

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CLARIFICATION ANNOUNCEMENT

References are made to the announcements of Zhuzhou CSR Times Electric Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 20 October 2013, 21 October 2013 and 25 October 2013 in relation to the placing of new H Shares under general mandate (the “**Announcements**”) and the annual report of the Company issued on 25 March 2014 (the “**Annual Report**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Annual Report and the Announcements.

In addition to the information disclosed in the Annual Report, the Company would like to provide additional information regarding the actual use of the net proceeds of the Placing (as defined below) as at 31 December 2013 and 30 June 2014 in this announcement.

As disclosed in the Announcements, on 25 October 2013, the Company completed the placement of 91,221,000 new H Shares (the “**Placing Shares**”) to not less than six nor more than ten places at the placing price of HK\$25.00 per Placing Share pursuant to the terms and conditions of the Placing Agreement (the “**Placing**”) and the Placing Shares were issued under the general mandate.

The aggregate gross proceeds from the Placing was approximately HK\$2,280,525,000 (equivalent to approximately RMB1,803,872,470). The net proceeds (after deduction of the related commissions and expenses) from Placing after currency conversion was approximately RMB1,775,948,555 (equivalent to approximately HK\$2,245,222,512). The intended use of net proceeds of

approximately RMB1,775,948,555 (equivalent to approximately HK\$2,245,222,512) as shown in the Announcements and actual use of such net proceeds as at 31 December 2013 and 30 June 2014, respectively are set out as follows:

Intended use of net proceeds as shown in the Announcements	Actual use of net proceeds as at 31 December 2013	Actual use of net proceeds as at 30 June 2014
For the procurement of raw materials and machinery equipment in accordance with the Company's development strategy and for general corporate purposes	(i) Approximately RMB847,319,555 (equivalent to approximately HK\$1,071,213,993) was applied for general corporate purposes of the Group, all of which was used for the procurement of raw materials and machinery equipment in accordance with the Company's development strategy, which mainly consisted of raw materials used for locomotives, electric multiple units and urban rail transportation equipment;	(i) Approximately RMB1,525,948,555 (equivalent to approximately HK\$1,929,162,891) was applied for general corporate purposes of the Group, all of which was used for the procurement of raw materials and machinery equipment in accordance with the Company's development strategy, which mainly consisted of raw materials used for locomotives, electric multiple units and urban rail transportation equipment; and
	(ii) Approximately RMB600,000,000 (equivalent to approximately HK\$758,543,092) was used for subscription of low risk wealth management products; and	(ii) the remaining balance of approximately RMB250,000,000 (equivalent to approximately HK\$316,059,621) was used for subscription of low risk wealth management products.
	(iii) the remaining balance of approximately RMB328,628,999 (equivalent to approximately HK\$415,465,428) have been placed in licensed banks in the PRC.	

As presented in the above table, the Company had utilised approximately RMB847,319,556 (equivalent to approximately HK\$1,071,213,993) and approximately RMB1,525,948,555 (equivalent to approximately HK\$1,929,162,891) as at 31 December 2013 and 30 June 2014, respectively. All the unutilized balances have been used for subscription of low risk wealth management products or have been placed in licensed banks in the PRC.

Save as above, all the other information contained in the Annual Report remains unchanged. Please refer to the Announcements for terms and details of the Placing.

This announcement contains translation of HK\$ to RMB at the rate of HK\$1 = RMB0.79099 for the purpose of illustration only. The translation shall not be taken as representation that any amount in HK\$ or RMB could be converted at such rate or at any other rate.

By order of the Board
Zhuzhou CSR Times Electric Co., Ltd.
Ding Rongjun
Chairman

Zhuzhou, China, 12 August 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 Directors are Li Donglin and Yan Wu, our non-executive Director is Ma Yunkun, and our independent non-executive Directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing and Liu Chunru.