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

(Stock Code: 3898)

**ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.
2024 ACTION PLAN FOR “ENHANCING QUALITY, INCREASING
EFFICIENCY AND ACHIEVING RETURNS”**

To uphold the development concept of “investors first” as a listed company and safeguard the interests of all shareholders of Zhuzhou CRRC Times Electric Co., Ltd. (the “Company” or “Times Electric”), the controlling shareholders, directors, supervisors, and senior management of the Company, based on their confidence in the future prospects and value of the Company, will take measures to effectively “enhance quality, increase efficiency, and achieve returns” and establish a favorable market image for the Company. The main measures include:

1. PERSIST IN PROFESSIONAL EXPANSION AND FOCUS ON THE MAIN BUSINESS FOR IN-DEPTH CULTIVATION AND REFINEMENT OF EMERGING BUSINESS

Times Electric adheres to specialization and excellence in two major fields of rail transit equipment and clean energy equipment. In 2023, we actively pursued our industrial mission of “building a strong transportation nation and supporting it with advanced equipment”, continued to strengthen our core competitiveness in the rail transit equipment sector while simultaneously fostering the development of strategic emerging industries. Looking ahead to 2024, the Company is determined to provide enhanced services to support the construction of a modernized industrial ecosystem. By leveraging our independent core technologies in high-speed rail, we will consolidate our resources and drive the development of strategic emerging industries, expedite the transformation and upgrading of our business while venturing into new domains, securing victories in untapped markets, and cultivating new sources of growth. These efforts will bolster our core capabilities and facilitate high-quality development.

(1) Continuously maintain the leading advantage in the rail transit industry and consolidate our market position while expanding our market share

The Company remains committed to maintaining its prominent position in the rail transit industry. By leveraging our multifaceted expertise across various systems and disciplines, we aim to become a key provider of comprehensive system solutions, thereby propelling our core rail transit business to new heights. In the urban rail sector, we will foster collaborative efforts to harness market synergies and explore untapped growth opportunities. The rail engineering sector will prioritize optimization of our operational structure and enhancing efficiency through multidimensional cooperation to reinforce our core strengths. We will also expedite market expansion in the signal sector, focusing on cost reduction, efficiency improvement and increased profitability. Additionally, our power supply division will deepen its urban operational capabilities and capitalize on the momentum to strengthen system integration capability. The door sector will sustain efforts to enhance quality and efficiency, accelerating the reinforcement of our core competitiveness.

(2) Seize development opportunities in emerging equipment industry to rapidly strengthen and improve our business

For the emerging equipment industry, we must seize the development opportunities, cultivate the market, strengthen our brand, and strive to rapidly strengthen and improve our business. In the semiconductor sector, it is crucial to capitalize on the prime phase of growth, achieving both substantial scale and superior quality. The vehicle electric drive sector shall put vigorous efforts into expanding its market coverage, aiming to break through the million-level production capacity barrier with unwavering commitment. In the new energy power generation sector, we will accelerate iterative development and quickly launch products to the market. In the sensor sector, we will enhance our core advantages, iterate and innovate to seek new development opportunities. In the marine equipment sector, we will strengthen independent support capabilities and continuously consolidate our industry position in the world. In the industrial transmission sector, we will consolidate our presence in specific areas and expand the market value of converter resources.

(3) Strengthen industrial layout and build a solid foundation for high-quality development

We will continue to strengthen the industrialization capability in industries such as semiconductor, new energy passenger vehicle electric drive system, and rail engineering machinery. Through the allocation of high-quality resources, we aim to enhance the specialization level and scale of these industries. The low and medium voltage power device industrialisation (Yixing) first-phase construction project has been completed, including the factory and related facilities, and has commenced production. The low and medium voltage power device industrialisation (Zhuzhou) construction project has completed its design phase and entered the construction stage, striving to achieve the main structure completion. The production base project for new energy passenger vehicle electric drive systems and key components has completed all engineering construction and initiated the relocation of existing production lines. The construction project for the Changchun automotive motor base has completed the procurement of line 2 of flat wire motor stator rotor and successfully conducted production line commissioning and connection.

Equity investments will continue to focus on strategic emerging industries such as semiconductors, new energy passenger vehicle electrical systems, and sensors. We will implement mixed-ownership reforms and industrial restructuring to deepen reforms and facilitate the rapid development of the industry.

2. PERSIST IN INNOVATION-DRIVEN UPGRADES TO BETTER SUPPORT HIGH-LEVEL OF SELF-RELIANCE AND SELF-IMPROVEMENT

We adhere to self-reliance and strive for self-improvement on technologies, maintain significant investment in research and development, strengthen research on key core technologies, seize the commanding heights of technological innovation, and strive to develop Times Electric into an innovative enterprise with global competitiveness.

(1) Persist in making substantial investments in research and development to make breakthrough in key core technologies

In 2023, the Company's research and experimental development expenditure reached RMB2.145 billion, with a research and development investment intensity of 9.84%. In 2024, the Company will continue to maintain significant research and development investment and further increase its efforts in fundamental research with focus on tackling fundamental, urgent, cutting-edge, and disruptive technologies.

For rail transit, the Company will maintain its leading position in the rail transit industry, occupy the technological high ground, and comprehensively enhance the intelligence level of rail transit products. In emerging industries, the Company will benchmark against industry-leading enterprises, closely align with customer needs, and focus on the industrial product demands of power semiconductor devices, new energy vehicle electric drive systems, sensor devices, medium-voltage transmission systems and wind/photovoltaic converters. By addressing weaknesses and capitalizing on strengths, the Company will continuously transform research and development innovation results, thereby facilitating the rapid development of the industry.

(2) Strengthen intellectual property protection to build a solid technology barrier

In 2023, we were granted 229 new invention patents and filed 449 invention patent applications. Invention patents accounted for over 60% of the total applications. We received 1 China Patent Excellence Award and 1 first prize of patent award in Hunan Province. We led or participated in the development and release of 3 international, national, and industry standards in the transportation and energy sectors. We also received 2 China Standard Innovation Contribution Awards for the first time. In 2024, we will rigorously initiate scientific research projects, emphasizing the four key elements of "demand, planning, benchmarking, and cost" in project initiation analysis. We will strengthen the linkage with the production line and market, coordinate the planning of research projects in various technical fields, focus on key areas, and promote a more focused approach to scientific research projects. We will emphasize the protection of intellectual property rights and strengthen the application and management of intellectual property rights overseas.

(3) Consolidate global resources to build an open innovation platform

In China, we engage in exchanges and explore collaboration with universities and renowned enterprises on cutting-edge technologies such as artificial intelligence and cybersecurity. Internationally, we are advancing our global innovation partners program to continuously deepen existing collaborations and strengthen two-way interaction with top international universities and research institutions to improve scientific research innovation and the application of research outcomes.

3. PERSIST IN STRENGTHENING THE MANAGEMENT OF PROCEEDS TO BOOST THE LEAP AND ADVANCEMENT OF OUR MAIN BUSINESS

In September 2021, Times Electric was listed on the Science and Technology Innovation Board of Shanghai Stock Exchange with total proceeds of RMB7.555 billion. Since its listing, the Company has used the proceeds to finance projects such as the “application project of rail transit traction and network technology and system”, the “application project on key technologies and system R&D of smart railway bureau and smart urban rail transit”, the “advanced technology R&D application project of new industry”, the “R&D and manufacturing platform construction project of new-type rail engineering machinery”, the “Innovative experimental platform construction project” and replenishment of working capital. As of the end of 2023, over 66% of the IPO proceeds have been utilized.

In 2024, the Company will continue to strengthen the management of projects financed by the proceeds, and the IPO proceeds utilized by the end of 2024 is expected to account for over 80% of the total amount. During the implementation process of these projects, we will strictly adhere to the regulations governing the management of proceeds and cautiously utilize the proceeds. We will ensure that the projects financed by the proceeds progress smoothly according to relevant plan, the construction project of the innovative experimental platform will be completed in its entirety and put into use, and the construction project of the new rail engineering machinery manufacturing platform will be completed in its entirety and put into production, aiming to promote the development of the Company’s main business through the successful implementation of these projects, achieve expected returns from these projects and enhance the overall profitability of the Company.

4. PERSIST IN PROMOTING REFINEMENT TO ENHANCE MANAGEMENT AND DEEPEN DIGITAL TRANSFORMATION AND UPGRADE

To address the pain points of Times Electric’s operations, in 2024, the Company will uphold the business philosophy of “high-quality operation and efficient management”. It will continue to implement “Times Electric digitalization” and establish a digital transformation path of “identifying a core focus, leveraging a set of data, and integrating a comprehensive system” to continuously stimulate the corporate development momentum. Firstly, the Company will focus on “identifying a core focus”, targeting the enhancement of operational capabilities with transformation. Guided by the Company’s strategy, and closely aligned with the core focus of “decomposition and implementation of key business indicators”, based on quality, cost, delivery and other dimensions, the indicators are divided and disintegrated in layers and levels to achieve transparent and effective management of the entire operational process. Secondly, the Company will “leverage a set of data” to foster a shift towards a data-driven management approach. Utilizing existing information platforms and harnessing the power of big data technology, the Company will bridge information gaps and establish a unified data infrastructure to support the efficient implementation of digital operations across various business domains. Thirdly, the Company will “integrate a system”, ensuring integration of transformation and digitalization. With the goal of “dual enhancement,” the Company will optimize its management system and consolidate resources to achieve harmonious development of the “Times Electric digitalization” and improvements in all areas of management.

5. PERSIST IN DEEPENING QUALITY IMPROVEMENT AND EFFICIENCY ENHANCEMENT TO SOLIDIFY THE COMPANY’S SUSTAINED PROFITABILITY.

Times Electric has always adhered to the business philosophy of “contributing to the country through industrial development” and continuously enhanced the Company’s profitability. Using 2006 as the baseline, the compound annual growth rate of net profit attributable to the parent was over 10% in 2023. In recent years, the Company has pursued high-quality development driven by digitalization, deepening its refined management practices. It has introduced its digital operation “cockpit”, which dynamically monitors key indicators and conducts quantitative and precise analysis throughout the entire value chain. The Company explores value enhancement opportunities from multiple dimensions, including income source expansion, cost reduction and control, efficiency enhancement and risk management. While contributing to the steady increase in shareholders’ equity, the Company has maintained a return on net assets of over 7%, achieving mutual benefits and win-win outcomes for the Company and its shareholders.

In 2024, the Company will continue to deepen measures for quality improvement and efficiency enhancement. It will delve into every link of the entire value chain, refine the construction of an open and collaborative technological platform, a high-quality and stable supply platform, and an efficient and cost-effective production platform. We will build a digital transformation path guided by the Company's strategy and closely aligned with core business indicators. We will systematically break down and analyze these indicators, ensuring transparent and effective management throughout the entire operational process. We will comprehensively conduct operational analyses aiming at improving overall productivity, advancing business enhancements from a resource allocation perspective. We will implement measures to improve quality and efficiency, and complete the third-phase capital increase and share expansion project in Zhuzhou CRRC Times Semiconductor Co., Ltd.* by introducing high-quality strategic investors and an employee stock ownership platform to further deepen industrial strategic cooperation and effectively motivate key employees, thereby ensuring a steady increase in the Company's profitability and continuously strengthening the Company's sustainability capabilities with high-quality and efficient operation.

6. PERSIST IN IMPROVING THE CONSTRUCTION OF THE BOARD OF DIRECTORS TO ENHANCE MODERN CORPORATE GOVERNANCE

Times Electric has established a sound corporate governance system through standardized internal management processes, comprehensive regulations, and strict auditing systems. It has also established an ESG management, assessment, and disclosure system overseen by the board of directors. On November 24, 2023, the Company was honored with the awards of "Top 100 ESG Enterprises" and "Top 50 ESG Central State-owned Enterprises" at the Guoxin China Securities ESG Golden Bull Summit.

In 2024, the Company will continue to improve its corporate governance mechanisms and accelerate the construction of a professional, responsible, standardized and efficient board of directors. Firstly, it will optimize the composition of the board of directors, ensuring that external directors account for a majority of the board members, and independent directors account for no less than half of the board members. It will actively expand the channels for selecting independent directors and appoint at least one female director to promote gender diversity among board members. Secondly, it will enhance communication with independent directors and establish a supportive system for duty performance by directors. Thirdly, the Company will implement an annual training plan for the directors, supervisors, senior executives, and other key personnel with a training coverage rate of over 90%. This comprehensive training plan, conducted both online and offline, will enhance their knowledge of compliance and equip them with the necessary skills to diligently fulfill their obligations according to relevant laws, thereby safeguarding the interests of the Company and its shareholders as a whole.

7. PERSIST IN STRENGTHENING INVESTOR RELATIONS MANAGEMENT AND ESTABLISHING A MULTI-LEVEL AND MUTUALLY BENEFICIAL INTERACTIVE MECHANISM

Times Electric strictly complies with the regulatory requirements of the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and other laws, regulations and normative documents in fulfilling its information disclosure obligations to ensure that the information is disclosed in a true, accurate, complete, timely and fair manner and all shareholders have fair and equal access to the information, and to safeguard the interests of all shareholders, especially the minority shareholders. The Company was recognized with an A-grade rating in the 2022 to 2023 annual assessment of information disclosure for companies listed on the Shanghai Stock Exchange.

In 2024, the Company will continue to strengthen investor relations management, maintain close communication with investors, and comprehensively establish an efficient and transparent platform for communication with investors. We will ensure smooth channels of communication with investors and actively engage in effective communication and exchanges with them, following the principles of being comprehensive, proactive, collaborative, precise, and efficient, to build a solid communication bridge between the Company and the capital market. Firstly, we will organize a minimum of three investor receptions or performance briefings, with the participation of senior management, including the chairman and general manager of the Company. These events will provide an opportunity for the Company's leadership to directly address investor concerns and effectively convey the voice of Times Electric through high-standard performance briefings. Secondly, based on the progress of our business, we will invite investors when appropriate to participate in investor activities such as reverse roadshows of the Company. Thirdly, we will utilize various channels, including listed company public announcements, investor conferences, on-site exchange and research with investors, SSE interactive platform, telephone and email, to promptly, openly, and transparently communicate the Company's operating results, financial positions, and other updates to all market participants, ensuring that investors and stakeholders are well-informed about the Company's operation and management in a timely manner.

8. PERSIST IN ENHANCING SHAREHOLDER RETURNS AND BOOSTING CONFIDENCE IN THE SECONDARY MARKET

Since its listing on the Hong Kong Stock Exchange in 2006, Times Electric has maintained a stable dividend policy, with the annual dividend amount accounting for over 20% of the net profit attributable to the parent company. With the steady development of the Company's performance, the dividend per share has increased year by year. After the listing of the Company's A shares on the Science and Technology Innovation Board in 2021, the dividend ratio has increased to over 30%. From 2006 to 2022, the Company has distributed dividends of approximately RMB7.2 billion, representing 64% of the total proceeds from listing on both markets. Taking into account the needs of investors for returns and the long-term development of the Company, the Company proposes to distribute a cash dividend of RMB7.8 per 10 shares (inclusive of tax) to all shareholders for 2023, the total amount of cash dividend to be paid out exceeds RMB1.1 billion, accounting for 35.45% of the net profit attributable to shareholders of the Company in the consolidated statement of 2023. The cash dividend per share represents a year-on-year increase of 41.82% over the last year. The proposal will be submitted to the Company's 2023 annual general meeting for consideration.

Times Electric has always adhered to the concept of better safeguarding shareholders' rights and interests and creating greater value for shareholders. Since September 2023, we implemented a combination of measures, including voluntarily extending the lock-up period for restricted shares held by the controlling shareholder, increasing holdings, and repurchasing and canceling shares. In 2023, CRRC Corporation Limited and its controlling subsidiaries increased their shareholding by 1.415 million A Shares and 23.94 million H Shares in aggregate, and the Company repurchased 4.6968 million H Shares in January 2024, and plans to cancel these shares in the future. These measures demonstrated to the capital market our in-depth recognition of the Company's operational stability and growth, expressed our firm confidence in the Company's stable development in the future, and responded to changes in the capital market in real time with practical actions.

In the future, the Company will continue to maintain a dynamic balance between corporate development, performance growth, and shareholder returns. This will be achieved by adhering to relevant laws, regulations, and the profit distribution policy set out in the Articles of Association. We will carefully consider the immediate and long-term interests of our shareholders, and implement reasonable measures to enhance the satisfaction and benefits of our investors as and when appropriate, allow investors to share the fruits of development with the Company.

The Company will continue to assess the progress of implementation of the specific measures set out in the action plan for “enhancing quality, increasing efficiency and achieving returns” and fulfill its information disclosure obligations, and strive to effectively fulfill its responsibilities and obligations as a listed company through solid business performance, standardized corporate governance, and positive investor returns, so as to reward investors' trust, maintain the Company's image in the market, and jointly promote the smooth operation of the capital market.

Zhuzhou CRRC Times Electric Co., Ltd.

Board of Directors

28 March 2024

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 Liu Ke'an, our other executive Director is Shang Jing, and our independent non-executive Directors are Gao Feng, Li Kaiguo, Zhong Ninghua and Lam Siu Fung.

* *For identification purpose only*