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

**(Stock Code: 3898)**

## **INSIDE INFORMATION**

### **ADOPTION OF DIVIDEND POLICY**

This announcement is made by Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 26 March 2019, the Board approved and adopted the following dividend policy (the “**Dividend Policy**”) to take effect from 1 January 2019:

#### **PURPOSE**

The Dividend Policy aims to provide the shareholders of the Company (the “**Shareholders**”) with stable dividends and sets out the principles and guidelines in relation to the declaration, payment or distribution of the Company’s profits as dividends to the Shareholders.

#### **PRINCIPLES AND GUIDELINES**

In considering the payment of dividends, there shall be a balance between retaining adequate reserves for the Group’s future growth and rewarding the Shareholders.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors before declaring or recommending dividends:

- (a) the Company’s actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (c) the Group’s debts to equity ratio, return on equity and the relevant financial covenants;
- (d) the Group’s expected working capital requirements and future strategic plans;

- (e) general economic conditions, financial conditions of the Group, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Group; and
- (f) any other factors that the Board deems appropriate.

The Company does not have any pre-determined dividend distribution ratio. The declaration and payment of dividends by the Company shall be determined at the sole discretion of the Board and shall be subject to any restrictions under the articles of association of the Company, the Company Law of the Peoples' Republic of China (the "PRC") and the Enterprise Income Tax Law of the PRC and any other applicable laws and regulations.

The Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

#### **REVIEW OF THE DIVIDEND POLICY**

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and modify the Dividend Policy at any time.

#### **DISCLOSURE OF THE DIVIDEND POLICY**

The Company shall disclose the policy on payment of dividend in its annual report.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Zhuzhou CRRC Times Electric Co., Ltd.**  
**Li Donglin**  
*Chairman*

Zhuzhou, China, 26 March 2019

*As at the date of this announcement, our chairman of the Board and executive Director is Li Donglin, our vice chairman of the Board and executive Director is Yang Shouyi, 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, Chen Xiaoming and Gao Feng.*