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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)**

## **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND PROPOSED AMENDMENTS TO THE BOARD RULES**

### **Proposed amendments to the Articles of Association**

The Board announces that in its meeting held on 26 March 2018, it approved the proposed amendments to the Articles of Association in relation to, among others, the establishment of the Party organisation.

The proposed amendments to the Articles of Association are subject to certain conditions including, among other things, the approval of the Shareholders by way of special resolution at the AGM and the approval of or registration or filing with the relevant PRC government authorities.

### **Proposed amendments to the Board Rules**

The Board further proposed to amend the Board Rules to, among others, align with the proposed amendments to the Articles of Association and bring them in line with the Company's updated position. The proposed amendments to the Board Rules are subject to approval by the Shareholders by way of ordinary resolution at the AGM.

A circular containing, among other things, further information on the proposed amendments to the Articles of Association, the proposed amendments to the Board Rules and the notice for the AGM is expected to be despatched to the Shareholders in due course.

The Board announces that at its meeting held on 26 March 2018, it approved the proposed amendments to the Articles of Association and the Board Rules.

## **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Details on the proposed amendments to the Articles of Association are set out in the Appendix I to this announcement.

In view of the requirements of the Notice on Inclusion of Matters Related to Party Construction of Central Enterprises in the Articles of Associations issued by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC and taking into account the actual situation of the Company, the Board approved the proposed amendments to the Articles of Association.

The proposed amendments to the Articles of Association are subject to certain conditions including, among other things, the approval of the Shareholders by way of special resolution at the AGM and the approval of or registration or filing with the relevant PRC government authorities.

After the proposed amendments to the Articles of Association becoming effective, the Company will carry out necessary filing procedures with the Companies Registry in Hong Kong.

## **PROPOSED AMENDMENTS TO THE BOARD RULES**

Details on the proposed amendments to the Board Rules are set out in the Appendix II to this announcement.

The proposed amendments to the Board Rules are subject to approval by the Shareholders by way of ordinary resolution at the AGM. The Board Rules are proposed to be amended to, among others, align with the proposed amendments to the Articles of Association and bring them in line with the Company's updated position.

After taking into account of the above factors, all Directors (including the independent non-executive Directors) consider that the proposed amendments to the Articles of Association and the proposed amendments to the Board Rules are in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, further information on the proposed amendments to the Articles of Association and the proposed amendments to the Board Rules, and the notice for the AGM is expected to be despatched to the Shareholders in due course.

## **DEFINITIONS**

Unless the context otherwise requires, the following terms have the following meaning when used in this announcement:

“AGM”	the forthcoming annual general meeting of the Company (including any adjournment thereof)
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Board Rules”	the rules of procedures for Board meetings of the Company
“Company”	Zhuzhou CRRC Times Electric Co., Ltd. (株洲中車時代電氣股份有限公司), a joint stock company established in the PRC with limited liability whose H shares are listed on the Stock Exchange

“Directors”	the directors of the Company
“Domestic Share(s)”	domestic share(s) of RMB1.00 each in the share capital of the Company
“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
“Party”	Chinese Communist Party
“PRC”	the People’s Republic of China, excluding the Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	the holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Zhuzhou CRRC Times Electric Co., Ltd.**  
**Ding Rongjun**  
*Chairman*

Zhuzhou, China, 26 March 2018

*As at the date of this announcement, 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 Liu Ke’an and Yan Wu, our non-executive Director is Zhang Xinning, and our independent non-executive Directors are Chan Kam Wing, Clement, Pao Ping Wing, Liu Chunru and Chen Xiaoming.*

## **APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

### **1. Amendments to Article 7**

#### ***The existing Article 7***

The existing Article 7 is as follows:

“The Articles of Association shall have binding effect on the Company and its shareholders, directors, supervisors, general manager, deputy general managers and other senior management members; the aforementioned person(s) may assert claims in respect of the Company’s affairs pursuant to the Articles of Association.

Shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders; shareholders may institute legal proceedings against shareholders; and shareholders may institute legal proceedings against directors, supervisors, general manager, deputy general managers and other senior management members of the Company, pursuant to the Articles of Association.

“Legal proceedings” referred to in the preceding paragraph includes any legal action brought before a court and any arbitration application submitted to an arbitration institution.

“Other senior management members” referred to in this Articles of Association includes secretary to the board of directors, chief officer, assistant to general manager and financial controller of the Company.”

#### ***Proposed amendments to Article 7***

It is proposed that the fourth paragraph of Article 7 be amended as follows:

““Other senior management members’ referred to in this Articles of Association includes secretary to the board of directors, chief officer, assistant to general manager, ~~and~~ financial controller and general counsel of the Company.”

### **2. Amendments to Article 9**

#### ***The existing Article 9***

The existing Article 9 is as follows:

“The Company is an independent corporate legal person, all activities of the Company shall comply with laws and regulations concerning the listing of domestically and overseas listed foreign shares and shall protect the lawful interests of shareholders.

Subject to the compliance with the laws and administrative regulations of the PRC, the Company has the powers to financing and borrowing. The Company’s financing power includes but not limited to the issuance of debentures of the Company, the charge or pledge of part or all of the ownership or right to use of the Company’s assets and other rights permitted by the PRC laws and administrative regulations. However, rights of shareholders of any class shall not be prejudiced or revoked when the Company exercise the previous rights.”

### ***Proposed amendments to Article 9***

It is proposed that Article 9 be amended by adding the following new paragraph at the end:

“According to the Company Law of the PRC and the Constitution of the Chinese Communist Party (the “Party”), the Company shall set up a Party organisation, establish a working organisation of the Party, assign with sufficient personnel of the Party and guarantee sufficient funding necessary for the activities of the Party organisation. The Party organisation plays a core leading and political role in the Company.

Company shall comply with laws and regulations, strengthen risk management, implement the general counsel system, and strengthen the construction of the culture of integrity.”

### **3. Amendments to Article 94**

#### ***The existing Article 94***

The existing Article 94 is as follows:

“The board is responsible to the general meeting and exercises the following powers:

- (1) to be responsible for convening general meetings and to report on its works to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company’s business plans and investment plans;
- (4) to draw up the Company’s proposed annual financial budgets and final budgetary reports;
- (5) to draw up the Company’s profit distribution plan and plan for making up losses;
- (6) to draw up proposals for increases or reductions of the Company’s registered capital and the issue of corporate debentures;
- (7) to draw up plans for the material investments, material acquisitions or disposals, merger, split and dissolution of the Company;
- (8) to decide on the establishment of the Company’s internal management structure;
- (9) to appoint or remove the Company’s general manager and secretary to the board, to appoint or remove the deputy general managers, chief officers or general manager assistants based on the nominations by the general manager, and to determine the matters relating to the remuneration of the abovementioned senior management; to appoint or replace members of the board and supervisory committees of its wholly-owned subsidiaries, to appoint, replace or recommend shareholder representatives, directors or supervisors of its non-wholly-owned subsidiaries and companies in which the Company has shareholdings.

- (10) to draw up the Company's basic management system;
- (11) to draw up proposals for any modifications to the Articles of Association;
- (12) to determine the establishment of the Company's branches;
- (13) to decide on matters relating to financing and borrowing and to decide on the charge, letting, sub-contracting or transfer of the Company's material assets; as well as to authorize the general manager and deputy general managers to exercise its right under certain circumstances pursuant to this provision;
- (14) to decide on the guarantee provided by the Company to any third parties by any means subject to the compliance with the relevant laws, regulations and the requirements of the Articles of Association;
- (15) to decide on other major affairs and administrative matters of the Company subject to the compliance with the relevant laws, regulations and the requirements of the Articles of Association, save for matters to be resolved at general meetings as required by the Company and the Articles of Association;
- (16) other powers and functions conferred by the Articles of Association or the general meetings.

Except the resolutions of the board in respect of the matters specified in paragraphs (6), (7), (11) and (13) above which shall be passed by more than two-thirds of the directors, the resolutions of the board in respect of all other matters may be passed by more than half of the directors."

***Proposed amendments to Article 94***

It is proposed that Article 94 be amended by adding the following new paragraph at the end:

"The board shall take into account the advice of the Party organisation before making any major decision in relation to the directions of reform and development, major goals and tasks and key work arrangements for the Company. When the board of directors appoints any management personnel of the Company, the Party organisation shall be entitled to consider and provide advice on the candidates proposed by the board of directors or the general manager, or recommend to the board of directors or the general manager of any candidate."

## **APPENDIX II PROPOSED AMENDMENTS TO THE BOARD RULES**

### **1. Amendments to Article 3**

#### ***The existing Article 3***

The existing Article 3 is as follows:

“Special committees, namely strategy, audit, nomination and remuneration, and risk management committees are established under the board of directors. The special committees conduct research on specific issues and put forward opinions and suggestions for the decision-making of the board of directors.

All special committees shall comprise of the directors, among which the independent non-executive directors shall make up the majority of audit, nomination and remuneration committees and they should serve as the chairman of such committees. Members of the audit committee should be appointed from the non-executive directors, and the independent non-executive directors shall be the majority and at least one independent non-executive director shall be an accounting professional. The risk management committee consists of several directors, among which at least one should be an independent non-executive director.”

#### ***Proposed amendments to Article 3***

It is proposed that the first paragraph of Article 3 be amended as follows:

“Special committees, namely strategy, audit, nomination, ~~and~~ remuneration, and risk management committees are established under the board of directors. The special committees conduct research on specific issues and put forward opinions and suggestions for the decision-making of the board of directors.”

### **2. Amendments to Article 5**

#### ***The existing Article 5***

The existing Article 5 is as follows:

“The board is responsible to the general meeting and exercises the following powers:

- (1) to be responsible for convening general meetings and to report on its works to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the Company’s business plans and investment plans;
- (4) to draw up the Company’s proposed annual financial budgets and final budgetary reports;

- (5) to draw up the Company's profit distribution plan and plan for making up losses;
- (6) to draw up proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures;
- (7) to draw up plans for the material investments, material acquisitions or disposals, merger, split and dissolution of the Company;
- (8) to decide on the establishment of the Company's internal management structure;
- (9) to appoint or remove the Company's general manager and secretary to the board, to appoint or remove the deputy general managers, chief officers or general manager assistants based on the nominations by the general manager, and to determine the matters relating to the remuneration of the abovementioned senior management; to appoint or replace members of the board and supervisory committees of its wholly-owned subsidiaries, to appoint, replace or recommend shareholder representatives, directors or supervisors of its non-wholly-owned subsidiaries and companies in which the Company has shareholdings.
- (10) to draw up the Company's basic management system;
- (11) to draw up proposals for any modifications to the Articles of Association;
- (12) to determine the establishment of the Company's branches;
- (13) to propose the appointment or change of auditor of the Company at a general meeting;
- (14) to decide on other major affairs and administrative matters of the Company and signing of other material contracts subject to the compliance with the relevant laws, regulations and the requirements of the Articles of Association, save for matters to be resolved at general meetings as required by the Company and the Articles of Association;
- (15) other powers and functions conferred by the Articles of Association or the general meetings."

***Proposed amendments to Article 5***

It is proposed that Article 5 be amended by adding the following new paragraph at the end:

"The board shall take into account the advice of the Party organisation before making any major decision in relation to the directions of reform and development, major goals and tasks and key work arrangements for the Company. When the board of directors appoints any management personnel of the Company, the Party organisation shall be entitled to consider and provide advice on the candidates proposed by the board of directors or the general manager, or recommend to the board of directors or the general manager of any candidate."