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2026

ZHUZHOU CRRC TIMES ELECTRIC CO.,LTD.

CORPORATE VALUE AND RETURN ENHANCEMENT ACTION PLAN 2026

株洲中车时代电气股份有限公司

ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.

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

Stock Code: 688187.SH
3898.HK

INTRODUCTION

This Action Plan is formulated with a view to upholding the development concept of "investors first" as a listed company, actively responding to the practice requirements on corporate value and return enhancement of the Shanghai Stock Exchange, and safeguarding the interests of all shareholders of Zhuzhou CRRC Times Electric Co., Ltd. (the "Company" or "Times Electric").

In 2025, based on the confidence in its future prospects and business value, the Company published the Corporate Value and Return Enhancement Action Plan 2025 of Zhuzhou CRRC Times Electric Co., Ltd. (the "Action Plan") on 29 March 2025, and published the Interim Evaluation Report on the Corporate Value and Return Enhancement Action Plan 2025 on 23 August 2025. In accordance with the Action Plan, the Company actively carried out and completed various tasks in 2025, achieving sound results in high-quality operation, technological innovation and improving shareholder returns.

Year 2026 marks a start of the 15th Five-Year Plan of China. In light of its philosophy of "high-quality operation and efficient management" and the strategy of "concentric diversification", the Company will deeply cultivate the rail transit industry with "smart technologies", and ride on tailwinds from the "carbon peak and neutrality" strategy to innovatively develop emerging strategic businesses. Upholding a market-oriented approach, the Company leverages its advantages in vertical integration of industry chain and cross-disciplinary technical expertise to promote the complementary coordination and innovative integration of systems. Through digital transformation, the Company further deepens refined management, continuously optimises resource allocation, improves efficiency and benefits, creates sustainable value for shareholders and achieves sound development, in an effort to become global preferred electrical system comprehensive solution provider in the fields of transportation and energy at a faster pace. In 2026, the Company formulated the Corporate Value and Return Enhancement Action Plan 2026, with a focus on "improving business quality, strengthening technological innovation, enhancing investor returns and fostering new quality productive forces" and based on its development strategy and business conditions.

Set out below are the performance of the Corporate Value and Return Enhancement Action Plan 2025, and main measures of the Corporate Value and Return Enhancement Action Plan 2026:

1. Persist in Professional Expansion and Focus on the Main Business for In-depth Cultivation and Refinement of Emerging Business

2. Persist in Innovation-driven Upgrades to Better Support High-level of Self-reliance and Self-improvement

3. Persist in Strengthening Management of Proceeds to Boost the Leap and Advancement of our Principal Business

4. Persist in Promoting Refinement to Enhance Management and Deepen Digital Transformation and Upgrade

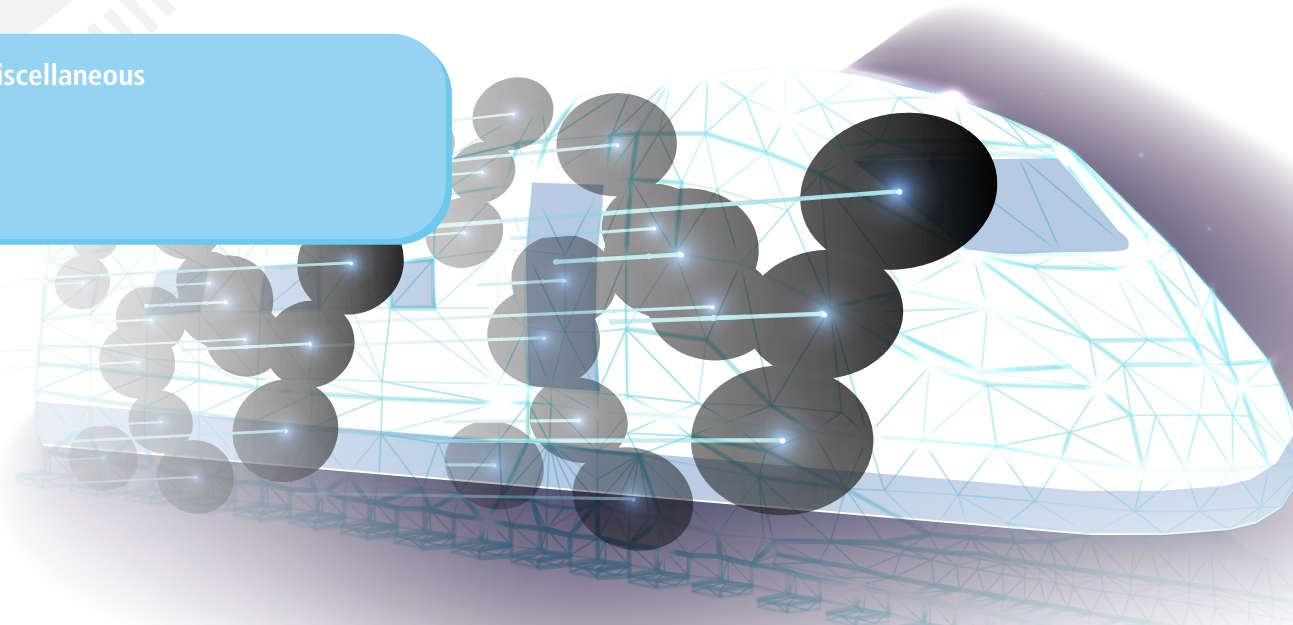
5. Persist in Deepening Quality Improvement and Efficiency Enhancement to Solidify the Company's Sustained Profitability

6. Persist in Improving the Construction of the Board of Directors to Enhance Modern Corporate Governance

7. Persist in Strengthening Investor Relations Management and Establishing a Multi-level and Mutually Beneficial Interactive Mechanism

8. Persist in Enhancing Shareholder Returns and Boosting Confidence in the Secondary Market

9. Miscellaneous



1 Persist in Professional Expansion and Focus on the Main Business for In-depth Cultivation and Refinement of Emerging Business

In 2025, the Company centered on supporting the construction of a modernised industrial ecosystem. By leveraging our advantageous independent core technologies in high-speed rail, we consolidated high-quality resources to vigorously foster strategic emerging industries, expedited the transformation and upgrades of our business. While venturing into new domains, competing in untapped markets, and cultivating new sources of growth, these efforts contributed to our stronger core capabilities and higher-quality development. Under a two-winged strategy on transportation and energy, the Company adhered to the "concentric diversification" development strategy to deepen business synergy, leading to steadily improving operational quality and efficiencies with stronger core competitiveness.

In 2025, the Company recorded

Revenue of RMB28.703 billion +15.23% YoY	Net profit attributable to shareholders of the Company of RMB4.097 billion +10.64% YoY	Net cash flows from operating activities of RMB3.965 billion +17.96% YoY
EBITDA of RMB6.454 billion +15.43% YoY	Basic earnings per share of RMB2.99 +14.12% YoY	Weighted average return on net assets of 9.81% +0.50 percentage points YoY

Rail transit business

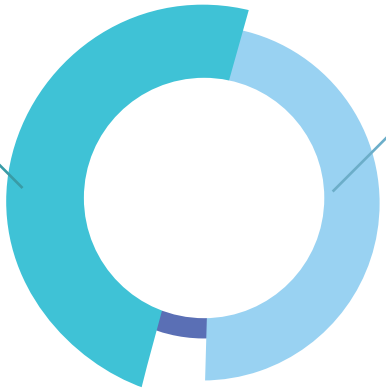
RMB15.806 billion

Emerging equipment business

RMB12.780 billion

+7.99%

YoY



+26.35%

YoY

Other businesses

RMB0.117 billion **-26.05%**

YoY

Rail Transit Business

RMB12.106 billion Rail transit electric equipment segment	**+10.15%** YoY
RMB1.899 billion Rail engineering machinery segment	**+0.39%** YoY
RMB1.149 billion Communication signal system segment	**+4.02%** YoY
RMB0.652 billion Other rail transit equipment segment	**+0.26%** YoY

Emerging equipment business

RMB5.360 billion Semiconductor segment	+30.43% YoY
RMB3.268 billion Automotive segment	+27.22% YoY
RMB2.401 billion New energy segment	+17.93% YoY
RMB1.030 billion Marine segment	+19.11% YoY
RMB0.721 billion Industrial segment	+34.61% YoY

(1) Breakthroughs in rail transit business

- The CR450 EMU prototype has accumulated over 360,000km of fault-free mileage, setting new records of 453km/h single-train speed and 896km/h relative crossing speed
- Completed the first demonstration project of the "grid-source-storage-vehicle" coordinated energy supply system for heavy-haul railways in China; achieved the first commercial application of permanent magnet traction technology in the field of high-power new energy locomotives in China
- Maintained a domestic market share of 60.92% for urban rail traction system, leading the industry for 14 consecutive years
- Overhaul revenue maintained a growth; overseas business won bids in Asia, America and other regions
- The first batch of rail engineering vehicles complying with European standards were officially delivered
- Ningbo Metro Line 8 FAO featuring advanced technologies opened with full functions, marking the fruition of our first demonstration project for proprietary FAO application
- Won the first domestic EPC power supply project for Chongqing Metro Line 27 in the power supply system sector; and ranked among top three domestically in the platform door sector

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

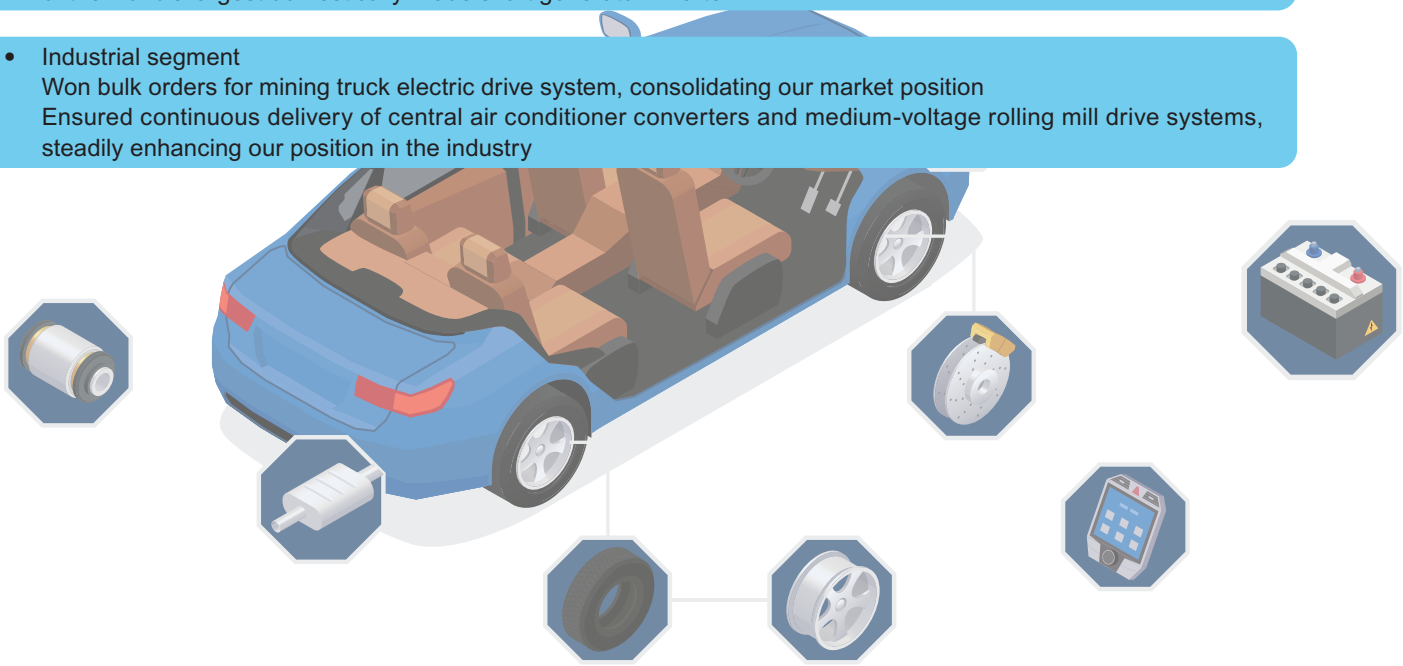
- Semiconductor segment
  Our IGBT module business established a clear leadership with the largest share in terms of delivery volume in domestic rail transit and power grid markets
  New energy applications continue to expand. According to NE Times, our power modules for new energy passenger vehicles achieved installation of 2.6076 million sets in 2025, ranking second with a market share of 13.8%, only next to BYD. In the new energy power generation market, our IGBT module shipments grew rapidly
  Overseas revenue witnessed a significant growth
  Yixing IGBT production line reached full capacity; Zhuzhou SiC production line commenced operation smoothly; and a breakthrough was made in the 4th-generation trench-gate SiC MOSFET chip technology
  Sensor business in the new energy sector stabilised and trended upwards with a significant growth in delivery volume

- New energy segment
  Launched the new-generation 2000V/400kW+ string photovoltaic inverter "Chixiao" and the new-generation energy storage converter "Yunshu" with a single unit capacity of 3.45MW
  Photovoltaic inverter business won bids of approximately 18GW in China, ranking ahead in the industry
  New orders for wind power converters and energy storage converters grew significantly
  IGBT hydrogen production power supply units maintained a leading market share domestically

- Automotive segment
  Our new energy passenger vehicle electric drive systems recorded a further growth in annual sales volume
  Annual installation of stator for new energy vehicle electric drive system reached 571,500 sets, ranking ninth according to NE Times
  Annual installation of electric control system reached 689,100 sets, ranking sixth
  Secured intention for 40 projects from customers
  Indonesia base as our first overseas project completed and came into operation
  Completed development of the 5th-generation pure electric high-voltage SiC all-in-one electric drive product platform

- Marine segment
  Marine equipment business leveraged synergies across three regional markets, leading to record highs both in revenue and orders
  Completed commercial delivery of the world's first underwater heavy-duty electric ROV, and on-vessel installation of the world's largest domestically-made shaft generator inverter

- Industrial segment
  Won bulk orders for mining truck electric drive system, consolidating our market position
  Ensured continuous delivery of central air conditioner converters and medium-voltage rolling mill drive systems, steadily enhancing our position in the industry



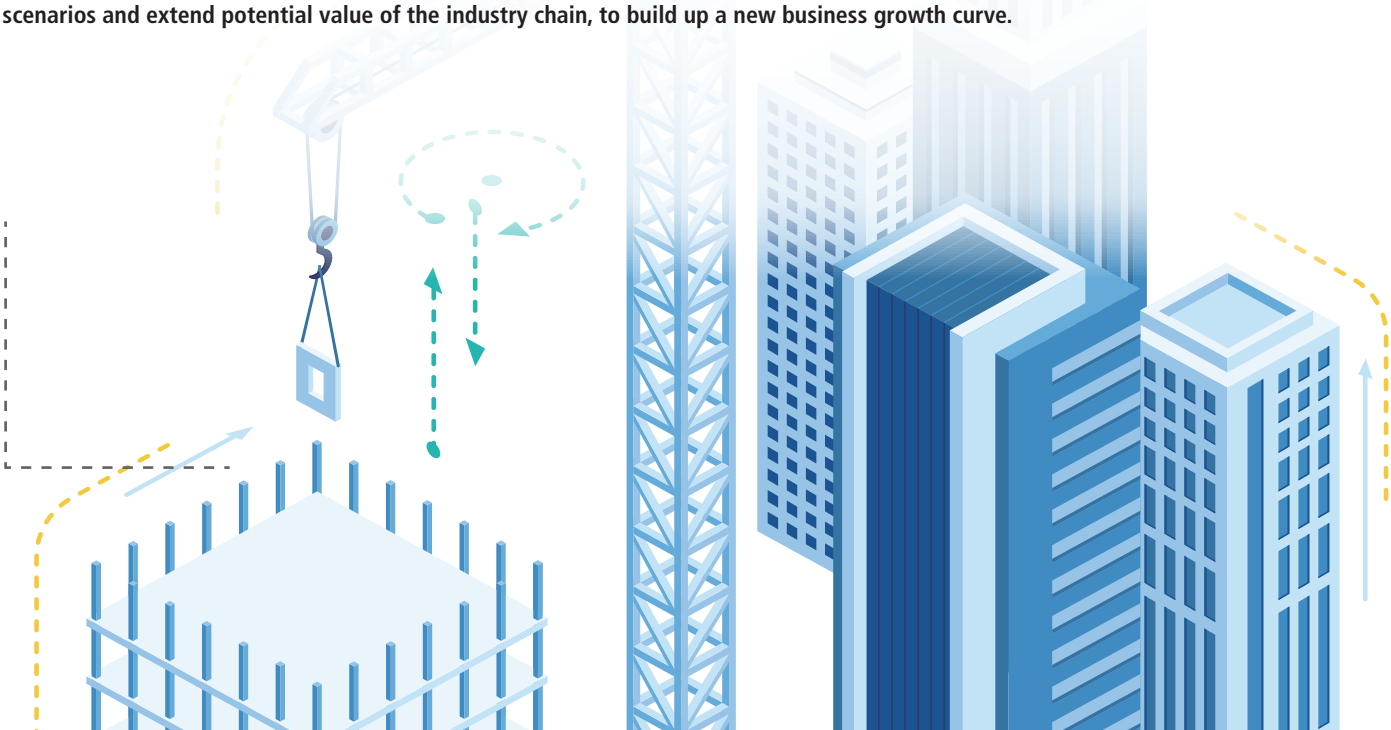
(3) Strengthen industrial layout and build a solid foundation for high-quality development

We continued to strengthen the industrialisation capability in industries such as semiconductor and new energy passenger vehicle electric drive system. Through the allocation of high-quality resources, we enhanced the specialisation level and scale of these businesses. The low and medium voltage power device industrialisation (Zhuzhou) project completed plant construction and first-phase equipment move-in, and came into smooth tape-out operation. Indonesia base of CRRC Electric Drive completed and came into operation, marking the first step in our overseas expansion.

Low and medium voltage power device industrialisation (Zhuzhou) project

Indonesia base of CRRC Electric Drive

In 2026, the Company will firmly focus on its core responsibilities and operations, and comprehensively consolidate and upgrade scale of its rail transit and emerging equipment businesses. Rail transit business, as the "cornerstone" of our high-quality development, will deepen its presence in advantageous markets, expand the growth headroom and continuously strengthen core technologies and system solution capabilities in order to consolidate its industry leadership. Semiconductor segment, as a "new pillar" to our high-quality development, aims to steadily expand its market share, release high-quality production capacity in an orderly manner, and actively foster new growth drivers. Sensor business will focus on stable market share, structure optimisation and delivery on time, seeking to improve operational quality and efficiencies in light of the chip-focused strategy. For the automotive segment, a "power source" for our high-quality development, we should rapidly hone core capabilities and continuously penetrate into key customer groups to enhance our brand equity and market influence. For the new energy segment, a "growth driver" to our high-quality development, we should adhere to an all-element approach for benchmarking against top players, to accelerate overseas expansion and increase our competitiveness and share in global markets. For the marine segment, a "new pivot" for our high-quality development, we should seize the opportunities from electrification upgrade to step up strategic investment and enhance cross-regional synergy, with an aim to grow at scale. For the industrial segment, a "new engine" for our high-quality development, we should deeply cultivate niche areas, diversify application scenarios and extend potential value of the industry chain, to build up a new business growth curve.



2 Persist in Innovation-driven Upgrades to Better Support High-level of Self-reliance and Self-improvement

In light of the key note of high-quality development, we adhere to self-reliance and strive for self-improvement on technologies, maintain significant R&D investment, foster new quality productive forces according to local conditions, strengthen the leading role of technological innovation, and promote industrial innovation through technological innovation, bearing admirable fruits in technological innovation.

(1) Adhere to the leading role of technological innovation to significantly enhance technical strength

In 2025, the Company continued to promote deep integration of technological and industrial innovation, to consolidate its technological leadership across the board. Remarkable results were achieved in the construction of technological innovation system, together with fruitful breakthroughs in core technologies, iterative upgrades of cutting-edge product platforms, and outstanding achievements in major projects.

R&D expenditure in 2025 of

RMB3.177 billion

In 2025, the Company's R&D expenditure reached **RMB3.177 billion**, up **11.77%** year-on-year.

Proportion of R&D expenditure to the Company's revenue was **11.07%**, down **0.34** percentage points year-on-year.

Proportion of R&D expenditure to the Company's revenue of

11.07%

For rail transit, the Company maintained its leading position in the rail transit industry, achieved further technological breakthroughs, and comprehensively enhanced the intelligence level of rail transit products.

In emerging industries, we benchmarked against industry leaders and closely aligned ourselves with customer needs with a focus on industrial product demands for power semiconductor devices, new energy vehicle electric drive systems, sensor devices, medium-voltage transmission systems and wind/photovoltaic converters, reaching international leading levels for multiple technologies. By addressing weaknesses and capitalising on strengths, the Company continuously commercialised R&D innovation outcomes, thereby facilitating its rapid business growth.

With a focus on its core technologies and main products, the Company adhered to and actively planned for intellectual property efforts to enhance its influence in the industry continuously.

Ningbo CRRC Times Electric Equipment Co., Ltd., a subsidiary of the Company, was accredited as a National Specialised and New "**Little Giant**" Enterprise; and Zhuzhou Times Electronic Technology Co., Ltd., a subsidiary, was named as an Individual Champion.

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

In 2025, the Company further tightened initiation management on scientific research projects, and closely focused on core technologies and main products to strengthen the synergy between intellectual property portfolio, production lines and markets. By coordinating the planning of research projects in various technical fields and highlighting key directions, we promoted a more focused approach to scientific research projects, improving R&D efficiency and commercialisation of technological achievements effectively.

The Company adheres to a **"strategy-driven"** and **"market-oriented"** approach (two-wheel drive), and determines research projects and carries out scientific research work from the perspectives of strategy and market.

In 2025, with a focus on its core technologies and main products, the Company adhered to and actively planned for intellectual property efforts to enhance its influence in the industry. In 2025, the Company was granted **404** new patents, including **15 patents** overseas, bringing the total number of valid patents granted to the Company to **3,858**, of which over **60%** are invention patents. We took the lead or participated in the drafting of international, national, industry and group standards in transportation and energy sectors, among which 21 standards were released, leading to our consolidated industry position.

New patents granted to the Company in 2025:

404

15

patents overseas

Total number of valid patents granted to the Company:

3,858

(3) Deeply integrate technological and industrial innovation to consolidate technological leadership across the board

In 2025, the Company achieved remarkable results in the construction of technological innovation system. We refined the "three-step" scientific research project initiation strategy on evaluating demand, objectives and resources, implemented a project completion review mechanism, and strictly enforced the execution responsibility for research projects. We deeply implemented the IPD concept, establishing "Product Definition Committee" at the headquarters and "Product Definition Department" at subsidiaries to promote precise and efficient resource allocation.

Fruitful breakthroughs were achieved in core technologies. We established a full-condition high-fault-tolerance system for permanent magnet traction systems, shifting from passive response to active control of permanent magnet faults. We completed application of hybrid SiC three-level topology technology in 400kW+ photovoltaic inverters, and passed national and industry standard certifications successfully. We made a breakthrough in 4th-generation trench-gate SiC MOSFET chip technology, reaching the international leading level. We deeply optimised and reconstructed fluxgate signal processing algorithms and temperature drift compensation models, significantly improving sensor measurement accuracy and long-term stability under complex working conditions.

Iterative upgrades were achieved for cutting-edge product platforms. We completed iteration of 6A HD version and CMD2.0 products to meet the core needs of State Railway Group for intelligence, autonomy and control. We launched a pedigree of six types of construction equipment electric drive platforms for complex working conditions such as plateau-cold and tunnel-geothermal for the first time. We completed development of TQME6 door control platform, the first domestic platform meeting the highest SIL4 safety level. Benchmarking against international first-class standards, we completed development of the 5th-generation pure electric high-voltage SiC all-in-one electric drive product platform. We completed development of 0.5~4.3MW shaft generator converter series, and on-vessel installation of the world's largest domestically-made shaft generator inverter.

Outstanding achievements were made in major projects. We overcame the challenges of -50°C ultra-low ambient temperature and vibration magnitude of 5 times the national standard, helping Kazakhstan diesel locomotive traction converters obtain EAC certification. A breakthrough was made in ETCS multi-system integrated switching technology, reaching the international benchmark level. We tackled the complete set of flexible through-type co-phase power supply system technology, and completed the first domestic heavy-haul railway "grid-source-storage-vehicle" coordinated energy supply demonstration project. We completed commercial delivery of the world's first underwater heavy-duty electric ROV as a leader in the electrification trend of global deep-sea operations.

In 2026, the Company will focus on technological breakthroughs and strive for commanding heights in science and technology. We will strengthen the dominant role of technological innovation and empower industrial upgrading through high-level technological self-reliance and self-improvement.

Strengthen research on core technologies. We aim to tackle key SiC application technologies, fully exploit system advantages in high-frequency scenarios, and improve traction converter efficiency and power density. We plan to complete research and application of high-reliability, high-economy five-level maintenance technical solutions for CR400AF electrical systems. For railway energy demand in weak grid and off-grid environments in western China, we are to tackle core technologies of flexible power supply systems with new energy access. Also, we expect to tackle key core technologies of intelligent vision systems for industrial assembly and quality inspection.

Accelerate product platform upgrades. We will develop lithium titanate power battery platform products meeting the technical requirements of China Railway 3000HP heavy-haul hybrid locomotives. We aim to complete development of electrical systems for CDC-32K intelligent turnout tamping vehicles, and ATP/ATO prototypes for ETCS Baseline 4. We will develop a series of position sensor based on magnetostrictive, eddy current and magnetic encoder principles. We expect to complete small-batch verification of 2000V and 1500V 400kW+ string photovoltaic inverters. We will develop new integrated generator-drive extended-range hybrid assembly platform. We will develop high-voltage high-power density converters for multi-power sources to meet the needs of large-tonnage mining converters covering DC2600V. We will conduct research on power system platform technology for efficient electric submarine cable laying robots to effectively improve single-operation burial depth capacity.

Accelerate the tackling of key projects. We will ensure CR450 to complete 600,000km operation assessment, to support China's high-speed rail entering the "era of 400km/h". We will support FXD1BA locomotives to achieve 20,000-ton regular operation on Daqin Railway, breaking the monopoly of foreign technology. We aim to tackle stepping fixed-distance and fleet formation reconnection control technologies, to realise automated operation and intelligent formation for CZ projects.

Build up testing capacity in full swing. We will deepen research on special testing technologies such as high altitude and sound quality, accelerate construction of a comprehensive simulation laboratory for complex environments, expand export testing qualifications for wind, solar, hydrogen, energy storage and hydrogen products, circumvent international market barriers, and significantly enhance testing quality and comprehensive product competitiveness.

3 Persist in Strengthening Management of Proceeds to Boost the Leap and Advancement of our Principal Business

In September 2021, Times Electric was listed on the Science and Technology Innovation Board of the 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.

In 2025, the Company continued to strengthen management of projects financed by the proceeds, and the cumulative IPO proceeds utilised accounted for **101.98%** of the total amount. During the implementation process of these projects, we strictly followed the regulations governing management of proceeds to cautiously utilise the proceeds, ensuring that the projects financed by the proceeds progressed smoothly according to relevant plan. The application project of rail transit traction and network technology and system, application project on key technologies and system R&D of smart railway bureau and smart urban rail transit and R&D and manufacturing platform construction project of new-type rail engineering machinery were completed. Thus, we promoted the Company's principal business development through the successful implementation of these projects, and achieved expected returns from these projects which enhanced our overall profitability.

In 2026, the Company will continue to strengthen management of projects financed by the proceeds, and fully complete the utilisation of IPO proceeds. At present, the innovative experimental platform construction project has been completed, and the Company will earnestly promote the project management work of the advanced technology R&D application project of new industry. We will timely identify and solve difficulties and pain points of these projects, ensure effective project execution as scheduled, and achieve continuous innovation and progress in technologies and products, to provide a strong support to smooth progress of our rail transit, new energy vehicles and other projects financed by the proceeds and fuel our high-quality development.

4 Persist in Promoting Refinement to Enhance Management and Deepen Digital Transformation and Upgrade

In 2025, the Company adhered to quality improvement through refined management by fully embracing intelligent transformation. We continued to deepen the application of digital and intelligent technologies and actively explored new models and scenarios, to provide solid support for quality and efficiency improvements in our business operations. We promoted the operation "cockpit" comprehensively to build a transparent, efficient and collaborative decision-making command system. We deepened data integration application of LTC processes to steadily improve cash inflow efficiency. Reengineering of ITR main processes achieved remarkable results, improving on-site fault data collection efficiency. We promoted the QMS quality management system to consolidate the quality control foundation of our branches and subsidiaries. We built a new collaboration paradigm across treasury, business and finance functions, to promote deep integration of capital management and business operations. We launched 11 AI application scenarios, opening a new stage of business intelligentisation. Our lean operation capacity gradually improved as we implemented regular cost control to effectively reduce period expenses.

In 2026, we will continue to deepen the digital intelligence transformation to enable quality and efficiency improvements. Focusing on business pain points and benchmarking against industry leaders, we will promote refined management and full-domain intelligent transformation to upgrade operational quality aggressively. We will adhere to intelligent transformation to continuously improve operational efficiency and enhance real-time identification and early warning capabilities under our digital risk control and broad supervision system. We will strengthen monitoring and early warning of digital supply chain with a focus on inventory at risks and materials for discontinued operations; and optimise non-production material procurement management. From order to delivery, we aim to achieve a full process of transparent and controllable digital delivery. We plan to deepen digital service ITR process construction and data application; and achieve digital investment management featuring full-process online control over investment projects. We will adhere to efficiency and profit enhancement, improving value creation continuously. To this end, we will comprehensively strengthen cost control and tap potential in R&D, process optimisation and supply chain integration; strengthen budget guidance comprehensively to improve resource utilisation efficiency; and enhance refined management of three asset categories, ensure stable quarterly revenue and better collection of receivables, and optimise management on product delivery. We will strengthen quality control on all fronts and steadily advance the "Cornerstone Action". Accordingly, we will adopt PFMEA/CP tools for forward quality planning of key production projects and promote AI visual inspection. We will also launch pilot vertical quality management in branches and subsidiaries, and conduct quality talent training in a tiered and categorised manner, seeking to improve quality management level across the Company.

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 its profitability. In recent years, the Company has pursued high-quality development driven by digitalisation, 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 improved the return on net assets to **over 9%**, achieving mutual benefits and win-win outcomes for the Company and its shareholders.

In 2025, the Company adhered to quality improvement through refined management by fully embracing intelligent transformation. We deepened the application of digital and intelligent technologies and actively explored new models and scenarios, to provide solid support for quality and efficiency improvements in our business operations. Steady intelligentisation progress led to gradual improvements in our lean operation capabilities, boosting business quality and efficiency effectively.

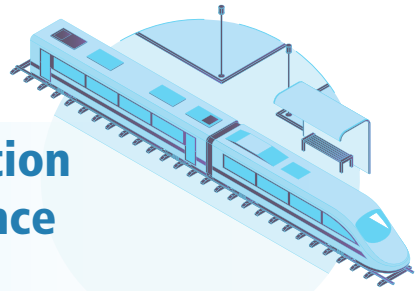
In April 2025, the Company formulated and published a shareholders' dividend and return plan for the next three years (the "Three-year Return Plan"), in an effort to establish a rational and sustainable dividend decision-making and supervision mechanism. In 2025, the Company actively carried out various tasks in accordance with the action plan and Three-year Return Plan. During 2025, the Company paid a total of RMB1.955 billion cash dividends for 2024 and the first half of 2025.

The Company proposes to distribute cash dividend of RMB0.68 (tax inclusive) per share to all the shareholders for 2025, totaling RMB923 million. Within the year, the Company's cash dividends (including the cash dividend payouts for the first half of 2025) aggregated RMB1.521 billion, accounting for approximately 37.12% of the net profit attributable to the shareholders of the listed company as stated in the consolidated statements for 2025, an increase of 0.44% from the previous year.

* In case of any change in the total share capital of the Company prior to the record date for implementation of the equity distribution, the Company proposes to maintain the payout amount per Share unchanged, make corresponding adjustments to the total payout amount, and will publish separate announcement(s) on the specific adjustments.

Looking ahead to 2026, we will deepen the digital intelligence transformation to enable quality and efficiency improvements. Focusing on business pain points and benchmarking against industry leaders, we will promote refined management and full-domain intelligent transformation to upgrade operational quality aggressively. We will adhere to intelligent transformation to continuously improve operational efficiency. We will adhere to efficiency and profit enhancement, improving value creation continuously. Quality management performance will be upgraded across the board to safeguard our profitability.

6 Persist in Improving the Construction of the Board of Directors to Enhance Modern Corporate Governance



In 2025, in light of the key note of high-quality development, the Company continued its efforts in corporate governance, ESG practices, information disclosure and investor relations management to consolidate the capabilities for long-term value creation, as witnessed by our long-term investment and systematic construction for modern corporate governance. For three consecutive years, the Company received the highest A-grade rating in information disclosure by the SSE and won a number of authoritative honours including the Best Practice Cases of Board Offices by the China Association for Public Companies, 5A rating for board secretary performance, and Best Board Office Practice Case Award, demonstrating full recognition of its governance performance by the capital market.

Construction of the Board of Directors

The Company continued to improve its corporate governance mechanisms and accelerated the construction of a professional, responsible, standardised and efficient board of directors.

Firstly, we optimised 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. We actively expanded the channels for selecting employee directors. On 9 December, the Company timely and efficiently appointed one female employee director through by-election, achieving a smooth turnover of directors and promoting gender diversity among board members.

Secondly, we timely cancelled the Supervisory Committee in accordance with regulatory requirements, improved functions of the Audit Committee accordingly, and further improved the supportive system for communication with independent directors and duty performance by directors. In accordance with the new Company Law and regulatory requirements, we formulated and revised 29 rules and policies including the articles of association.

Thirdly, duty performance capabilities of directors were strengthened. We implemented a training plan for its 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, helped to 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.

- Formulated or revised 29 governance rules
- Attendance rate of independent directors: 100%
- 7 meetings of the Board of Directors
- 17 meetings of special committees under the Board of Directors
- 5 regulatory compliance training sessions

Information disclosure

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.

186 SSE announcements and disclosure documents
Hong Kong Stock Exchange announcements: 197 in Chinese and 121 in English

Honours and recognitions

- A-grade rating in information disclosure for three consecutive years, by the Shanghai Stock Exchange
- Best Practice Cases of Board of Directors for two consecutive years, by the China Association for Public Companies
- 5A Duty Performance Evaluation of Board Secretaries of Listed Companies in 2025, by the China Association for Public Companies
- Best Practice Cases of Board Offices of Listed Companies for 2025, by the China Association for Public Companies
- 2024 Vision Award – "Global 100" Platinum Award for the first time, by the League of American Communications Professionals (LACP)

In 2026, the Company will further improve its governance structure to enhance governance efficiency. We will continue to follow up regulatory requirements, improve our governance system, and reinforce the foundation of compliance governance. In 2026, we will take all-round initiatives to ensure re-election of the Board of Directors, and strengthen the professional composition of independent directors. Meanwhile, the Company will, in accordance with the listing rules of the Hong Kong Stock Exchange and the Shanghai Stock Exchange and based on its actual conditions, leverage the advantages in its diversified board structure to optimise member composition of the special committees under the board of directors, continue to optimise the support mechanism for duty performance of independent directors, and further strengthen deep communication and collaboration between independent directors and internal teams of the Company, to inject new vitality into our business development.

7 Persist in Strengthening Investor Relations Management and Establishing a Multi-level and Mutually Beneficial Interactive Mechanism

In 2025, under the principles of being comprehensive, proactive, collaborative, precise and efficient, the Company continued to deepen investor relations management, and systematically built an efficient and transparent communication platform to ensure effective communication with investors. We utilised various channels, including listed company public announcements, investor conferences, on-site exchange and research with investors, the SSE interactive platform, telephone and email, to promptly, openly and transparently communicate corporate updates to the market. During 2025, the Company responded to investors' enquires through the SSE interactive platform, fully demonstrating the responsiveness and a high sense of responsibility for investors' concerns.

Recognitions of the Company in 2025

- The 16th Tianma Award for Investor Relations Management, by Securities Times
- Top 30 Listed Companies by Value, ESG Top 100, and Sunshine Board Secretary Award, by Securities Times
- 2025 Elite Award for Chinese Listed Companies – Investor Relations Demonstration Cases of H-share Companies, ESG Demonstration Cases of H-share Companies, Overseas Listing Demonstration Cases of A-share Companies, and Excellent Board Secretary, by ChinaFund
- Hardcore Tech Breakthrough Award, by China Business Journal
- 2025 Easy-Board "Value 100" award, by Value Online

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Multiple initiatives to strengthen investor relations management

In 2025, the Company continued to strengthen investor relations management, maintain close communication with investors, and comprehensively establish an efficient and transparent platform for communication with investors. We ensured smooth channels of communication with investors and actively engaged 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.

1

High-quality, multi-level and all-round performance briefings

We held activities at the SSE Roadshow Center respectively in May, September and December 2025, with the participation of senior management including the chairman of the Board, independent directors and general manager of the Company, allowing the management to address investor concerns. These events included the 2024 Performance Briefing of Advanced Rail Transit Companies on the STAR Market, the 2025 Investor Online Reception Day and Interim Performance Briefing of Hunan Listed Companies, the "Capital Gathering in Hunan to Enlighten New Journeys" — the 2025 Investor Online Reception Day and Interim Performance Briefing of Hunan Listed Companies organised by CSRC Hunan Branch, and the 2025 Third Quarterly Performance Briefing.

2

Strong ties for global capital exchange

To deepen international investor exchanges, we held the 2024 annual results conference in Hong Kong on 8 April 2025, attracting investors and senior analysts from global renowned financial institutions. At the conference, our Chairman, independent directors, management, and Secretary to the Board had productive conversations with guests on key topics such as 2024 financial performance, 2025 strategic plan, industry opportunities and challenges, and ESG construction. They also provided detailed responses to common investor concerns, effectively enhancing confidence from international capital market and long-term recognition of the Company.

3

Innovative activity of investment relations

In May 2025, the Company participated in "3 Minutes for the STAR Market", a featured activity hosted by the SSE. Our Chairman delivered a speech titled "A Start of New Journey — Towards High-quality Development of Times Electric" to communicate our business results and growth expectations to investors, effectively strengthening our brand influence in the capital market as a central state-owned enterprise with technological innovation excellence.

4

Reverse roadshow

In September 2025, the Company held a reverse roadshow titled "Deep Sea New Journey of Times Electric" in Shanghai, where investors and analysts were invited to visit its subsidiary Specialist Machine Developments (Shanghai) Co., Ltd. on site and have in-depth dialogues with investors and analysts on marine equipment related sectors.

5

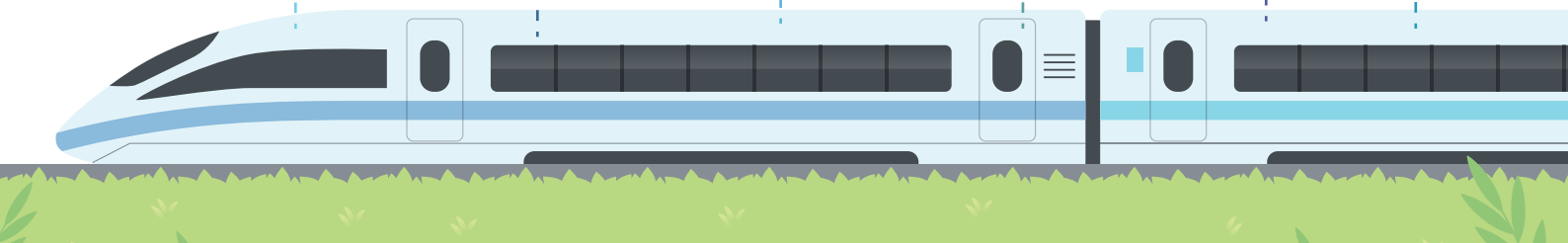
Multi-platform investor communication under a full-chain interactive system

In 2025, the Company held over 180 investor activities including quarterly, interim and annual performance briefings, roadshows, reverse roadshows and surveys. The Company attaches great importance to the SSE interactive platform as an important window for investor communication. In 2025, we responded to 386 enquires from investors on the SSE interactive platform, fully demonstrating the responsiveness and a high sense of responsibility for investors' concerns. Communication with capital market helps to enhance our visibility and influence in the capital market, which is beneficial for optimising our share capital structure and long-term prospect of stock price. In 2025, we were covered by 50 research reports released by major brokers, which gave the Company "Recommend", "Buy" or other positive ratings in their latest reviews.

6

Sound market capitalization management system

In order to better safeguard shareholders' rights and interests, the Company formulated the Market Capitalization Management Rules in March 2025. By integrating public opinion monitoring into our daily management system and combining various strategies, we reasonably stabilize market capitalization, ensure the alignment of market capitalization with intrinsic value of the Company, and effectively protect the interests of investors. We continue to improve the full chain of "value creation, value transmission, and value realisation" , and build a multi-dimensional shareholder return system to stabilize market value expectations.



Staying in tune with the national trend of green and sustainable development to implement the ESG principles, the Company had disclosed the Social Responsibility Report consecutively since 2009. In the Social Responsibility and Environmental, Social and Governance (ESG) Report for 2024 disclosed by the Company, we continued to improve our governance system and content of ESG report. Furthermore, we published an essay headed "ESG Report in One Picture", combining concise graphics and text to illustrate the essence of the report.

Recognitions

- The third Guoxin Cup — Top 100 for ESG Golden Bull Award, by China Securities Journal and China Reform Holding
- The 19th Value Evaluation on Listed Companies — "ESG Top 100", by Securities Times
- ESG Ratings — Top 100 ESG Best Practices of China Listed Companies of AA-level Market Capitalization in 2025, by Wind Info
- "Top 20 A-share Listed Industrial Companies by ESG Performance in 2025", "Top 50 A-share Listed Companies by Best Practices in Social (S) Dimension in 2025", "Top 100 A-share Listed Companies by Outstanding ESG Performance in 2025" and "Top 100 A-share Listed Companies by Best ESG Rating Uplift in 2025", by Sino-Securities Index System
- 2025 Best ESG Listed Companies on the STAR Market, by STAR Market Daily and Cailian Press

The Company will continue to strengthen its ESG management and further enhance its ESG performance to underpin its high-quality development.

In 2026, to better safeguard shareholders' rights and interests, we will actively communicate with investors through various forms, answer and explain various issues of concern to investors within the scope of legal compliance, enhance investors' sense of identification with the Company, and establish a sound corporate image in the capital market.

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. Taking into account the needs of investors for returns and the long-term development of the Company following its debut on the STAR Market, the Company further increased dividend payout ratio and frequency during the year. From 2006 to 2025, the Company distributed dividends of approximately RMB10.29 billion in total, representing 90.0% of the total proceeds raised from both markets.

2006 to 2025

From 2006 to 2025, the Company distributed dividends of approximately RMB10.29 billion in total, representing 90.0% of the total proceeds raised from both markets.

Combining dividends and share repurchases to enhance shareholder returns in multiple dimensions

In order to implement the investor-oriented concept for listed companies and safeguard the interests of all shareholders and based on the confidence in future prospects and business value, the controlling shareholder, directors, supervisors and senior executives of the Company take initiatives on corporate value and return enhancement to maintain a sound corporate image on the market. On 29 April 2025, the Company formulated and published a shareholders' dividend and return plan for the next three years (2025-2027), emphasizing the continuity and stability of its profit distribution policy. Where conditions are met for cash dividend, **the Company's profit distribution in cash for each year should not be less than 35% of the profit available for distribution generated for the year; and the total profit distribution in cash every three years should not be less than 105% of the annual average profit available for distribution generated in the past three years**. In 2025, the Company actively carried out various tasks in accordance with the action plan, taking into account the needs of investors for returns and the long-term development of the Company to strike a sound balance between the interests of shareholders and sustainable business development.

Profit distribution plan for 2025 to 2027

Profit distribution in cash for each year should not be less than 35% of the profit available for distribution generated for the year; and the total profit distribution in cash every three years should not be less than 105% of the annual average profit available for distribution generated in the past three years.

In 2025, the Company distributed a cash dividend for 2024 of **RMB10** per 10 shares (inclusive of tax) to all shareholders. Accordingly, the total amount of cash dividend paid out was **RMB1.358 billion**, accounting for approximately 36.68% of the net profit attributable to shareholders of the Company in the consolidated financial statements of 2024. The cash dividend per share represented a year-on-year increase of 28.21% over last year. The dividend distribution was completed in August. In addition, as authorised by the shareholders' general meeting, the Board of Directors resolved to make an interim profit distribution, to distribute a 2025 interim cash dividend of **RMB4.40** per 10 shares (inclusive of tax) to all shareholders. Accordingly, the total amount of cash dividend to be paid out was **RMB597 million**, accounting for approximately 35.75% of the net profit attributable to shareholders of the Company in the 2025 consolidated interim financial statements. The dividend distribution was completed in October.

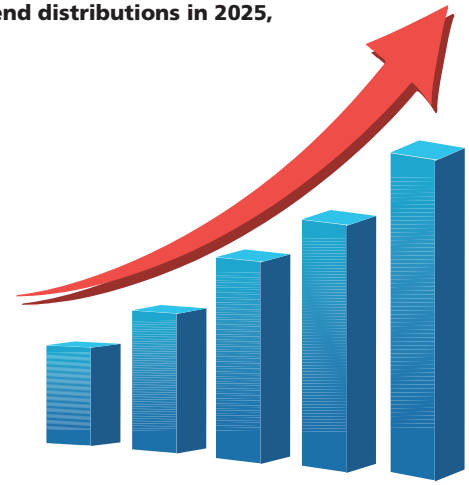
Distributing total dividends of RMB1.967 billion through two cash dividend distributions in 2025, effectively fulfilling the commitment to shareholder returns

Dividend distribution for 2024

Cash dividend of RMB10 per 10 shares
Dividend payout ratio: 36.68%

2025 interim dividend distribution

Cash dividend of RMB4.40 per 10 shares
Dividend payout ratio: 35.75%



Launching H-share repurchase in a total amount of HK$1.655 billion
From December 2024 to June 2025, a total of 53,591,700 H-shares were repurchased and cancelled, improving the earnings per share effectively.

The Company adheres to the concept of better safeguarding shareholders' rights and interests and creating greater value for shareholders. In 2026, we will attach great importance to generating reasonable investment returns to shareholders while pursuing sustainable and healthy business development, with a focus on improving shareholder returns through concrete actions, thus actively responding to changes in the capital market and enhancing investors' confidence in our growth.

9 Miscellaneous

In 2025, the Company advanced its high-quality development by implementing the **Corporate Value and Return Enhancement Action Plan**. Staying focused on its principal business, the Company continued to optimise operational management, improve business quality comprehensively, and strengthen management and maintenance of investor relations, thus safeguarding the legitimate rights and interests of investors effectively.

Through continuous evaluation on the measures adopted, the Company further optimised and developed the **Corporate Value and Return Enhancement Action Plan** 2026 on the basis of the Action Plan 2025. Looking into 2026, we will firmly adhere to the key note of **high-quality development**, tap into new scenarios and markets for our advantageous businesses, and focus on profitability enhancement for our businesses under development. Through high-quality and efficient operations, we are dedicated to building an enterprise fulfilling the "four higher goals" in social recognition, shareholder recognition, customer satisfaction and employee happiness. The Company will continue to enhance its core competitiveness and foster new quality productive forces. Through robust business management and standardised corporate governance, we will take initiatives to give back to our investors, effectively fulfill our responsibilities and obligations as a listed company, and contribute to stable and healthy development of the capital market.

This Action Plan is developed based on the Company's current conditions and does not constitute a material commitment of the Company to investors. Given the uncertainties due to the potential impact from macroeconomic policy adjustments and changes in industry market and environment in the future, among other factors, investors are advised to be aware of the risks involved.

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ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.