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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
ZHUSHOU 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 CHANGE OF AUDITOR
(2) PROPOSED ADJUSTMENTS TO THE ALLOWANCE STANDARDS
OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS
AND INDEPENDENT SUPERVISORS
(3) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
(4) PROPOSED AMENDMENTS TO THE BOARD RULES
(5) GENERAL MANDATE TO ISSUE SHARES
AND
(6) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting for year 2017 of Zhuzhou CRRC Times Electric Co., Ltd. to be held at The QUBE Hotel, Xiangyang, No. 65 Wolong Road, Fancheng District, Xiangyang, Hubei Province, the PRC on Friday, 8 June 2018 at 9:00 a.m. is set out on pages 13 to 16 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, 19 May 2018.

24 April 2018

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DEFINITIONS

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

“AGM”	the annual general meeting for year 2017 of the Company to be held at The QUBE Hotel, Xiangyang, No. 65 Wolong Road, Fancheng District, Xiangyang, Hubei Province, the PRC on Friday, 8 June 2018 at 9:00 a.m. (or any adjournment thereof)
“AGM Notice”	the notice of the AGM
“Allowance Standard Adjustment Plan”	the proposed adjustments to the allowance standards of the independent non-executive Directors and independent Supervisors, respectively
“Articles of Association”	the articles of association of the Company, as amended from time to time
“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, the H shares of which are listed on the Stock Exchange
“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
“Ernst & Young Hua Ming”	Ernst & Young Hua Ming LLP (安永華明會計師事務所(特殊普通合夥))
“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

DEFINITIONS

“Issue Mandate”	a general mandate which is exercisable by the Board to allot, issue and deal with additional Domestic Shares and/or H Shares not exceeding 20% of the Domestic Shares and the H Shares respectively in issue as at the date of passing of the relevant Shareholders’ resolution
“Latest Practicable Date”	18 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“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
“Supervisor(s)”	the supervisor(s) of the Company

* *All times stated in this circular refer to Hong Kong time.*

LETTER FROM THE BOARD



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)

Executive Directors:

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

Registered office:

Times Road
Shifeng District
Zhuzhou
Hunan Province
PRC 412001

Non-executive Director:

Mr. Zhang Xinning

Principal place of business

in Hong Kong:

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

Independent non-executive Directors:

Mr. Chan Kam Wing, Clement
Mr. Pao Ping Wing
Ms. Liu Chunru
Mr. Chen Xiaoming

24 April 2018

To the Shareholders

Dear Sir/Madam,

(1) PROPOSED CHANGE OF AUDITOR
(2) PROPOSED ADJUSTMENTS TO THE ALLOWANCE STANDARDS
OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS
AND INDEPENDENT SUPERVISORS
(3) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
(4) PROPOSED AMENDMENTS TO THE BOARD RULES
(5) GENERAL MANDATE TO ISSUE SHARES
AND
(6) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to give you the AGM Notice and to provide you with information relating to (1) the proposed change of auditor of the Company; (2) the proposed adjustments to the allowance standards of the independent non-executive Directors and independent Supervisors; (3) the proposed amendments to the Articles of Association; (4) the proposed amendments to the Board Rules; and (5) the proposed grant of the Issue Mandate, among other resolutions as set out in the AGM Notice, to be considered and, if thought fit, passed at the AGM.

LETTER FROM THE BOARD

2. PROPOSED CHANGE OF AUDITOR

Ernst & Young Hua Ming has been holding office as the auditor of the Company since 2008. The Board is of the view that, as good corporate governance measure, the Company should consider rotation of its auditor after an appropriate period of time. The Board therefore proposes Ernst & Young Hua Ming to retire as the auditor of the Company with effect from the close of the AGM.

The Board has resolved, with the recommendation from the Audit Committee of the Company, to propose the appointment of Deloitte Touche Tohmatsu Hua Yong Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合伙)) as the new auditor of the Company following the retirement of Ernst & Young Hua Ming, subject to the approval of the Shareholders at the AGM.

Pursuant to Rule 13.51(4) of the Listing Rules, the Company has received a confirmation letter dated 26 March 2018 from Ernst & Young Hua Ming confirming that there are no matters in relation to the proposed change of auditor that need to be brought to the attention of the Shareholders.

3. PROPOSED ADJUSTMENTS TO THE ALLOWANCE STANDARDS OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND INDEPENDENT SUPERVISORS

The Board has resolved, with the recommendation from the Remuneration Committee of the Company, to propose the Allowance Standard Adjustment Plan as follows:

1. the allowance of PRC resident independent non-executive Directors be increased from RMB78,000 (after tax) to RMB100,000 (after tax);
2. the allowance of non-PRC resident independent non-executive Directors be increased from RMB234,000 (after tax) to RMB244,000 (after tax); and
3. the allowance of independent Supervisors be increased from RMB78,000 (after tax) to RMB100,000 (after tax).

The proposed Allowance Standard Adjustment Plan is subject to the approval of the Shareholders at the AGM and will become effective from 1 July 2018.

4. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 26 March 2018 in relation to, among others, the 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 circular.

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.

LETTER FROM THE BOARD

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.

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 are in the interests of the Company and the Shareholders as a whole.

5. PROPOSED AMENDMENT TO THE BOARD RULES

Reference is made to the announcement of the Company dated 26 March 2018 in relation to, among others, the proposed amendments to the Board Rules.

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

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 Board Rules are in the interests of the Company and the Shareholders as a whole.

6. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting for year 2016 of the Company held on 13 June 2017, a special resolution was passed granting the Board the Issue Mandate to allot, issue and deal with additional Domestic Shares and/or H Shares not exceeding 20% of the Domestic Shares and the H Shares respectively in issue as at 13 June 2017.

Considering that the Issue Mandate granted at the annual general meeting of the Company held on 13 June 2017 will have expired at the conclusion of the AGM, the Board proposes to seek approval from the Shareholders at the AGM, by way of a special resolution, for granting the Issue Mandate, subject to the conditions as set out in the resolution for the grant of the Issue Mandate.

Any exercise of the power by the Board under the Issue Mandate will have to comply with the Articles of Association, the Company Law of the PRC and the Listing Rules and all other applicable laws, rules, regulations and requirements of relevant governmental and/or regulatory authorities.

In order to ensure flexibility and discretion for the Board to issue new Shares, the Board believes that it is in the best interests of the Company and the Shareholders as a whole for the Issue Mandate to be granted.

LETTER FROM THE BOARD

7. THE AGM AND CLOSURE OF REGISTER OF MEMBERS

The votes at the AGM will be taken by poll.

Notice of the AGM to be held at The QUBE Hotel, Xiangyang, No.65 Wolong Road, Fancheng District, Xiangyang, Hubei Province, the PRC on Friday, 8 June 2018 at 9:00 a.m. is set out on pages 13 to 16 of this circular.

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be temporarily closed from Wednesday, 9 May 2018 to Friday, 8 June 2018 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the AGM, 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, 8 May 2018.

In order to determine shareholders' entitlements to the final dividend, the register of members of the Company will be temporarily closed from Thursday, 14 June 2018 to Tuesday, 19 June 2018 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to the final dividend, 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 Wednesday, 13 June 2018.

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 AGM, 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 AGM or the adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjournment thereof if you so wish.

If you intend to attend the AGM 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, 19 May 2018.

LETTER FROM THE BOARD

8. RECOMMENDATION

The Board considers that each of (1) the proposed change of auditor of the Company; (2) the proposed adjustments to the allowance standards of the independent non-executive Directors and independent Supervisors; (3) the proposed amendments to the Articles of Association; (4) the proposed amendments to the Board Rules; and (5) the proposed grant of the Issue Mandate is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions at the AGM.

9. FURTHER INFORMATION

Further information on (1) the proposed amendments to the Articles of Association and (2) the proposed amendments to the Board Rules is set out in the appendices to this circular for your information.

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

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.

The 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 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 or the general manager, or recommend to the board or the general manager of any candidate.”

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;

APPENDIX II PROPOSED AMENDMENTS TO THE BOARD RULES

- (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 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 or the general manager, or recommend to the board or the general manager of any candidate."

NOTICE OF ANNUAL 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 ANNUAL GENERAL MEETING FOR YEAR 2017

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Zhuzhou CRRC Times Electric Co., Ltd. (the “Company”) for year 2017 will be held at The QUBE Hotel, Xiangyang, No. 65 Wolong Road, Fancheng District, Xiangyang, Hubei Province, the People’s Republic of China (the “PRC”) on Friday, 8 June 2018 at 9:00 a.m. for the shareholders of the Company to consider and, if thought fit, pass the following resolutions:

As Ordinary Resolutions

1. Approve the report of the board of directors (the “Directors”) of the Company (the “Board”) for the year ended 31 December 2017.
2. Approve the report of the supervisory committee of the Company for the year ended 31 December 2017.
3. Approve the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2017 and the auditors’ report thereon.
4. Approve the profits distribution plan of the Company for the year ended 31 December 2017 and declare a final dividend for the year ended 31 December 2017.
5. Approve the appointment of Deloitte Touche Tohmatsu Hua Yong Certified Public Accountants LLP, as the auditor of the Company until the conclusion of the next annual general meeting of the Company and authorise the Board to fix the auditor’s remuneration.
6. Approve the proposed amendments to the rules of procedures for Board meetings of the Company as set out in the circular of the Company dated 24 April 2018 (the “Circular”).
7. Approve the proposed adjustments to the allowance standards in respect of the independent non-executive Directors and the independent supervisors of the Company.

As Special Resolutions

8. Approve the grant to the Board a general mandate to allot, issue and deal with additional domestic shares (the “Domestic Shares”) and/or H shares (the “H Shares”, together with the Domestic Shares, the “Shares”) of the Company subject to the following conditions:
 - (a) subject to paragraphs (c) to (e) below, the Board be and is hereby authorised to exercise, whether by a single exercise or otherwise, all the powers of the Company to allot, issue and deal with additional Domestic Shares and/or H Shares during the Relevant Period (as defined in paragraph (g) below);

NOTICE OF ANNUAL GENERAL MEETING

- (b) the authority granted under paragraph (a) above shall authorise the Board to make an offer or agreement or grant an option during the Relevant Period which would or might require Shares to be allotted and issued either during or after the end of the Relevant Period;
- (c) the aggregate number of Domestic Shares and/or H Shares allotted or agreed to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the authority granted under paragraphs (a) and (b) above shall not exceed 20% of the total number of Domestic Shares and H Shares respectively in issue at the date of passing of this special resolution;
- (d) the Board shall only exercise the authority granted under paragraphs (a) and (b) above in accordance with the Articles of Association of the Company (the “**Articles**”), the Company Law of the People’s Republic of China and the Listing Rules and all other applicable laws, rules, regulations and requirements of relevant governmental and/or regulatory authorities;
- (e) authority granted under paragraphs (a) and (b) above shall be conditional upon the approval of the China Securities Regulatory Commission and/or any other governmental or regulatory authorities as required by the laws, rules and regulations of the PRC being obtained by the Company;
- (f) subject to paragraph (e) above, the Board be and is hereby authorised to:
 - (i) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary or appropriate in connection with the issue of such new Shares; and
 - (ii) increase the registered capital of the Company pursuant to the issue of such new Shares and make such corresponding amendments to the Articles as it thinks fit so as to reflect the new capital structure of the Company; and
- (g) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until the earliest of:
 - (i) the expiration of a period of twelve months following the passing of this special resolution;
 - (ii) the conclusion of the next annual general meeting following the passing of this special resolution; and
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting.

NOTICE OF ANNUAL GENERAL MEETING

9. Approve the proposed amendments to the Articles as set out in the Circular, and that the Directors be and are hereby authorised to deal with on behalf of the Company the relevant application(s), approval(s), registration(s), filing(s) and other related procedures or issues and to make further amendment(s) (where necessary) pursuant to the requirements of the relevant governmental and/or regulatory authorities arising from the amendments to the Articles.

By Order of the Board
Ding Rongjun
Chairman

Zhuzhou, the PRC, 24 April 2018

Notes:

1. All times stated in this notice refer to Hong Kong time.
2. The votes at the AGM will be taken by poll.
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 AGM, 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 AGM, the register of members of the Company will be temporarily closed from Wednesday, 9 May 2018 to Friday, 8 June 2018 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the AGM, 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, 8 May 2018.
5. In order to determine shareholders' entitlements to the final dividend, the register of members of the Company will be temporarily closed from Thursday, 14 June 2018 to Tuesday, 19 June 2018 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to the final dividend, 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 Wednesday, 13 June 2018.
6. 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, 8 May 2018 are entitled to attend and vote at the AGM and may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
7. 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 AGM or any adjournment thereof.
8. Shareholders who intend to attend the AGM 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, 19 May 2018.

NOTICE OF ANNUAL GENERAL MEETING

9. 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

10. 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

11. 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

12. The AGM is expected to take half a day. Shareholders or their proxies attending the AGM 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 AGM.

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 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.