

*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.*



*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 3898)**

## **ANNOUNCEMENT**

### **DISCLOSEABLE TRANSACTIONS SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS (LOW RETURN AND LOW RISK AND PRINCIPAL-PRESERVATION IN NATURE)**

The Board is pleased to announce that between October and December 2018, the Company entered into the Wealth Management Agreements to subscribe for the Wealth Management Products in an aggregate subscription amount of RMB2,030,000,000 (equivalent to approximately HK\$2,301,000,000).

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 or more 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 between October and December 2018, the Company entered into the Wealth Management Agreements to subscribe for the Wealth Management Products in an aggregate subscription amount of RMB2,030,000,000 (equivalent to approximately HK\$2,301,000,000).

#### **1. THE WEALTH MANAGEMENT AGREEMENTS**

##### **1.1 First Bank of Communications Wealth Management Agreement**

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

- |                                   |                 |
|-----------------------------------|-----------------|
| <b>(1) Date of the agreement:</b> | 16 October 2018 |
| <b>(2) Date of subscription:</b>  | 16 October 2018 |

<b>(3) Parties:</b>	(i) Bank of Communications; and  (ii) the Company
<b>(4) Name of the wealth management plan:</b>	蘊通財富•日增利90天 (WINTO Fortune Daily Profit Increase 90 Days*)
<b>(5) Currency of investment and returns:</b>	RMB
<b>(6) Type of return:</b>	Principal-preservation with low return and low risk
<b>(7) Subscription amount:</b>	RMB100,000,000 (equivalent to approximately HK\$113,400,000)
<b>(8) Term of investment:</b>	From 16 October 2018 to 14 January 2019
<b>(9) Term of product:</b>	90 days
<b>(10) Expected rate of investment return per annum:</b>	Approximately 4.10%
<b>(11) Principle for calculation of returns and interest:</b>	Return on the product is calculated based on the investment principal, number of days of investment, and the actual annualized return rate
<b>(12) Investment scope of the product:</b>	The funds raised would be invested in currency market products and fixed income products
<b>(13) Right of early termination:</b>	Only Bank of Communications has the right of early termination; the Company has no right of early termination
<b>(14) 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 Bank of Changsha Wealth Management Agreement

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

- |  |   |
|--|---|
| (1) <b>Date of the agreement:</b>                              | 30 October 2018   |
| (2) <b>Date of subscription:</b>                               | 30 October 2018   |
| (3) <b>Parties:</b>  | (i) Bank of Changsha; and<br>(ii) the Company   |
| (4) <b>Name of the wealth management plan:</b>                 | 2018年長安公司44期人民幣理財產品 (2018 Changan Company 44th RMB Wealth Management Product*)  |
| (5) <b>Currency of investment and returns:</b>                 | RMB   |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk   |
| (7) <b>Subscription amount:</b>                                | RMB50,000,000 (equivalent to approximately HK\$56,680,000)  |
| (8) <b>Term of investment:</b>                                 | From 30 October 2018 to 30 January 2019   |
| (9) <b>Term of product:</b>                                    | 90 days   |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 3.00%   |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the lower of the expected maximum annualized return rate and the actual annualized return rate |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in financial assets or instrument, including but not limited to bonds, currency market products and fixed income products  |
| (13) <b>Right of early termination:</b>                        | Only Bank of Changsha has the right of early termination; the Company has no right of early termination   |
| (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   |

### 1.3 Second Bank of Communications Wealth Management Agreement

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

- |  |  |
|--|--|
| (1) <b>Date of the agreement:</b>                              | 30 October 2018  |
| (2) <b>Date of subscription:</b>                               | 31 October 2018  |
| (3) <b>Parties:</b>  | (i) Bank of Communications; and<br>(ii) the Company  |
| (4) <b>Name of the wealth management plan:</b>                 | 蘊通財富•日增利90天 (WINTO Fortune Daily Profit Increase 90 Days*)   |
| (5) <b>Currency of investment and returns:</b>                 | RMB  |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk  |
| (7) <b>Subscription amount:</b>                                | RMB200,000,000 (equivalent to approximately HK\$226,700,000)   |
| (8) <b>Term of investment:</b>                                 | From 31 October 2018 to 29 January 2019  |
| (9) <b>Term of product:</b>                                    | 90 days  |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 4.10%  |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the actual annualized return rate |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in currency market products and fixed income products   |
| (13) <b>Right of early termination:</b>                        | Only Bank of Communications has the right of early termination; the Company has no right of early termination                              |
| (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 First Bank of China Wealth Management Agreement

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

- |  |  |
|--|--|
| (1) <b>Date of the agreement:</b>                              | 31 October 2018  |
| (2) <b>Date of subscription:</b>                               | 31 October 2018  |
| (3) <b>Parties:</b>  | (i) Bank of China; and<br>(ii) the Company   |
| (4) <b>Name of the wealth management plan:</b>                 | 中銀保本理財-人民幣按期開放理財產品 (Bank of China Principal-preserved Wealth Management – RMB On Schedule Open Wealth Management Product*)                         |
| (5) <b>Currency of investment and returns:</b>                 | RMB  |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk  |
| (7) <b>Subscription amount:</b>                                | RMB200,000,000 (equivalent to approximately HK\$226,700,000)   |
| (8) <b>Term of investment:</b>                                 | From 31 October 2018 to 31 January 2019  |
| (9) <b>Term of product:</b>                                    | 92 days  |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 3.45%  |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the return rate                           |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in, among other investment products, government bonds, bills of central bank, financial bonds and bank deposits |
| (13) <b>Right of early termination:</b>                        | Only Bank of China has the right of early termination; the Company has no right of early termination   |
| (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 Second Bank of China Wealth Management Agreement

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

- |  |  |
|--|--|
| (1) <b>Date of the agreement:</b>                              | 13 November 2018   |
| (2) <b>Date of subscription:</b>                               | 13 November 2018   |
| (3) <b>Parties:</b>  | (i) Bank of China; and<br>(ii) the Company   |
| (4) <b>Name of the wealth management plan:</b>                 | 中銀保本理財-人民幣按期開放理財產品 (Bank of China Principal-preserved Wealth Management – RMB On Schedule Open Wealth Management Product*)                         |
| (5) <b>Currency of investment and returns:</b>                 | RMB  |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk  |
| (7) <b>Subscription amount:</b>                                | RMB100,000,000 (equivalent to approximately HK\$113,400,000)   |
| (8) <b>Term of investment:</b>                                 | From 13 November 2018 to 15 February 2019  |
| (9) <b>Term of product:</b>                                    | 94 days  |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 3.80%  |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the return rate                           |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in, among other investment products, government bonds, bills of central bank, financial bonds and bank deposits |
| (13) <b>Right of early termination:</b>                        | Only Bank of China has the right of early termination; the Company has no right of early termination   |
| (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 Bank of China Wealth Management Agreement

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

- |  |  |
|--|--|
| (1) <b>Date of the agreement:</b>                              | 19 November 2018   |
| (2) <b>Date of subscription:</b>                               | 19 November 2018   |
| (3) <b>Parties:</b>  | (i) Bank of China; and<br>(ii) the Company   |
| (4) <b>Name of the wealth management plan:</b>                 | 中銀保本理財-人民幣按期開放理財產品 (Bank of China Principal-preserved Wealth Management – RMB On Schedule Open Wealth Management Product*)                         |
| (5) <b>Currency of investment and returns:</b>                 | RMB  |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk  |
| (7) <b>Subscription amount:</b>                                | RMB100,000,000 (equivalent to approximately HK\$113,400,000)   |
| (8) <b>Term of investment:</b>                                 | From 19 November 2018 to 22 February 2019  |
| (9) <b>Term of product:</b>                                    | 95 days  |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 3.80%  |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the return rate                           |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in, among other investment products, government bonds, bills of central bank, financial bonds and bank deposits |
| (13) <b>Right of early termination:</b>                        | Only Bank of China has the right of early termination; the Company has no right of early termination   |
| (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 SPD Bank Wealth Management Agreement

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

- |  |   |
|--|---|
| (1) <b>Date of the agreement:</b>                              | 20 December 2018  |
| (2) <b>Date of subscription:</b>                               | 21 December 2018  |
| (3) <b>Parties:</b>  | (i) SPD Bank; and<br>(ii) the Company   |
| (4) <b>Name of the wealth management plan:</b>                 | 浦發財富班車3號 (SPD Fortune Shuttle No. 3*)   |
| (5) <b>Currency of investment and returns:</b>                 | RMB   |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk   |
| (7) <b>Subscription amount:</b>                                | RMB100,000,000 (equivalent to approximately HK\$113,400,000)  |
| (8) <b>Term of investment:</b>                                 | From 21 December 2018 to 21 March 2019  |
| (9) <b>Term of product:</b>                                    | 90 days   |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 3.95%   |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the return rate                          |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in, among other investment products, cash, government bonds, bills of central bank, and policy financial bonds |
| (13) <b>Right of early termination:</b>                        | Only SPD Bank has the right of early termination; the Company has no right of early termination   |
| (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   |



## 1.8 Agriculture Bank of China Wealth Management Agreement

A summary of the terms of the Agriculture Bank of China Wealth Management Agreement is set out as follows:

- |  |  |
|--|--|
| (1) <b>Date of the agreement:</b>                              | 21 December 2018   |
| (2) <b>Date of subscription:</b>                               | 24 December 2018   |
| (3) <b>Parties:</b>  | (i) Agriculture Bank of China; and<br>(ii) the Company   |
| (4) <b>Name of the wealth management plan:</b>                 | 中國農業銀行“本利豐•34天”人民幣理財產品 (Agriculture Bank of China “Abundant Principal • 34 Days” RMB Wealth Management Product*)                           |
| (5) <b>Currency of investment and returns:</b>                 | RMB  |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk  |
| (7) <b>Subscription amount:</b>                                | RMB100,000,000 (equivalent to approximately HK\$113,400,000)   |
| (8) <b>Term of investment:</b>                                 | From 24 December 2018 to 27 January 2019   |
| (9) <b>Term of product:</b>                                    | 34 days  |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 3.00%  |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the actual annualized return rate |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in, among other investment products, government bonds, financial bonds, and bills of central bank       |
| (13) <b>Right of early termination:</b>                        | Only Agriculture Bank of China has the right of early termination; the Company has no right of early termination                           |
| (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  |

## 1.9 Second Bank of Changsha Wealth Management Agreement

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

- |  |   |
|--|---|
| (1) <b>Date of the agreement:</b>                              | 24 December 2018  |
| (2) <b>Date of subscription:</b>                               | 25 December 2018  |
| (3) <b>Parties:</b>  | (i) Bank of Changsha; and<br>(ii) the Company   |
| (4) <b>Name of the wealth management plan:</b>                 | 長沙銀行金芙蓉“2018年長安公司51期”人民幣理財產品 (Bank of Changsha Jinfurong “2018 Changan Company 51st” RMB Wealth Management Product*)  |
| (5) <b>Currency of investment and returns:</b>                 | RMB   |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk   |
| (7) <b>Subscription amount:</b>                                | RMB350,000,000 (equivalent to approximately HK\$396,700,000)  |
| (8) <b>Term of investment:</b>                                 | From 25 December 2018 to 29 March 2019  |
| (9) <b>Term of product:</b>                                    | 94 days   |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 3.50%   |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the lower of the expected maximum annualized return rate and the actual annualized return rate |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in financial assets or instrument, including but not limited to bonds, currency market products and fixed income products  |
| (13) <b>Right of early termination:</b>                        | Only Bank of Changsha has the right of early termination; the Company has no right of early termination   |
| (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   |

### 1.10 Third Bank of Communications Wealth Management Agreement

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

- |  |  |
|--|--|
| (1) <b>Date of the agreement:</b>                              | 24 December 2018   |
| (2) <b>Date of subscription:</b>                               | 25 December 2018   |
| (3) <b>Parties:</b>  | (i) Bank of Communications; and<br>(ii) the Company  |
| (4) <b>Name of the wealth management plan:</b>                 | 蘊通財富•日增利181天 (WINTO Fortune Daily Profit Increase 181 Days*)   |
| (5) <b>Currency of investment and returns:</b>                 | RMB  |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk  |
| (7) <b>Subscription amount:</b>                                | RMB200,000,000 (equivalent to approximately HK\$226,700,000)   |
| (8) <b>Term of investment:</b>                                 | From 25 December 2018 to 24 June 2019  |
| (9) <b>Term of product:</b>                                    | 181 days   |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 4.30%  |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the actual annualized return rate |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in currency market products and fixed income products   |
| (13) <b>Right of early termination:</b>                        | Only Bank of Communications has the right of early termination; the Company has no right of early termination                              |
| (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  |

### 1.11 Third Bank of Changsha Wealth Management Agreement

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

- |  |   |
|--|---|
| (1) <b>Date of the agreement:</b>                              | 25 December 2018  |
| (2) <b>Date of subscription:</b>                               | 26 December 2018  |
| (3) <b>Parties:</b>  | (i) Bank of Changsha; and<br>(ii) the Company   |
| (4) <b>Name of the wealth management plan:</b>                 | 長沙銀行金芙蓉“2018年長安公司53期”人民幣理財產品 (Bank of Changsha Jinfurong “2018 Changan Company 53rd” RMB Wealth Management Product*)  |
| (5) <b>Currency of investment and returns:</b>                 | RMB   |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk   |
| (7) <b>Subscription amount:</b>                                | RMB30,000,000 (equivalent to approximately HK\$34,010,000)  |
| (8) <b>Term of investment:</b>                                 | From 26 December 2018 to 29 March 2019  |
| (9) <b>Term of product:</b>                                    | 93 days   |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 3.50%   |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the lower of the expected maximum annualized return rate and the actual annualized return rate |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in financial assets or instrument, including but not limited to bonds, currency market products and fixed income products  |
| (13) <b>Right of early termination:</b>                        | Only Bank of Changsha has the right of early termination; the Company has no right of early termination   |
| (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   |

## 1.12 Fourth Bank of China Wealth Management Agreement

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

- |  |  |
|--|--|
| (1) <b>Date of the agreement:</b>                              | 28 December 2018   |
| (2) <b>Date of subscription:</b>                               | 28 December 2018   |
| (3) <b>Parties:</b>  | (i) Bank of China; and<br>(ii) the Company   |
| (4) <b>Name of the wealth management plan:</b>                 | 中銀保本理財-人民幣按期開放理財產品 (Bank of China Principal-preserved Wealth Management – RMB On Schedule Open Wealth Management Product*)                         |
| (5) <b>Currency of investment and returns:</b>                 | RMB  |
| (6) <b>Type of return:</b>                                     | Principal-preservation with low return and low risk  |
| (7) <b>Subscription amount:</b>                                | RMB300,000,000 (equivalent to approximately HK\$340,100,000)   |
| (8) <b>Term of investment:</b>                                 | From 28 December 2018 to 28 January 2019   |
| (9) <b>Term of product:</b>                                    | 31 days  |
| (10) <b>Expected rate of investment return per annum:</b>      | Approximately 3.10%  |
| (11) <b>Principle for calculation of returns and interest:</b> | Return on the product is calculated based on the investment principal, number of days of investment, and the return rate                           |
| (12) <b>Investment scope of the product:</b>                   | The funds raised would be invested in, among other investment products, government bonds, bills of central bank, financial bonds and bank deposits |
| (13) <b>Right of early termination:</b>                        | Only Bank of China has the right of early termination; the Company has no right of early termination   |
| (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  |

### **1.13 Fifth Bank of China Wealth Management Agreement**

On 28 December 2018, the Company also entered into the Fifth Bank of China Wealth Management Agreement with Bank of China. Save and except for the subscription amount of RMB100,000,000 (equivalent to approximately HK\$113,400,000), the terms of the Fifth Bank of China Wealth Management Agreement are substantially the same as those terms of the Fourth Bank of China Wealth Management Agreement as described above.

### **1.14 Sixth Bank of China Wealth Management Agreement**

On 28 December 2018, the Company further entered into the Sixth Bank of China Wealth Management Agreement with Bank of China. Save and except for the subscription amount of RMB100,000,000 (equivalent to approximately HK\$113,400,000), the terms of the Sixth Bank of China Wealth Management Agreement are substantially the same as those terms of the Fourth Bank of China Wealth Management Agreement as described above.

## **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 for upkeeping the principle of safeguarding the interests of all the Shareholders and the Company. The Wealth Management Products purchased by the Company are of a principal-preservation nature with low return and low risk. During the terms of the Wealth Management Products, the Company will keep in close contact with each of Bank of Communications, Bank of Changsha, Bank of China, SPD Bank and Agriculture Bank of China 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 mainly engaged in the research, development, manufacture and sale of locomotive train power converters, control systems, urban railway train electrical systems and other train borne electrical systems, as well as engaged in the research, development, manufacture and sale of electric components for the railway industry, urban railway industry and non-railway purposes.

## **4. INFORMATION ON BANK OF COMMUNICATIONS, BANK OF CHANGSHA, BANK OF CHINA, SPD BANK AND AGRICULTURE BANK OF CHINA**

- (a) Bank of Communications is a bank incorporated in the PRC. The principal businesses of Bank of Communications include the provision of, among others, corporate and retail services, capital operation, assets management, trust and financial leasing as well as other financial services.
- (b) Bank of Changsha is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange. The principal businesses of Bank of Changsha include the provision of, among others, corporate and retail services, capital operation, assets management, financial leasing as well as other financial services.

- (c) Bank of China is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange and the Stock Exchange. The principal businesses of Bank of China include the provision of, among others, corporate and retail services, investment banking, insurance, asset management as well as other financial services.
- (d) SPD Bank is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange. The principal businesses of SPD Bank include the provision of, among others, corporate and retail services, conducting treasury business, provision of asset management and trustee services as well as other financial services.
- (e) Agriculture Bank of China is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange and the Stock Exchange. The principal businesses of Agriculture Bank of China include the provision of, among others, corporate and retail services, investment banking, fund management, financial leasing as well as other financial services.

To the best knowledge, information and belief of the Directors, each of Bank of Communications, Bank of Changsha, Bank of China, SPD Bank and Agriculture Bank of China and their respective ultimate beneficial owners are Independent Third Parties.

## **5. BASIS OF DETERMINATION FOR THE CONSIDERATION**

The Directors confirmed that the considerations of the subscription of the above Wealth Management Products were determined on the basis of commercial terms negotiated at arm's length.

## **6. REASONS FOR AND BENEFIT OF ENTERING INTO THE WEALTH MANAGEMENT AGREEMENTS**

The subscription of the Wealth Management Products, which are of a principal-preservation nature with low return and low risk, using certain temporarily idle funds 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 funds. As such, the Directors are of view that the Wealth Management Agreements was entered into on normal commercial terms which are fair and reasonable and in the best interests of the Group and the Shareholders as a whole.

## 7. 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 or more 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.

## 8. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Agriculture Bank of China”	Agricultural Bank of China Ltd.* (中國農業銀行股份有限公司), a bank incorporated under the laws of the PRC
“Agriculture Bank of China Wealth Management Agreement”	the wealth management agreement entered into between the Company and Agriculture Bank of China dated 21 December 2018 as described in the section headed “1.8 Agriculture Bank of China Wealth Management Agreement”
“Bank of Changsha”	Bank of Changsha Co., Ltd.* (長沙銀行股份有限公司), a bank incorporated under the laws of the PRC
“Bank of China”	Bank of China Ltd.* (中國銀行股份有限公司), a bank incorporated under the laws of the PRC
“Bank of Communications”	Bank of Communications Co., Ltd.* (交通銀行股份有限公司), a bank incorporated under the laws of the PRC
“Board”	the board of Directors
“Company”	Zhuzhou CRRC Times Electric Co., Ltd. (株 洲 中 車 時 代 電 氣 股 份 有 限 公 司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange
“Director(s)”	directors of the Company



“Fifth Bank of China Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of China dated 28 December 2018 as described in the section headed “1.13 Fifth Bank of China Wealth Management Agreement”
“First Bank of Changsha Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of Changsha dated 30 October 2018 as described in the section headed “1.2 First Bank of Changsha Wealth Management Agreement”
“First Bank of China Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of China dated 31 October 2018 as described in the section headed “1.4 First Bank of China Wealth Management Agreement”
“First Bank of Communications Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of Communications dated 16 October 2018 as described in the section headed “1.1 First Bank of Communications Wealth Management Agreement”
“Fourth Bank of China Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of China dated 28 December 2018 as described in the section headed “1.12 Fourth Bank of China Wealth Management Agreement”
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	parties who are independent of, and not connected with the Company or any of its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, does not include Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Second Bank of Changsha Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of Changsha dated 24 December 2018 as described in the section headed “1.9 Second Bank of Changsha Wealth Management Agreement”

“Second Bank of China Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of China dated 13 November 2018 as described in the section headed “1.5 Second Bank of China Wealth Management Agreement”
“Second Bank of Communications Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of Communications dated 30 October 2018 as described in the section headed “1.3 Second Bank of Communications Wealth Management Agreement”
“Shareholder(s)”	the shareholder(s) of the Company
“Sixth Bank of China Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of China dated 28 December 2018 as described in the section headed “1.14 Sixth Bank of China Wealth Management Agreement”
“SPD Bank”	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司), a 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 dated 20 December 2018 as described in the section headed “1.7 SPD Bank Wealth Management Agreement”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Bank of Changsha Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of Changsha dated 25 December 2018 as described in the section headed “1.11 Third Bank of Changsha Wealth Management Agreement”
“Third Bank of China Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of China dated 19 November 2018 as described in the section headed “1.6 Third Bank of China Wealth Management Agreement”
“Third Bank of Communications Wealth Management Agreement”	the wealth management agreement entered into between the Company and Bank of Communications dated 24 December 2018 as described in the section headed “1.10 Third Bank of Communications Wealth Management Agreement”

“Wealth Management Agreements”

First Bank of Communications Wealth Management Agreement, First Bank of Changsha Wealth Management Agreement, First Bank of China Wealth Management Agreement, SPD Bank Wealth Management Agreement, Agriculture Bank of China Wealth Management Agreement, Second Bank of Communications Wealth Management Agreement, Second Bank of Changsha Wealth Management Agreement, Second Bank of China Wealth Management Agreement, Third Bank of Changsha Wealth Management Agreement, Third Bank of China Wealth Management Agreement, Third Bank of Communications Wealth Management Agreement, Fourth Bank of China Wealth Management Agreement, Fifth Bank of China Wealth Management Agreement and Sixth Bank of China Wealth Management Agreement

“Wealth Management Products”

the wealth management products, which are principal-preservation with low return and low risk in nature and denominated in RMB, subscribed for by the Company under the Wealth Management Agreements

“%”

per cent

*This announcement contains translation of HK\$ to RMB at the rate of HK\$1 = RMB0.8822 for the purpose of illustration only. The translation shall not be taken as representation that any amounts in HK\$ or RMB could be converted at such rate or at any other rate.*

By order of the Board  
**Zhuzhou CRRC Times Electric Co., Ltd.**  
**Li Donglin**  
*Chairman*

Zhuzhou, China, 28 December 2018

*As at the date of this announcement, our chairman of the Board and executive Director is Li Donglin, our vice chairman of the Board and executive Director is Yang Shouyi, our other executive Directors are Liu Ke'an and Yan Wu, our non-executive Director is Zhang Xinning, and our independent non-executive Directors are Chan Kam Wing, Clement, Pao Ping Wing, Liu Chunru, Chen Xiaoming and Gao Feng.*

\* For identification purpose only