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

**(Stock Code: 3898)**

**INSIDE INFORMATION  
PRELIMINARY PRICE CONSULTATION PERIOD OF  
ISSUE OF A SHARES AND  
SUMMARY OF PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS**

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

References are made to the announcements of the Company dated 30 September 2020, 30 December 2020, 11 March 2021, 14 April 2021, 21 April 2021, 6 May 2021, 12 May 2021, 26 May 2021, 22 June 2021 and 23 June 2021, and the circular of the Company dated 20 November 2020 in relation to, among other things, the relevant matters of the Company’s proposed application for the initial public issue of A Shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the “**SSE**”) (the “**Issue of A Shares**” or the “**Issue**”). Unless otherwise defined, capitalized terms used in this announcement shall have the meanings as defined in the above announcements and circular.

**I. PRELIMINARY PRICE CONSULTATION PERIOD OF THE ISSUE OF A SHARES**

As disclosed in the announcement of the Company dated 22 June 2021, the CSRC has approved the application for the registration of the Issue of A Shares of the Company. As required by the applicable PRC laws and regulations, the Company and the joint lead underwriters will conduct preliminary price consultations among inquiry targets who meet the requirements of the PRC laws and regulations on the preliminary price consultation day, being 23 August 2021 (from 9:30 a.m. to 3:00 p.m.), in the PRC to determine the issue price. The Company will make further announcement(s) once the final offering size and the issue price of the Issue of A Shares are determined.

## II. PRINCIPAL PROVISIONS OF THE A SHARE PROSPECTUS

The full text of the prospectus in relation to the Issue of A Shares (the “**A Share Prospectus**”) and the relevant appendices were published by the Company in Chinese only on the website of the SSE (www.sse.com.cn), the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.tec.crrczic.cc) on 18 August 2021.

A summary of the principal provisions of the A Share Prospectus is as follows:

### 1. Summary of the Issue of A Shares

- |       |                                |   |
|-------|--------------------------------|---|
| (i)   | Class of shares:               | RMB ordinary shares (A Shares)  |
| (ii)  | Par value per share:           | RMB1.00   |
| (iii) | Number of shares to be issued: | Not more than 240,760,275 A Shares, accounting for not more than 17% of the total share capital of the Company upon completion of the Issue |
| (iv)  | Issue price per share:         | RMB[ • ]  |

(v) Proposed participation in strategic placing by the Company's senior management and employees:

The Company's senior management and employees proposed to participate in the Issue's strategic placing through the specialized asset management plans. The number of the aforementioned asset management plans participating in the strategic placing shall be no more than 10% of the size of the public offering, being no more than 24,076,027 A Shares, and the total investment size shall be no more than RMB697.96 million (including the brokerage commission in relation to the placing of new Shares and the related taxes). The actual proportion and amount will be determined after the issue price is determined on 24 August 2021 (T-2 days). The lock-up period of the A Shares to be placed to the relevant asset management plans (including the CICC-Times Electric No. 1 Employees' Participation in the Science and Technology Innovation Board Strategic Placing Collective Asset Management Plan (中金公司時代電氣1號員工參與科創板戰略配售集合資產管理計劃), CICC-Times Electric No. 2 Employees' Participation in the Science and Technology Innovation Board Strategic Placing Collective Asset Management Plan (中金公司時代電氣2號員工參與科創板戰略配售集合資產管理計劃), CICC-Times Electric No. 3 Employees' Participation in the Science and Technology Innovation Board Strategic Placing Collective Asset Management Plan (中金公司時代電氣3號員工參與科創板戰略配售集合資產管理計劃), CICC-Times Electric No. 4 Employees' Participation in the Science and Technology Innovation Board Strategic Placing Collective Asset Management Plan (中金公司時代電氣4號員工參與科創板戰略配售集合資產管理計劃), CICC-Times Electric No. 6 Employees' Participation in the Science and Technology Innovation Board Strategic Placing Collective Asset Management Plan (中金公司時代電氣6號員工參與科創板戰略配售集合資產管理計劃) and CICC-Times Electric No. 8 Employees' Participation in the Science and Technology Innovation Board Strategic Placing Collective Asset Management Plan (中金公司時代電氣8號員工參與科創板戰略配售集合資產管理計劃)) is 12 months, starting from the date on which the A Shares of the Issue are listed on the SSE

(vi)	Proposed participation in strategic placing by the sponsor's relevant subsidiary	The sponsor will arrange for China CICC Wealth Management Securities Company Limited (中國中金財富證券有限公司), a relevant subsidiary legally established by the sponsor, to participate in the Issue's strategic placing. The number of Shares to be subscribed for will initially be 5% of the number of Shares to be publicly offered, being 12,038,013 A Shares. The actual proportion and amount will be determined after the issue price is determined on 24 August 2021 (T-2 days). The lock-up period of the A Shares to be placed to China CICC Wealth Management Securities Company Limited under this follow-up participation is 24 months, starting from the date on which the A Shares of the Issue are listed on the SSE
(vii)	Price earnings ratio of the issue:	[ • ] times (earnings per share is calculated by dividing the audited net profit attributable to shareholders of the Parent Company in [ • ] before or after the deduction of the non-recurring profit or loss (whichever is lower) by the total share capital after the Issue)
(viii)	Net asset per share before the issue:	RMB20.29 per Share (calculated by dividing the audited net asset attributable to the shareholders of the Parent Company as at 31 December 2020 by the total share capital before the Issue)
(ix)	Net asset per share after issue:	RMB[ • ] per Share (calculated by dividing the sum of the audited net asset attributable to the Parent Company as at [ • ] and the net proceeds from the Issue by the total share capital after the Issue)
(x)	Price-to-book ratio:	[ • ] times (calculated by dividing the issue price per Share by the net asset per Share after the Issue)
(xi)	Method of issue:	By a combination of targeted placing to strategic investors, offline price consultation to qualified investors for placing, and online issue at a fixed price to public investors holding the market value of non-restricted A shares and unrestricted depositary receipts in the Shanghai market

(xii)	Target subscribers:	Qualified strategic investors, price consultation targets, and domestic natural persons, legal persons and other Science and Technology Innovation Board market investors who have opened securities account(s) with the SSE for trading on the Science and Technology Innovation Board (except those who have been prohibited by the laws and regulations and the business rules of the SSE)
(xiii)	Method of underwriting:	Standby commitment
(xiv)	Total proceeds raised:	RMB[ • ], which is determined by multiplying the issue price by the number of Shares to be issued
(xv)	Net proceeds raised:	RMB[ • ], which is determined by the total proceeds raised after deducting the issue expenses
(xvi)	Estimated issue expenses:	<p>Total cost of the Issue amounts to RMB[ • ], which consists of:</p> <ol style="list-style-type: none"> <li>1. sponsor and underwriting fees accounting for 1.30% of gross proceeds of the Issue (including tax);</li> <li>2. auditing, capital verification and evaluation fees of RMB7.5849 million (excluding tax);</li> <li>3. legal expenses of RMB4.3271 million (excluding tax);</li> <li>4. information disclosure fees of RMB4.6529 million (excluding tax); and</li> <li>5. other expenses such as listing handling fees for the Issue of RMB1.0161 million (excluding tax).</li> </ol> <p>The above handling fees for the Issue do not include stamp duty to be levied for the Issue, which will be calculated at a tax rate of 0.025% on net proceeds to be raised, before stamp duty. Such amount will be calculated based on the final details about the Issue, and will be included in the handling fees for the Issue. Expenses might be subject to adjustment based on the results of the Issue</p>
(xvii)	Stock exchange and listing board for application for listing:	The Science and Technology Innovation Board of the SSE

## 2. Use of proceeds

Upon the approval at the EGM and the Class Meetings held on Monday, 7 December 2020, all proceeds raised from the Issue of A Shares (after deducting the issue related expenses) will be used for the following projects, subject to the successful completion of the Issue of A Shares:

No.	Project name	Proposed investment amount from proceeds raised (RMB0'000)
1.	<b>Rail transit traction network technology and system R&amp;D application project</b>	<b>209,550</b>
2.	<b>Smart rail transit bureau and smart urban rail key technology and system R&amp;D application project</b>	<b>107,083</b>
3.	<b>New industry advanced technology R&amp;D application project</b>	<b>86,927</b>
3.1	New energy vehicle electric drive system R&D application project	50,371
3.2	New sensor R&D application project	14,796
3.3	Industrial transmission device R&D application project	11,760
3.4	Deep sea intelligent equipment R&D application project	10,000
4.	<b>New-type rail engineering machinery R&amp;D manufacturing platform construction project</b>	<b>80,000</b>
4.1	New-type rail engineering machinery manufacturing platform construction project	50,000
4.2	New-type rail engineering machinery equipment R&D application project	30,000
5.	<b>Innovative experimental platform construction project</b>	<b>93,100</b>
6.	<b>Replenishment of working capital</b>	<b>200,000</b>
	<b>Total</b>	<b><u>776,660</u></b>

Should the actual proceeds from the Issue be insufficient to cover the Projects to be Financed with Proceeds from the Issue, the Company will fill in such shortfalls with self-raised funds. Should the actual proceeds from the Issue exceed the aggregate capital requirements of the Projects to be Financed with Proceeds from the Issue, the Company will apply the surplus to the principal business of the Company after performing necessary procedures in accordance with relevant requirements.

Before the proceeds from the Issue are in place, the Company may finance the above-mentioned projects with its own funds and/or bank borrowings based on the actual progress of the projects. After the proceeds are in place, the Company will replace the previously invested amount with such proceeds.

### 3. Effects of the Issue of A Shares on Shareholding Structure of the Company

The total share capital of the Company before the Issue of A Shares is 1,175,476,637 Shares. The number of A Shares proposed to be issued in respect of the Issue will be up to 240,760,275 A Shares (the over-allotment option will not be adopted), which are all new Shares. Assuming that a total of 240,760,275 A Shares are to be issued, the shareholding structure of the Company before and after the Issue of A Shares is as follows:

	Before the Issue of A Shares		After the Issue of A Shares	
	<i>Number of shares</i>	<i>Approximate % of the issued share capital (Note 1)</i>	<i>Number of shares</i>	<i>Approximate % of the issued share capital (Note 1)</i>
<b>Domestic Shares (Note 2)</b>				
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司) ("CRRC ZELRI") (Note 3)	589,585,699	50.16%	589,585,699	41.63%
CRRC Zhuzhou Locomotive Co., Ltd (中車株洲電力機車有限公司) ("CRRC Zhuzhou") (Note 3)	10,000,000	0.85%	10,000,000	0.71%
CRRC Investment & Leasing Co., Ltd (中車投資租賃有限公司) ("CRRC Investment & Leasing") (Note 3)	9,380,769	0.80%	9,380,769	0.66%
CRRC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司)	9,800,000	0.83%	9,800,000	0.69%
Beijing Maohuan Rail Transit Industry Investment Management Partnership (Limited Partnership) (北京懋峇軌道交通 產業投資管理合夥企業(有限合夥))	9,380,769	0.80%	9,380,769	0.66%
<b>H Shares (Note 3)</b>	547,329,400	46.56%	547,329,400	38.65%
<b>New A Shares proposed to be issued in the Issue</b>	—	—	240,760,275	17.00%
<b>Total</b>	<b><u>1,175,476,637</u></b>	<b><u>100%</u></b>	<b><u>1,416,236,912</u></b>	<b><u>100%</u></b>

Notes (The notes below are not included in the A Share Prospectus and are for information and reference purposes only):

- (1) The difference between the aggregation of the items and the total number (if any) is due to rounding.
- (2) Such Domestic Shares in issue will be converted into A Shares and listed on the Science and Technology Innovation Board upon completion of the Issue of A Shares.

- (3) CRRC is interested in 100% of the registered capital of CRRC ZELRI, CRRC Zhuzhou and CRRC Investment & Leasing. Accordingly, CRRC is deemed under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (“SFO”) to be interested in the shares held by each of CRRC ZELRI, CRRC Zhuzhou and CRRC Investment & Leasing. CRRC is interested in 16,200,000 H Shares through CRRC Hongkong Capital Management Co., Limited, a wholly-owned subsidiary of CRRC. In addition, CRRCG is directly and indirectly interested in 51.35% of the shares of CRRC. Accordingly, CRRCG is deemed under the SFO to be interested in the shares held by CRRC.

The above English version of the summary of the principal provisions of the A Share Prospectus is an unofficial translation of its Chinese version. In case of any discrepancies, the Chinese version shall prevail.

**Shareholders and potential investors of the Company should be aware that the Issue of A Shares is conditional upon and subject to, among others, the market condition. Therefore, the shareholders and potential investors of the Company are advised to exercise caution while dealing in the securities of the Company. The Company will disclose further details in relation to the Issue of A Shares as and when appropriate. This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.**

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

Zhuzhou, China, 18 August 2021

*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 Liu Ke'an, our other executive Directors are Shang Jing 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.*