

*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)**

**CONNECTED TRANSACTION  
SUPPLEMENTAL JV AGREEMENT  
IN RELATION TO THE JV COMPANY IN INDIA**

**BACKGROUND**

In September 2019, the Company entered into the JV Agreement with CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute in relation to, among other things, the establishment of the JV Company in India. As at the date of this announcement, the registered capital of the JV Company is INR50.0 million and the JV Company is held as to 15.0%, 70.0%, 10.0% and 5.0% by the Company, CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute, respectively.

**THE SUPPLEMENTAL JV AGREEMENT**

The Board is pleased to announce that, on 2 March 2020, the Company further entered into the Supplemental JV Agreement with CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute, pursuant to which the parties agreed, among other things, to make additional capital contributions to the JV Company in proportion to their respective equity interests in the JV Company.

**IMPLICATIONS UNDER THE LISTING RULES**

As at the date of the JV Agreement and as at the date of this announcement, the Parent Company is the controlling Shareholder of the Company, and CRRC directly holds the entire equity interest in the Parent Company. Each of CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute is a wholly-owned subsidiary of CRRC, and therefore, an associate of the Parent Company and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the JV Agreement (as amended and supplemented by the Supplemental JV Agreement) constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76(1)(a) of the Listing Rules, as all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the JV Agreement were less than 0.1%, the JV Agreement was fully exempt from the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76(2)(a) of the Listing Rules, as all of the applicable percentage ratios in respect of the JV Agreement (as amended and supplemented by the Supplemental JV Agreement) on an aggregated basis exceed 0.1% but are less than 5%, the JV Agreement (as amended and supplemented by the Supplemental JV Agreement) is subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **BACKGROUND**

In September 2019, the Company entered into the JV Agreement with CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute in relation to, among other things, the establishment of the JV Company in India.

## **THE JV AGREEMENT**

The principal terms of the JV Agreement are as follows:

<b>Date:</b>	:	September 2019
<b>Parties</b>	:	(i) the Company; (ii) CRRC Nanjing Puzhen; (iii) CRRC Sifang; and (iv) CRRC Qishuyan Institute
<b>Incorporation of the JV Company</b>	:	Pursuant to the JV Agreement, the parties agreed to jointly establish the JV Company in India.  The JV Company was incorporated on 17 December 2019 under the laws of India.
<b>Term of operation</b>	:	The term of operation of the JV Company shall be 99 years.
<b>Scope of business</b>	:	The business cope of the JV Company is the manufacturing and repairing of rolling stock and related components and the provision of relevant technical consultancy services.

<b>Registered Capital and Capital Contributions</b>	<p>The registered capital of the JV Company is INR50.0 million. Each of the JV Shareholders, namely the Company, CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute, agreed to contribute to the registered capital of the JV Company in cash in the amount of INR7.5 million, INR35.0 million, INR5.0 million and INR2.5 million, respectively.</p> <p>As at the date of this announcement, the JV Company is held as to 15.0%, 70.0%, 10.0% and 5.0% by the Company, CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute, respectively.</p>
<b>Registered address</b>	<p>The registered address of the JV Company was “Noida, Uttar Pradesh, India” as originally set out in the JV Agreement.</p>
<b>Board composition and chairman</b>	<p>The board of directors of the JV Company shall comprise seven (7) directors, among which four (4) shall be nominated by CRRC Nanjing Puzhen, and the remaining three (3) directors shall be nominated by each of the Company, CRRC Sifang and CRRC Qishuyan Institute.</p> <p>The chairman of the board of directors of the JV Company shall be nominated by CRRC Nanjing Puzhen.</p>
<b>Board resolutions</b>	<p>Unless otherwise expressly provided in the relevant companies law, questions raised at any meetings of the board of directors of the JV Company shall be decided by a simple majority of votes, but shall include an affirmative vote casted by a director nominated by the Company, CRRC Sifang or CRRC Qishuyan Institute.</p>
<b>Dividends</b>	<p>Each JV Shareholder shall be entitled to dividends declared by the JV Company in proportion to their respective capital contributions to the JV Company.</p>
<b>Pre-emptive rights:</b>	<p>If any of the JV Shareholders wishes to transfer all or part of its equity interests in the JV Company to any third party, the other JV Shareholders shall have pre-emptive right to acquire the equity interest on the same conditions.</p>

**THE SUPPLEMENTAL JV AGREEMENT**

The Board is pleased to announce that, on 2 March 2020, the Company further entered into the Supplemental JV Agreement with CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute pursuant to which the parties agreed, among other things, to make additional capital contributions to the JV Company in proportion to their respective equity interests in the JV Company and change the registered address of the JV Company.

The principal terms of the Supplemental JV Agreement are as follows:

- Date:** : 2 March 2020
  
- Parties** : (i) the Company;  
(ii) CRRC Nanjing Puzhen;  
(iii) CRRC Sifang; and  
(iv) CRRC Qishuyan Institute
  
- Change of Registered Address** : The JV Shareholders agreed that the registered address of the JV Company shall be changed from “Noida, Uttar Pradesh, India” to “Sri City Industrial Park, Andhra Pradesh, India”.
  
- Increase in Registered Capital and Capital Contribution** : The JV Shareholders agreed that the registered capital of the JV Company shall be increased from INR50.0 million to INR2,000.0 million. Each of the JV Shareholders, namely the Company, CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute, agreed to make additional capital contributions to the JV Company in the amount of INR292.5 million, INR1,365.0 million, INR195.0 million and INR97.5 million, respectively.

The additional capital contributions shall be paid in proportion to their respective equity interests in the JV Company by each JV Shareholder in cash upon the terms set out therein.

The table below sets forth the shareholding structure of the JV Company and capital contribution of each JV Shareholder to the JV Company (i) as at the date of this announcement; and (ii) immediately after the completion of the additional capital contributions in accordance with the Supplemental JV Agreement:

	As at the date of this announcement		Additional capital contributions  (INR)	Immediately after completion of additional capital contributions	
	Total capital contribution  (INR)	Equity interest  (%)		Total capital contribution  (INR)	Equity interest  (%)
	The Company	7.5 million		15.0	292.5 million
CRRC Nanjing Puzhen	35.0 million	70.0	1,365.0 million	1,400.0 million	70.0
CRRC Sifang	5.0 million	10.0	195.0 million	200.0 million	10.0
CRRC Qishuyan Institute	2.5 million	5.0	97.5 million	100.0 million	5.0
<b>Total registered capital:</b>	<b>50.0 million</b>	<b>100.0</b>	<b>1,950.0 million</b>	<b>2,000.0 million</b>	<b>100.0</b>

Upon completion of the additional capital contributions to the JV Company pursuant to the Supplemental JV Agreement, the registered capital of the JV Company will increase to INR2,000.0 million and the proportion of equity interests of each JV Shareholder in the JV Company will remain unchanged.

The JV Company is not a subsidiary of the Company and its financial results will not be consolidated into the consolidated financial statements of the Group.

## INFORMATION ON THE JV SHAREHOLDERS

### The Company

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.

### CRRC Nanjing Puzhen

CRRC Nanjing Puzhen is a company established in the PRC with limited liability and a wholly-owned subsidiary of CRRC and is principally engaged in the research and development, manufacturing and repairing of rolling stock and its components and parts.

### CRRC Sifang

CRRC Sifang is a company established in the PRC with limited liability and a wholly-owned subsidiary of CRRC and is principally engaged in the research and development and manufacturing vehicles components and related equipment.

## **CRRC Qishuyan Institute**

CRRC Qishuyan Institute is a company established in the PRC with limited liability and a wholly-owned subsidiary of CRRC and is principally engaged in the research and development of train-related products.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL JV AGREEMENT**

Taking into due consideration that a relatively substantial amount of upfront capital investment is required in the rolling stock manufacturing and repairing business, and with a view to enhancing the Group's business development in the new Indian market, the Board believes that the additional capital contributions to the JV Company pursuant to the Supplemental JV Agreement will provide additional financial resources to supplement the JV Company's general working capital for its development plans and to fund its business expansion, thereby enhancing its competitiveness in the new market to seize investment opportunities, which is beneficial to the JV Shareholders (including the Company) in the long run and is in line with the Group's long-term corporate investment strategy.

Due to conflict of interest, Mr. Li Donglin, Mr. Yang Shouyi and Mr. Zhang Xinning have abstained from voting on the Board resolutions for approving the Supplemental JV Agreement and the transactions contemplated thereunder. Save as aforementioned, none of the Directors has a material interest in the Supplemental JV Agreement and the transactions contemplated thereunder and hence no other Director has abstained from voting on such Board resolutions. All Directors (excluding Mr. Li Donglin, Mr. Yang Shouyi and Mr. Zhang Xinning but including the independent non-executive Directors) are of the view that the JV Agreement (as amended and supplemented by the Supplemental JV Agreement) and the transactions contemplated thereunder are entered into after negotiation on an arm's length basis and on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of the JV Agreement and as at the date of this announcement, the Parent Company is the controlling Shareholder of the Company, and CRRC directly holds the entire equity interest in the Parent Company. Each of CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute is a wholly-owned subsidiary of CRRC, and therefore, an associate of the Parent Company and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the JV Agreement (as amended and supplemented by the Supplemental JV Agreement) constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76(1)(a) of the Listing Rules, as all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the JV Agreement were less than 0.1%, the JV Agreement was fully exempt from the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76(2)(a) of the Listing Rules, as all of the applicable percentage ratios in respect of the JV Agreement (as amended and supplemented by the Supplemental JV Agreement) on an aggregated basis exceed 0.1% but are less than 5%, the JV Agreement (as amended and supplemented by the Supplemental JV Agreement) are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“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 whose H shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CRRC”	CRRC Corporation Limited (中 國 中 車 股 份 有 限 公 司), a joint stock company established in the PRC with limited liability whose A shares and H shares are listed on the Shanghai Stock Exchange and the Stock Exchange respectively; CRRC directly holds the entire equity interest in the Parent Company
“CRRC Nanjing Puzhen”	CRRC Nanjing Puzhen Co., Ltd* (中 車 南 京 浦 鎮 車 輛 有 限 公 司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CRRC
“CRRC Qishuyan Institute”	CRRC Qishuyan Institute Co., Ltd.* (中 車 戚 墅 堰 機 車 車 輛 工 藝 研 究 所 有 限 公 司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CRRC
“CRRC Sifang”	CRRC Sifang Institute Co.,Ltd.* (中 車 青 島 四 方 車 輛 研 究 所 有 限 公 司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CRRC
“Director(s)”	the directors of the Company (including the independent non-executive Directors)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“India”	Republic of India
“INR”	Rupee, the lawful currency of India

“JV Agreement”	the joint venture agreement dated September 2019 and entered into between the JV Shareholders in relation to the establishment of the JV Company in India
“JV Company”	CRRC India Private Limited (印度中車軌道交通車輛有限公司), a company incorporated under the laws of India pursuant to the JV Agreement
“JV Shareholder(s)”	the shareholder(s) of the JV Company, namely the Company, CRRC Nanjing Puzhen, CRRC Sifang and CRRC Qishuyan Institute
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Parent Company”	CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司), a limited liability company established under the laws of the PRC, the controlling Shareholder of the Company and a wholly-owned subsidiary of CRRC
“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
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental JV Agreement”	the supplemental joint venture agreement dated 2 March 2020 and entered into between the JV Shareholders in relation to, among other things, the additional capital contributions to be made by each JV Shareholder to the JV Company
“%”	per cent



*This announcement contains translation of INR to RMB at the rate of INR1 = RMB0.1 for the purpose of illustration only. The translation shall not be taken as representation that any amounts in INR or RMB could be converted at such rate or at any other rate.*

*The English names of the PRC entities mentioned in this announcement which are marked with “\*” are translation, or transliteration from their Chinese names and are for identification purposes only. If there is any inconsistency between the Chinese name of the PRC entities mentioned in this announcement and their English translation, the Chinese version shall prevail.*

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

Zhuzhou, China, 2 March 2020

*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