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If you are in doubt about this circular, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zhuzhou CRRC Times Electric Co., Ltd., you should at once hand this circular together with the accompanying form of proxy and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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: 3898)

**(1) PROPOSED RE-ELECTIONS OF A NON-EXECUTIVE DIRECTOR
AND AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

**(2) PROPOSED ABSORPTION AND MERGER OF
A WHOLLY-OWNED SUBSIDIARY TIMES EQUIPMENT**

AND

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 3 to 6 of this circular. The notice convening the EGM to be held at Zhuzhou Marriott Hotel at No.160, Longxing Road, Tianyuan District, Zhuzhou, Hunan, the PRC on Friday, 20 October 2017 at 9:00 a.m., or any adjournment thereof is set out on pages 13 to 14 of this circular.

Whether or not you intend to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time fixed for holding the meeting or the adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjournment thereof if you so wish. If you intend to attend the meeting in person or by proxy, you should also complete and return the accompanying reply slip in accordance with the instructions printed thereon on or before Saturday, 30 September 2017.

25 August 2017

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Articles of Association”	the articles of association of the Company, as amended from time to time
“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) (formerly known as Zhuzhou CSR Times Electric Co., Ltd. (株洲南車時代電氣股份有限公司)), a joint stock company established in the PRC with limited liability, the H shares of which are listed on the Stock Exchange
“Company Law”	the Company Law of the People’s Republic of China, as amended from time to time
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic share(s) of RMB1.00 each in the share capital of the Company
“EGM”	the first extraordinary general meeting of 2017 of the Company to be held at Zhuzhou Marriott Hotel at No.160, Longxing Road, Tianyuan District, Zhuzhou, Hunan, the PRC on Friday, 20 October 2017 at 9:00 a.m. (or any adjournment thereof)
“EGM Notice”	the notice of the EGM
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and traded in HKD
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	21 August 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information of this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Company (being the merging party) and Times Equipment (being the merged party) involved in the absorption and merger as set out in Appendix II to this circular
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the Domestic Share(s) and/or the H Share(s)
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning given to it under the Listing Rules
“Times Equipment”	株洲中車時代裝備技術有限公司 (Zhuzhou CRRC Times Equipment Technology Co., Ltd.), formerly known as 株洲時代裝備技術有限責任公司 (Zhuzhou Times Equipment Technology Co., Ltd.), a wholly-owned subsidiary of the Company

LETTER FROM THE BOARD



株洲中车时代电气股份有限公司
ZHUSHOU CRRC TIMES ELECTRIC CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3898)

Executive Directors:

Mr. Ding Rongjun (*Chairman*)
Mr. Li Donglin (*Vice Chairman*)
Mr. Yan Wu
Mr. Liu Ke'an

Non-executive Director:

Zhang Xinning

Independent non-executive Directors:

Chan Kam Wing, Clement
Pao Ping Wing
Liu Chunru
Chen Xiaoming
Ouyang Minggao

*Registered office and
principal place of business:*

Times Road
Shifeng District
Zhuzhou
Hunan Province
PRC 412001

*Principal place of business
in Hong Kong:*

Unit 1106, 11th Floor
Jubilee Centre
18 Fenwick Street
Wanchai
Hong Kong

25 August 2017

To the Shareholders

Dear Sir or Madam

**(1) PROPOSED RE-ELECTIONS OF A NON-EXECUTIVE DIRECTOR
AND AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

**(2) PROPOSED ABSORPTION AND MERGER OF
A WHOLLY-OWNED SUBSIDIARY TIMES EQUIPMENT**

AND

(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to give you the EGM Notice and to provide you with information in relation to (i) the proposed re-elections of Mr. Zhang Xinning as a non-executive Director and Mr. Ouyang Minggao as an independent non-executive Director; and (ii) the proposed absorption and merger of a wholly-owned subsidiary of the Company, Times Equipment, as set out in the EGM Notice, to be considered and, if thought fit, passed at the EGM.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTIONS OF A NON-EXECUTIVE DIRECTOR AND AN INDEPENDENT NON-EXECUTIVE DIRECTOR

In the announcement of the Company dated 18 August 2017, it was disclosed, among other things, that:

- (a) Mr. Zhang Xinning (“**Mr. Zhang**”) was appointed as a non-executive Director with effect from 18 August 2017;
- (b) Mr. Ouyang Minggao (“**Mr. Ouyang**”) was appointed as an independent non-executive Director with effect from 18 August 2017; and
- (c) the term of the directorship of each of Mr. Zhang and Mr. Ouyang commenced on 18 August 2017 and will expire at the close of the first extraordinary general meeting of the Company in 2017 (i.e. the EGM), but each of Mr. Zhang and Mr. Ouyang will be eligible for re-election as a director at such general meeting.

After taking into account of the opinion of the Nomination Committee set out below, the Board proposed that Mr. Zhang be re-elected as a non-executive Director and Mr. Ouyang be re-elected as an independent non-executive Director, each subject to the approval by the Shareholders at the EGM.

With respect to Mr. Zhang, all the members of the Nomination Committee were satisfied that he is a person of integrity and after further taking into account of his experience and calibre, considered that Mr. Zhang is an appropriate candidate to be re-appointed as a non-executive Director.

With respect to Mr. Ouyang, having taking into account his independence confirmation, all the members of the Nomination Committee were satisfied that he (i) met the criteria set out in Rule 3.13 of the Listing Rules; (ii) is a person of integrity and independent in character and judgment; and (iii) is an appropriate candidate to be re-appointed as an independent non-executive Director.

The biographical details and other information on each of Mr. Zhang and Mr. Ouyang as required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out in Appendix I to this circular.

3. PROPOSED ABSORPTION AND MERGER OF TIMES EQUIPMENT

Times Equipment is a wholly-owned subsidiary of the Company.

To further optimize the management structure of the Company, reduce the management hierarchy and the related accounting and auditing works, increase the management and operation efficiency, reduce the operation cost, enhance the synergistic effect and the resource allocation efficiency, the Company intends to acquire all the assets, liabilities and business of Times Equipment by way of full absorption and merger.

LETTER FROM THE BOARD

Upon completion of the absorption and merger, the Company shall be the continuing entity, and Times Equipment shall be de-registered, and all the assets (including but not limited to fixed assets, current assets and intangible assets etc.) of Times Equipment shall be owned by the Company, its liabilities and other obligations which should be borne shall be assumed by the Company and its staff and business relationship shall be inherited by the Company.

On 18 August 2017, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the absorption and merger of Times Equipment by the Company by way of a special resolution at the EGM.

Proposal in relation to the absorption and merger of Times Equipment is set out in Appendix II to this circular.

4. THE EGM AND CLOSURE OF REGISTER OF MEMBERS

The votes at the EGM will be taken by poll.

Notice of the EGM to be held at Zhuzhou Marriott Hotel at No.160, Longxing Road, Tianyuan District, Zhuzhou, Hunan, the PRC on Friday, 20 October 2017 at 9:00 a.m. is set out on pages 13 to 14 of this circular.

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be temporarily closed from Wednesday, 20 September 2017 to Friday, 20 October 2017 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all transfer documents together with the relevant Share certificates must be lodged, for holders of the H Shares, with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or, for holders of the Domestic Shares, the registered office address of the Company at Times Road, Shifeng District, Zhuzhou, Hunan Province, 412001, the PRC, not later than 4:30 p.m. on Tuesday, 19 September 2017.

A proxy form for appointing proxy is despatched together with this circular and published on the website of the Stock Exchange (www.hkex.com.hk). Whether or not you intend to attend the EGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the EGM or the adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any adjournment thereof if you so wish.

If you intend to attend the EGM in person or by proxy, you should also complete and return the accompanying reply slip in accordance with the instructions printed thereon on or before Saturday, 30 September 2017.

LETTER FROM THE BOARD

5. RECOMMENDATIONS

The Board considers that each of (i) the proposed re-elections of Mr. Zhang as a non-executive Director and Mr. Ouyang as an independent non-executive Director; and (ii) the proposed absorption and merger of a wholly-owned subsidiary of the Company, Times Equipment is in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolution in respect of each of (i) to (ii) above at the EGM.

6. ADDITIONAL INFORMATION

Further information on (i) the proposed re-elections of Mr. Zhang Xinning as a non-executive Director and Mr. Ouyang Minggao as an independent non-executive Director; and (ii) the proposed absorption and merger of a wholly-owned subsidiary of the Company, Times Equipment, is set out in the appendices to this circular for your information.

Yours faithfully,
For and on behalf of the Board
Ding Rongjun
Chairman

BIOGRAPHICAL DETAILS**Zhang Xinning**

Mr. Zhang, aged 53, is a non-executive Director. He is also a member of the strategy committee of the Company.

Mr. Zhang is the chief engineer of CRRC Corporation Limited* (中國中車股份有限公司) (“CRRC”), a joint stock limited company whose A shares and H share are listed on the Shanghai Stock Exchange and the Main Board of the Stock Exchange and holds the entire interests of the parent company of the Company, namely CRRC Zhuzhou Institute Co., Ltd.* (中車株洲電力機車研究所有限公司). Mr. Zhang has extensive technological expertise and management experience in the industry where CRRC specializes. Mr. Zhang had served as the deputy head of the equipment technology division of the department of technology and education of the Ministry of Railways (鐵道部科技教育司裝備技術處), the deputy chief engineer, deputy chief engineer and the general manager of the locomotives business department of CSR Group* (中國南車集團). He also served as the deputy general manager and chief engineer of CSR Zhuzhou Locomotive Co., Ltd.* (中車株洲電力機車有限公司) which is wholly-owned by CRRC, the chief engineer of CSR Group as well as the chief engineer of CSR Corporation Limited* (中國南車股份有限公司). Since June 2015, he has served as the chief engineer of CRRC. Mr. Zhang graduated from the Faculty of Electrical Engineering of the Northern Jiaotong University* (北方交通大學) majoring in electric traction and transmission control. He has also obtained postgraduate qualification in system engineering and a master’s degree in engineering from the Northern Jiaotong University. In addition, he obtained the Senior Professional Manager qualification awarded by China Enterprise Confederation* (中國企業聯合會) and China Enterprise Directors Association* (中國企業家協會). He is a professor-level senior engineer and has been selected as a candidate for “Hundred Talents Program of the Chinese Academy of Sciences” at national level. He is entitled to the special government subsidy from the State Council.

Mr. Zhang has entered into a service contract of non-executive director with the Company for a term commenced from 18 August 2017 subject to, among other things, the applicable requirements of the Articles of Association and/or the Listing Rules (as applicable) governing retirement and re-election of directors at the general meetings of the Company. Upon re-election as a non-executive Director at the EGM, the subsisting service contract shall remain valid and his term of office will be ended on the date on which the next session of the Board are elected at the general meeting of the Company for year 2019 expected to be held in 2020 or for such shorter period as may be decided at the EGM until determined by either party giving three months’ prior written notice.

The proposed annual fee for Mr. Zhang’s appointment as a non-executive Director is approximately RMB78,000 (excluding tax), which is determined on the basis of his experience, level of responsibilities within the Group, the Company’s performance, as well as the remuneration benchmark in the industry and the market situation and is subject to revision by the Shareholders at general meeting. Mr. Zhang has waived his entitlement to receive director’s fee as a non-executive Director since 18 August 2017 and has agreed to continue to waive such fee upon his re-election at the EGM.

Ouyang Minggao

Mr. Ouyang, aged 59, is an independent non-executive Director. He is also a member of each of the strategy committee and audit committee of the Company.

Mr. Ouyang obtained a bachelor's degree in engineering from the Changsha Railway College* (長沙鐵道學院) majoring in diesel locomotive in February 1982 and a master's degree in engineering from the Dalian Railway College* (大連鐵道學院) majoring in diesel locomotive in August 1984. He studied in the Technical University of Denmark from January 1990 to October 1993 and obtained a doctorate degree in engineering. From November 1993 to June 1995, Mr. Ouyang studied under the post-doctorate programme of the Tsinghua University.

Mr. Ouyang obtained a certificate of qualification of independent director from the Shenzhen Stock Exchange in October 2008 and is an independent non-executive director of Chaowei Power Holdings Limited (stock code: 00951), a company listed on the Main Board of the Stock Exchange.

Mr. Ouyang also holds or held the following positions: working in the Tsinghua University since July 1995, including occupying the position as the officer of the National Key Laboratory of the Safety and Energy Saving of Automobiles* (汽車安全與節能國家重點實驗室), a special professor of the Changjiang Scholars* (長江學者特聘教授) and the vice officer of the Academic Committee (學術委員會); a member of the Standing Committee of the National Committee of the Chinese People's Political Consultation Conference* (中國人民政治協商會議全國委員會常務委員會) since March 2003; an independent non-executive director of Sinotruk (Hong Kong) Limited (Stock Code: 3808), a company listed on the Main Board of the Stock Exchange, from July 2007 to December 2015; an independent non-executive director of Shanghai Diesel Engine Company Limited* (上海柴油機股份有限公司) (Stock Code: 600841), a company listed on the Main Board of the Shanghai Stock Exchange, from May 2012 to May 2015; and an independent non-executive director of Chongqing Changan Automobile Company Limited* (重慶長安汽車股份有限公司) (Stock Code: 000625), a company listed on the Main Board of the Shenzhen Stock Exchange, from May 2012 to March 2016.

Mr. Ouyang has entered into a service contract of independent non-executive director with the Company for a term commenced from 18 August 2017 subject to, among other things, the applicable requirements of the Articles of Association and/or the Listing Rules (as applicable) governing retirement and re-election of directors at the general meetings of the Company. Upon re-election as an independent non-executive Director at the EGM, the subsisting service contract shall remain valid and his term of office will be ended on the date on which the next session of the Board are elected at the general meeting of the Company for year 2019 expected to be held in 2020 or for such shorter period as may be decided at the EGM until determined by either party giving three months' prior written notice.

The proposed annual fee for Mr. Ouyang's appointment as an independent non-executive Director is approximately RMB78,000 (excluding tax), which is determined on the basis of his experience, level of responsibilities within the Group, the Company's performance, as well as the remuneration benchmark in the industry and the market situation and is subject to revision by the Shareholders at general meeting.

RELATIONSHIP AND INTERESTS IN SHARES

Save as disclosed herein, each of Mr. Zhang and Mr. Ouyang had no relationship with any other Directors, supervisors, senior management or substantial or controlling shareholders of the Company and did not hold any other position with the Company or other members of the Group as at the Latest Practicable Date. Save as disclosed herein, each of Mr. Zhang and Mr. Ouyang had not held any directorships as at the Latest Practicable Date or in the last three years in any public company the securities of which are listed on any securities market in Hong Kong or overseas.

So far as the Directors are aware, as at the Latest Practicable Date, neither Mr. Zhang nor Mr. Ouyang had any interest in the Shares within the meaning of Part XV of the SFO.

MATTERS THAT NEED TO BE BROUGHT TO THE ATTENTION OF THE SHAREHOLDERS

Save as disclosed herein, there is no other matter concerning the proposed re-election of Mr. Zhang as a non-executive Director and the proposed re-election of Mr. Ouyang as an independent non-executive Director that needs to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

PROPOSAL IN RELATION TO THE ABSORPTION AND MERGER OF TIMES EQUIPMENT

To further optimize the management structure of the Company, reduce the management hierarchy and the related accounting and auditing works, increase the management and operation efficiency, reduce the operation cost, enhance the synergistic effect and the resource allocation efficiency, the Company intends to acquire Times Equipment, being its wholly-owned subsidiary, by way of full absorption and merger.

The absorption and merger does not constitute connected transactions, and pursuant to the Company Law and the Articles of Association, the absorption and merger is subject to the approval of the EGM.

I. Basic information of parties involved in the merger

Merging party – the Company

Merged party – Times Equipment

1. The Company

The Company was established on 26 September 2005 with a current registered capital of RMB1,175,476,637. Its registered address is Times Road, Shifeng District, Zhuzhou, Hunan Province, the PRC. Its legal representative is Ding Rongjun. It engages in the research and development, production, sale and repair of track transportation traction converter equipment, train network communication products, automation facilities, safety monitoring equipment, technical equipment relating to communication and signal system, power supply system, braking system, screen doors, urban intelligent traffic, industrial converter, photovoltaic power generation and automotive electric drive and their system integration as well as engineering vehicle, electric system for large track maintenance machine, marine equipment, specialized/general testing system, monitoring technology and products, high-power electrical and electronic appliances, lamination busbar, photovoltaic inverter, sanitary units, environmental protection equipment, oil pressure dampers and related electric and electronic products; mechanical and electrical system integration and general contracting; computer network wireless equipment; sale of merchandise as principal and agent, the import and export business of technology (except for those prohibited and restricted under national laws and regulations); related technological development, services, training; computer network system integration, software development services; technology, engineering, project development on new energy; design, construction and maintenance of security technology protection system; general freight; leasing, etc. (For items subject to approval pursuant to laws, operation could only be commenced upon approval by relevant authorities).

As at 31 December 2016, the total assets and net assets of the Company amounted to RMB23,723,561,894 and RMB16,059,947,169 respectively. The operating profit and net profit for year 2016 were RMB14,657,819,563 and RMB2,918,182,291 respectively. All the above data has been audited.

2. *Times Equipment*

Times Equipment, a wholly-owned subsidiary of the Company, was established on 3 November 2003 with a current registered capital of RMB101,000,000. Its registered address is Times Road, Shifeng District, Zhuzhou, Hunan Province, the PRC. Its legal representative is Niu Jie. It engages in the design, manufacture, sale, installation and provision of technical advisory services relating to electromechanical integrated testing system for specialised (general) use, rail traffic power supply system, rail traffic power supply safety detection and monitoring device and system, products including oil pressure dampers, etc. Products are widely used in railway, urban rail, mining, metallurgy, chemical, machinery, automotive and military, civilian industry, and passed the ISO9001 quality system certification in June 2006.

As at 31 December 2016, the total assets and net assets of Times Equipment amounted to RMB537,097,328 and RMB134,247,392 respectively. The operating profit and net profit for year 2016 were RMB350,982,094 and RMB14,796,593 respectively. All the above data has been audited.

II. Method, scope and related arrangements of the absorption and merger

1. The Company shall absorb and merger Times Equipment and all the assets, liabilities, staff and business of Times Equipment shall be inherited by the Company. Upon completion of the absorption and merger, the Company shall be the continuing entity, and Times Equipment shall be de-registered.
2. The absorption and merger will not cause any change to the registered capital of the Company or the Shareholders.
3. The benchmark date of the absorption and merger shall be 30 June 2017.
4. All profits earned or losses incurred by Times Equipment during the period from the benchmark date of the absorption and merger to the completion date of the absorption and merger shall be assumed by the Company.
5. Upon completion of the absorption and merger, all the assets (including but not limited to fixed assets, current assets and intangible assets etc.) of Times Equipment shall be owned by the Company, its liabilities and other obligations which should be borne shall be assumed by the Company and its staff and business relationship shall be inherited by the Company.
6. Balance sheets and inventory of assets shall be prepared and the procedures for notifying the creditors and announcement shall be fulfilled by the Parties.
7. The Parties shall fully co-operate and jointly complete the formalities such as reviews and approvals, registrations and/or filings in relation to the absorption and merger for the relevant changes, the delivery of assets and liabilities and changes in the ownership, etc.

**APPENDIX II PROPOSAL IN RELATION TO THE ABSORPTION AND
MERGER OF TIMES EQUIPMENT**

8. Times Equipment shall perform the relevant decision making procedures, while the Company shall submit the matter to general meeting for consideration and approval upon performing the procedures of consideration and approval by the Board. The Parties shall enter into the Agreement of Absorption and Merger after the matter was considered and passed at the general meeting.
9. The Parties shall fully cooperate and jointly complete the formalities of the absorption and merger relating to the deregistration of Times Equipment with the relevant authorities.
10. The Parties shall perform other procedures in relation to the absorption and merger as required by applicable laws and administrative regulations of the PRC.

III. Effects of absorption and merger on the Company

Upon the completion of such absorption and merger, all assets, liabilities, business and staff of Times Equipment will be consolidated into the Company and its main effects on the Company will be as follows:

1. Times Equipment is the wholly-owned subsidiary of the Company. The said absorption and merger will not have substantial impact on the profit or loss shown in the consolidated statements of the Company for the current period, and will not have significant effect on the assets and liabilities shown in the consolidated statements of the Company.
2. The de facto control of the Company will remain unchanged before and after the absorption and merger.
3. The absorption and merger will enable the Company to further optimize the management structure, reduce the management hierarchy and the related accounting and auditing works, increase the management and operation efficiency, reduce the operation cost, enhance the synergistic effect and the resource allocation efficiency, which will be beneficial to the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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: 3898)

Notice of the First Extraordinary General Meeting of 2017

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of 2017 (the “**EGM**”) of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”) will be held at Zhuzhou Marriott Hotel at No.160, Longxing Road, Tianyuan District, Zhuzhou, Hunan, the People’s Republic of China (the “**PRC**”) on Friday, 20 October 2017 at 9:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions:

Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 25 August 2017 (the “**Circular**”).

As Ordinary Resolutions

1. To consider and approve the re-election of Mr. Zhang Xinning as a non-executive director of the Company and his emolument.
2. To consider and approve the re-election of Mr. Ouyang Minggao as an independent non-executive director of the Company and his emolument.

As Special Resolution

3. To consider and approve the absorption and merger of Times Equipment by the Company, in accordance with the proposal set out in Appendix II to the Circular, and to authorize the Board to implement and/or give effect to the absorption and merger, to execute all necessary documents and agreements and to do all such things deemed by them to be incidental to, ancillary to or in connection with the absorption and merger, and to approve, ratify and confirm all such actions of the Board in relation to the absorption and merger.

By Order of the Board
Ding Rongjun
Chairman

Zhuzhou, the PRC, 25 August 2017

Notes:

1. All times stated in this notice refer to Hong Kong time.
2. The votes at the EGM will be taken by poll.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. Where two or more persons are registered as the joint holders of any share, only the person whose name appears first in the register of members shall be entitled to receive this notice, to attend and exercise all the voting powers attached to such share at the EGM, and the service of this notice to that person shall be deemed to have served on all joint holders of such share.
4. In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be temporarily closed from Wednesday, 20 September 2017 to Friday, 20 October 2017 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all transfer documents together with the relevant Share certificates must be lodged, for holders of the H Shares, with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or, for holders of the Domestic Shares, the registered office address of the Company at Times Road, Shifeng District, Zhuzhou, Hunan Province, 412001, the PRC, not later than 4:30 p.m. on Tuesday, 19 September 2017.
5. Holders of the H Shares and the Domestic Shares whose names appear on the register of members of the Company at the close of business on Tuesday, 19 September 2017 are entitled to attend and vote at the EGM and may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
6. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority, must be deposited, for holders of the H Shares, to the H Share registrar of the Company or, for holders of the Domestic Shares, the registered office address of the Company, not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof.
7. Shareholders who intend to attend the EGM in person or by proxy should complete and return the attached reply slip by hand or by post, for holders of the H Shares, to the principal place of business of the Company in Hong Kong or, for holders of the Domestic Shares, to the registered office address of the Company, on or before Saturday, 30 September 2017.
8. The address of the H Share registrar of the Company is as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
9. The registered office address of the Company is as follows:

Times Road
Shifeng District
Zhuzhou
Hunan Province, 412001
The People's Republic of China
Tel: (86) 731 2849 8028
10. The principal place of business of the Company in Hong Kong is as follows:

Unit 1106, 11th Floor Jubilee Centre
18 Fenwick Street
Wanchai
Hong Kong
Tel: (852) 2189 7268
11. Shareholders or their proxies attending the EGM shall be responsible for their own transportation, accommodation and other expenses. Shareholders or their proxies shall produce their identification documents for verification when attending the EGM.

As at the date of this notice, our chairman of the Board and executive director is Ding Rongjun, our vice chairman of the Board and executive director is Li Donglin, our other executive directors are Yan Wu and Liu Ke'an, 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 Ouyang Minggao.