Term of products:**

91 days

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

Approximately 5.00%

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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. |
| (11) Investment scope of the product: | The funds raised through this issue of Wealth Management Products would be invested in other investment vehicles including money market instruments, bonds, debt and equity assets which comply with regulatory requirements |
| (12) Right of early termination: | During the investment period for the Wealth Management Products, CGB 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 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. |

2014 CCB Wealth Management Agreement

A summary of the terms of the 2014 CCB 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)	CCB; and
(ii)	the Company
- (3) **Name of the wealth management plan:**

“Qian Yuan (乾元)” Principal-Preservation RMB Wealth Management Products
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- (4) **Currency of investment and returns:**

RMB

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

Principal-preservation with floating return

- (6) **Subscription amount:**

RMB200 million (equivalent to approximately HK\$251,000,000)
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- (7) **Term of investment:**

From 29 April 2014 to 30 July 2014

- (8) **Term of products:**

92 days

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

Approximately 5.00%

- (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) Investment scope of the product: | The funds raised through this issue of Wealth Management Products would be invested in other investment vehicles including interbank deposits, which comply with regulatory requirements |
| (12) Right of early termination: | During the investment period for the Wealth Management Products, CCB 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 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 floating returns. During the terms of Wealth Management Products, the Company will keep in close contact with each of CGB and CCB, 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 with floating return 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 a discloseable transaction 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:

“2013 CCB Wealth Management Agreement”	the wealth management agreement entered into between the Company and CCB on 20 December 2013 in relation to the subscription of the Wealth Management Products at a subscription amount of RMB250 million
“2014 CCB Wealth Management Agreement ”	the wealth management agreement entered into between the Company and CCB on 29 April 2014 in relation to the subscription of the Wealth Management Products at a subscription amount of RMB200 million
“2014 CGB Wealth Management Agreement”	the wealth management agreement entered into between the Company and CGB on 28 April 2014 in relation to the subscription of the Wealth Management Products at a subscription amount of RMB200 million

“2014 Wealth Management Agreements”	2014 CCB Wealth Management Agreement and 2014 CGB Wealth Management Agreement
“Board”	the board of Directors
“CCB”	China Construction Bank Corporation (中國建設銀行), a licensed bank incorporated under the laws of the PRC
“CGB”	China Guangfa Bank Co. Ltd. (廣發銀行), 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
“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
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Agreements”	the 2013 CCB Wealth Management Agreement, the 2014 CCB Wealth Management Agreement and the 2014 CGB 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\$1.255. 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.