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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)

DISCLOSEABLE TRANSACTIONS

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

The Board is pleased to announce that from 30 December 2014 to 19 May 2015, the Company has entered into the Wealth Management Agreements at an aggregate subscription amount of RMB1,450 million (equivalent to approximately HK\$1,821.2 million).

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 from 30 December 2014 to 19 May 2015, the Company has entered into the Wealth Management Agreements at an aggregate subscription amount of RMB1,450 million (equivalent to approximately HK\$1,821.2 million). The Company utilised its temporarily idle funds for the payment of the subscription amount under each of the Wealth Management Agreements.

1. THE WEALTH MANAGEMENT AGREEMENTS

1.1 First SPD Bank Wealth Management Agreement

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

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| (1) Date of the agreement: | 30 December 2014 |
| (2) Date of Subscription: | 31 December 2014 |
| (3) Parties: | (i) SPD Bank; and
(ii) the Company |
| (4) Name of the wealth management plan: | Liduoduo Fortune Vehicle No. 4 |
| (5) Currency of investment and returns: | RMB |
| (6) Type of return: | Principal-preservation and low income risk |
| (7) Subscription amount: | RMB120 million (equivalent to approximately HK\$150.72 million) |
| (8) Term of investment: | From 31 December 2014 to 29 June 2015 |
| (9) Term of product: | 180 days |
| (10) Expected rate of investment return per annum: | At 4.60% |
| (11) Principle for calculation of 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. |

- (12) **Investment scope of the product:** The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, corporate bonds, municipal bonds, financing bonds, central bills and short-term bonds, which comply with regulatory requirements.
- (13) **Right of early termination:** During the investment period for this product, SPD Bank has the right of early termination but the Company has no right to early termination.
- (14) **Payment of principal and return upon maturity:** If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date.

1.2 Second SPD Bank Wealth Management Agreement

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

- (1) **Date of the agreement:** 19 May 2015
- (2) **Date of Subscription:** 19 May 2015
- (3) **Parties:** (i) SPD Bank; and
(ii) the Company
- (4) **Name of the wealth management plan:** Liduoduo Fortune Vehicle No. 4
- (5) **Currency of investment and returns:** RMB
- (6) **Type of return:** Principal-preservation and low income risk
- (7) **Subscription amount:** RMB130 million (equivalent to approximately HK\$163.28 million)

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| (8) | Term of investment: | From 19 May 2015 to 16 November 2015 |
| (9) | Term of product: | 180 days |
| (10) | Expected rate of investment return per annum: | At 4.80% |
| (11) | Principle for calculation of 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. |
| (12) | Investment scope of the product: | The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, corporate bonds, municipal bonds, financing bonds, central bills and short-term bonds, which comply with regulatory requirements. |
| (13) | Right of early termination: | During the investment period for this product, SPD Bank has the right of early termination but the Company has no right to early termination. |
| (14) | Payment of principal and return upon maturity: | If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date. |

1.3 Agricultural Bank Wealth Management Agreement

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

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| (1) | Date of the agreement: | 15 May 2015 |
| (2) | Date of Subscription: | 15 May 2015 |

- (3) **Parties:** (i) Agricultural Bank; and
(ii) the Company
- (4) **Name of the wealth management plan:** “Benlifeng” 90-day RMB Wealth Management Products
- (5) **Currency of investment and returns:** RMB
- (6) **Type of return:** Principal-preservation and low income risk
- (7) **Subscription amount:** RMB300 million (equivalent to approximately HK\$376.8 million)
- (8) **Term of investment:** From 15 May 2015 to 14 August 2015
- (9) **Term of product:** 90 days
- (10) **Expected rate of investment return per annum:** At 4.20%
- (11) **Principle for calculation of 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.
- (12) **Investment scope of the product:** The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, corporate bonds, municipal bonds, financing bonds, central bills and short-term bonds, which comply with regulatory requirements.
- (13) **Right of early termination:** During the investment period for this product, Agricultural Bank has the right of early termination but the Company has no right to early termination.

- (14) **Payment of principal and return upon maturity:** If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date.

1.4 Guangfa Bank Wealth Management Agreement

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

- (1) **Date of the agreement:** 15 May 2015
- (2) **Date of Subscription:** 15 May 2015
- (3) **Parties:** (i) Guangfa Bank; and
(ii) the Company
- (4) **Name of the wealth management plan:** RMB “Guangying Anxin” Income-Guaranteed Wealth Management Plan (Type B)
- (5) **Currency of investment and returns:** RMB
- (6) **Type of return:** Principal- preservation and low income risk
- (7) **Subscription amount:** RMB500 million (equivalent to approximately HK\$628 million)
- (8) **Term of investment:** From 15 May 2015 to 13 November 2015
- (9) **Term of product:** 182 days
- (10) **Expected rate of investment return per annum:** 4.90%

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| (11) Principle for calculation of 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. |
| (12) Investment scope of the product: | The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, corporate bonds, municipal bonds, financing bonds, central bills and short-term bonds, which comply with regulatory requirements. |
| (13) Right of early termination: | During the investment period for this product, Guangfa Bank has the right of early termination but the Company has no right to early termination. |
| (14) Payment of principal and return upon maturity: | If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date. |

1.5 Changsha Bank Wealth Management Agreement

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

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| (1) Date of the agreement: | 15 May 2015 |
| (2) Date of Subscription: | 15 May 2015 |
| (3) Parties: | (i) Changsha Bank; and
(ii) the Company |
| (4) Name of the wealth management plan: | 2015 Gold Hibiscus Wealth Management
“Chang’an No. 14” |

- (5) **Currency of investment and returns:** RMB
- (6) **Type of return:** Principal- preservation and low income risk
- (7) **Subscription amount:** RMB400 million (equivalent to approximately HK\$502.4 million)
- (8) **Term of investment:** From 15 May 2015 to 18 September 2015
- (9) **Term of product:** 120 days
- (10) **Expected rate of investment return per annum:** 4.60%
- (11) **Principle for calculation of 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.
- (12) **Investment scope of the product:** The funds raised through issue of this product would be invested in other investment vehicles including but not limited to government bonds, corporate bonds, municipal bonds, financing bonds, central bills and short-term bonds, which comply with regulatory requirements.
- (13) **Right of early termination:** During the investment period for this product, Changsha Bank has the right of early termination but the Company has no right to early termination.
- (14) **Payment of principal and return upon maturity:** If the Company holds this product till maturity, the principal and corresponding return of this product would become payable in a lump sum upon the maturity date.

2. RISK CONTROL MEASURES

Giving top priority to risk prevention, the Group implemented stringent control and made prudent decisions in respect of the purchase of the Wealth Management Products on the principle of protecting the interests of all Shareholders and the Company. The Wealth Management Products to be purchased by the Company are of a principal-preservation nature with low income risk. During the terms of the Wealth Management Products, the Company will keep in close contact with Agricultural Bank, SPD Bank, Guangfa Bank and Changsha Bank to follow up the operation of wealth management fund, strengthen risk control and supervision, and strictly control the safety of funds.

3. REASON FOR AND BENEFIT OF THE SUBSCRIPTION

The subscription of the Wealth Management Products by the Company, which is of principal-preservation and low income risk in nature, with certain temporarily idle funds of the Group is to be conducted on the premise that such investment 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 improve the capital usage efficiency and generate investment return from the Group'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.

4. INFORMATION ON THE GROUP

The Group is principally engaged in the sale and manufacture of train-borne electrical systems and electrical components.

5. INFORMATION ON AGRICULTURAL BANK, CHANGSHA BANK, GUANGFA BANK AND SPD BANK

(a) Agricultural Bank is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, Agricultural Bank and its ultimate beneficial owners are Independent Third Parties. The principal businesses of Agricultural Bank include the provision of corporate and retail services, investment banking, investment management, global wealth management and private equity.

- (b) Changsha Bank is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, Changsha Bank and its ultimate beneficial owners are Independent Third Parties. The principal businesses of Changsha Bank include the provision of corporate and retail services, trading related services as well as other financial services.
- (c) Guangfa Bank is a licensed bank incorporated under the laws of the PRC. To the best knowledge, information and belief of the Directors, Guangfa Bank and its ultimate beneficial owners are Independent Third Parties. The principal businesses of Guangfa Bank include the provision of corporate and retail services, assets management, wealth management as well as other financial services.
- (d) 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.

6. 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, the relevant subscription amount under the Wealth Management Agreements will be aggregated together. After aggregation, one or more of the relevant applicable percentage ratios exceed 5% but are lower than 25%. Therefore, the transactions under these agreements, on an aggregate basis, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under the Listing Rules.

7. DEFINITIONS

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

“Agricultural Bank”	Agricultural Bank of China Ltd. (中國農業銀行), a licensed bank incorporated under the laws of the PRC
“Agricultural Bank Wealth Management Agreement”	the wealth management agreement entered into by the Company and Agricultural Bank dated 15 May 2015

“Board”	the board of Directors
“Changsha Bank”	Bank of Changsha Co., Ltd. (長沙銀行), a licensed bank incorporated under the laws of the PRC
“Changsha Bank Wealth Management Agreement”	the wealth management agreement entered into by the Company and Changsha Bank dated 15 May 2015
“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 SPD Bank Wealth Management Agreement”	the wealth management agreement entered into by the Company and SPD Bank dated 30 December 2014
“Group”	the Company and its subsidiaries from time to time
“Guangfa Bank”	China Guangfa Bank Co., Ltd. (廣發銀行), a licensed bank incorporated under the laws of the PRC
“Guangfa Bank Wealth Management Agreement”	the wealth management agreement entered into by the Company and Guangfa Bank dated 15 May 2015
“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 SPD Bank Wealth Management Agreement”	the wealth management agreement entered into by the Company and SPD Bank dated 19 May 2015

“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Agreements”	the First SPD Bank Wealth Management Agreement, the Second SPD Bank Wealth Management Agreement, the Agricultural Bank Wealth Management Agreement, the Guangfa Bank Wealth Management Agreement and the Changsha Bank Wealth Management Agreements
“Wealth Management Products”	the wealth management products, which are principal-preservation with low income risk, denominated in RMB 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\$1.256. 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, 19 May 2015

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, the other executive directors are Li Donglin and Yan Wu, the non-executive director is Ma Yunkun, and the independent non-executive directors are Gao Yucai, Chan Kam Wing, Clement, Pao Ping Wing and Liu Chunru.