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中国南车

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)

SUPPLEMENTAL ANNOUNCEMENT CHANGES TO THE PV EPC CONTRACT

Reference is made to the connected transactions announcement of Zhuzhou CSR Times Electric Co., Ltd. (the **“Company”**) dated 25 June 2012 (the **“Announcement”**). Unless otherwise defined in this announcement, capitalized terms used in this announcement shall have the meanings ascribed in the Announcement.

BACKGROUND AND REASONS TO THE CHANGES TO THE PV EPC CONTRACT

As disclosed in the Announcement, the Company (as principal) has entered into the PV EPC Contract with ZNERCC (株洲變流技術國家工程研究中心有限公司 (Zhuzhou National Engineering Research Centre of Converters Co., Ltd.)) (as contractor) for the appointment of ZNERCC to provide engineering, procurement and construction management services for the PV Project for a consideration of RMB65,311,100 (equivalent to approximately HK\$81,833,229) (the **“Previous Consideration Amount”**). ZNERCC is a connected person of the Company.

The PV Project, which involves the construction and installation of the Facilities to generate electricity using solar energy, has been completed and the Facilities have passed the inspection of the relevant PRC authorities.

At the time when the PV EPC Contract was signed, it was intended that ZNERCC would be solely responsible for paying the difference between the actual and estimated amounts of the Facilities construction expenses (the **“Excess Expenses”**), and that the Company would be responsible for the payment of the Previous Consideration Amount to ZNERCC under the PV EPC Contract. ZNERCC agreed to be responsible for Excess Expenses on the basis that it would own the Facilities jointly with the Company.

After taking into consideration the respective business needs of the parties, it was subsequently agreed that the Company would solely own the Facilities and, therefore, the Company shall be responsible for paying the Excess Expenses.

CHANGES TO THE PV EPC CONTRACT

On 24 December 2014, the Company and ZNERCC entered into a supplemental contract to the PV EPC Contract (the “**Supplemental Contract**”), under which the Company shall be responsible for the Excess Expenses which amount to RMB15,069,727.31 (equivalent to approximately HK\$18,882,003.90) payable to ZNERCC, and that consequently, the consideration of the PV EPC Contract (as supplemented by the Supplemental Contract) was amended to RMB80,380,827.31 (equivalent to approximately HK\$100,715,232.82)(the “**New Consideration**”).

The Company has already paid to ZNERCC RMB51,430,000 (equivalent to approximately HK\$64,440,546.30). The remaining balance of the New Consideration in the amount of RMB28,950,827.31 (equivalent to approximately HK\$36,274,686.52) will be settled within 10 days from the date of the Supplemental Contract. Such amount will be funded from internal resources of the Group.

Save for the aforesaid, there were no other material changes to the PV EPC Contract.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the PV EPC Contract (as supplemented by the Supplemental Contract) exceed 0.1% but are less than 5%, the underlying transaction thereof constitutes a non-exempt connected transaction of the Company and is subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirement under the Listing Rules.

The Directors (excluding Mr. Ding Rongjun (the chairman of the Board and executive Director of the Company and also an executive director and general manager of the Parent Company) and Mr. Deng Huijin (the vice-chairman of the Board and an executive Director of the Company and also a party secretary and a deputy general manager of the Parent Company), both of whom have abstained from voting due to conflict of interest, but including the independent non-executive Directors) consider that the Supplemental Contract was entered into in the ordinary and usual course of business of the Group and in the interest of the Company and its shareholders as a whole, and that the terms thereof and the New Consideration are normal commercial terms (or if there are not sufficient comparable transactions to determine whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) Independent Third Parties) which are fair and reasonable insofar as the interests of the Company and its shareholders as a whole are concerned.

This announcement contains translation of HK\$ to RMB at the rate of HK\$1 = RMB 0.7981 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 CSR Times Electric Co., Ltd.
Ding Rongjun
Chairman

Zhuzhou, China, 24 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, 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.