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

(Stock Code: 3898)

**CONTINUING CONNECTED TRANSACTION
TAIYUAN CRRC TIMES SUPPLEMENTAL AGREEMENT
IN RELATION TO THE REVISION OF ANNUAL CAPS**

BACKGROUND

Reference is made to the announcement of the Company dated 23 December 2021 in relation to, among other things, the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement.

On 23 December 2021, the Company entered into the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement with Taiyuan CRRC Times for a term of three years commencing from 1 January 2022 and ending on 31 December 2024 (both dates inclusive).

TAIYUAN CRRC TIMES SUPPLEMENTAL AGREEMENT

In light of the continuous development of the Group's production and operations, the Board expects that the Annual Caps of the amounts to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement will not be sufficient for the Group's estimated needs for the three years ending 31 December 2022, 2023 and 2024. On 25 November 2022, the Company entered into the Supplemental Agreement with Taiyuan CRRC Times, pursuant to which the parties agreed, among other things, to revise the Annual Caps of the amounts to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the Annual Caps under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement for continuing connected transactions, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules. As at the date of this announcement, the Parent Company is a controlling shareholder of the Company. CRRC directly holds the entire equity interest in the Parent Company and indirectly holds the entire equity interest in CRRC Taiyuan. Baoji CRRC Times, a subsidiary of the Company, and CRRC Taiyuan hold Taiyuan CRRC Times as to 55% and 45%, respectively. Taiyuan CRRC Times is a non-wholly owned subsidiary of the Company and therefore, a connected person of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) (as defined under the Listing Rules) for the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement (as amended and supplemented by the Supplemental Agreement) are more than 0.1% but are less than 5%, the transactions contemplated under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement (as amended and supplemented by the Supplemental Agreement) constitute non-exempt continuing connected transactions of the Company which are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 23 December 2021 in relation to, among other things, the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement.

On 23 December 2021, the Company entered into the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement with Taiyuan CRRC Times for a term of three years commencing from 1 January 2022 and ending on 31 December 2024 (both dates inclusive).

THE ANNUAL CAPS UNDER THE 2022-2024 TAIYUAN CRRC TIMES MUTUAL SUPPLY AGREEMENT

The Annual Caps to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement for the three years ending 31 December 2022, 2023 and 2024 are as follows:

	Year ending 31 December		
	2022	2023	2024
	<i>(RMB millions)</i>		
Annual Caps of the amount to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group	140	160	200

Historical Transaction Records with the Taiyuan CRRC Times Group

The following table sets forth the historical transaction amounts paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement for the ten months ended 31 October 2022.

**For the
ten months ended
31 October 2022**
(RMB millions)
(unaudited)

Amounts paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group 86.8

The historical transaction amount paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement for the ten months ended 31 October 2022 did not exceed the original Annual Cap for the year ending 31 December 2022.

The Company confirms that as at the date of this announcement, the actual transaction amounts paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group have not exceeded the original Annual Caps for the year ending 31 December 2022.

THE SUPPLEMENTAL AGREEMENT

In light of the continuous development of the Group's production and operations, the Board expects that the Annual Caps to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement will not be sufficient for the Group's estimated needs for the three years ending 31 December 2022, 2023 and 2024. On 25 November 2022, the Company entered into the Supplemental Agreement with Taiyuan CRRC Times, pursuant to which the parties agreed, among other things, to revise the Annual Caps to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement, as follows:

	Year ending 31 December		
	2022	2023	2024
	<i>(RMB millions)</i>		
Revised Annual Caps of the amount to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group	300	350	400

The Revised Annual Caps are determined by the parties based on the estimated transaction amounts with reference to the following assumptions: (1) the historical transaction amount paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement for the ten months ended 31 October 2022; (2) the expected growth of railway industry in the PRC; (3) the expected growth of urban rail industry in the PRC; (4) the expected growth of the Group's business and the future business potential of Taiyuan CRRC Times Group; (5) the business development plan of the Group; and (6) the anticipated supply contracts to be entered into, and supply plans, between the Group and Taiyuan CRRC Times Group.

Save for the Revised Annual Caps, all other terms of 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement shall remain the same.

INFORMATION OF THE GROUP

The Group is mainly engaged in the research, development, design, manufacture and sale of railway transportation equipment products, as well as provision of relevant services. The Group has an industrial structure of "components + systems + complete machines". The products primarily include rail transit electrical equipment, rail engineering machinery and communication signal systems with a focus on rail transit traction converter systems. Meanwhile, the Group also actively expands into industries other than rail transit and carries out business operations in the fields of power semiconductor device, industrial converter products, electric drive system of new energy vehicles, sensor device and marine equipment.

INFORMATION OF THE TAIYUAN TIMES GROUP

Taiyuan CRRC Times Group is principally engaged in the research, development, manufacture, repair, maintenance, sale, lease and technical services of self-wheeling special equipment and parts of railway vehicles, catenary operation vehicles and large-scale road maintenance machinery; import and export business of goods or technology; technical services of railway construction, maintenance, testing and rescue; leasing of venues, housing and equipment. (For projects subject to approval in accordance with the laws, business activities shall be conducted only after approved by the relevant authorities)

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Board has been carefully monitoring the performance of the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement. In light of the continuous development of the Group's production and operations, the Board expects that the Annual Caps to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement will not be sufficient for the Group's estimated needs for the three years ending 31 December 2022, 2023 and 2024. Hence, on 25 November 2022, the Company entered into the Supplemental Agreement with Taiyuan CRRC Times, to increase the original Annual Caps to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group to the Revised Annual Caps to satisfy the increasing demand for the products and/or services provided by Taiyuan CRRC Times Group to the Group, which is beneficial to the continuing production and operations of the Group.

Mr. Li Donglin, Mr. Liu Ke'an and Mr. Zhang Xinning have abstained from voting on the Board resolution approving the Supplemental Agreement due to conflict of interests. Save as mentioned above, none of the Directors has material interest in the Supplemental Agreement and hence no other Director has abstained from voting on such Board resolution.

The Directors (excluding Mr. Li Donglin, Mr. Liu Ke'an and Mr. Zhang Xinning but including the independent non-executive Directors) are of the view that the Supplemental Agreement was entered into in the ordinary and usual course of business of the Group and in the interest of the Company and its shareholders as a whole, the transactions contemplated thereunder are in ordinary and usual course of business of the Group, the terms thereof (including the Revised Annual Caps) are on normal commercial terms or if there are not sufficient comparable transactions to determine whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) Independent Third Parties, which are fair and reasonable insofar as the interests of the Company and its shareholders as a whole are concerned.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the Annual Caps under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement, the Company is required to re-comply with the relevant requirements of Chapter 14A of the Listing Rules. As at the date of this announcement, the Parent Company is a controlling shareholder of the Company. CRRC directly holds the entire equity interest in the Parent Company and indirectly holds the entire equity interest in CRRC Taiyuan. Baoji CRRC Times, a subsidiary of the Company, and CRRC Taiyuan hold Taiyuan CRRC Times as to 55% and 45%, respectively. Taiyuan CRRC Times is a non-wholly owned subsidiary of the Company and therefore, a connected person of the Company under the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) (as defined under the Listing Rules) for the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement (as amended and supplemented by the Supplemental Agreement) are more than 0.1% but are less than 5%, the transactions contemplated under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement (as amended and supplemented by the Supplemental Agreement) constitute non-exempt continuing connected transactions of the Company which are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will disclose relevant details of the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement (as amended and supplemented by the Supplemental Agreement) in the next published annual report of the Company in accordance with Rule 14A.71 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2022-2024 Taiyuan CRRC Times Mutual Supply Agreement”	a framework agreement on mutual supply of products and ancillary services entered into between the Company and Taiyuan CRRC Times dated 23 December 2021 for a term of three years commencing from 1 January 2022 and ending on 31 December 2024
“A Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company which are listed and traded in RMB on the Science and Technology Innovation Board of the SSE
“Annual Caps”	the maximum aggregate annual purchase and sales amount in respect of the transactions under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Baoji CRRC Times”	Baoji CRRC Times Engineering Machinery Co., Ltd.* (寶雞中車時代工程機械有限公司), a subsidiary of the Company in which the Company holds 93.21% of its equity interests
“Board”	the board of Directors
“Company”	Zhuzhou CRRC Times Electric Co., Ltd. (株州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 Main Board of the Hong Kong Stock Exchange (stock code: 3898) and the A Shares of which are listed on the Science and Technology Innovation Board of the SSE (stock code: 688187)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CRRC”	CRRC Corporation Limited (中國中車股份有限公司), a joint stock company established in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1766) and the A shares of which are listed on the Main Board of the SSE (stock code: 601766). CRRC is directly and indirectly held as to approximately 51.35% in aggregate by CRRC Group Co., Ltd.* (中國中車集團有限公司) and holds the entire equity interest in the Parent Company

“CRRC Taiyuan”	CRRC Taiyuan Co., Ltd.* (中車太原機車車輛有限公司), a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of CRRC
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries, excluding Taiyuan CRRC Times Group
“H Share(s)”	overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in HKD
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	parties who are independent of, and not connected with the Company or any of its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parent Company”	中車株州電力機車研究所有限公司 (CRRC Zhuzhou Institute Co., Ltd.*), a company established under the laws of the PRC with limited liability, a wholly-owned subsidiary of CRRC and the controlling shareholder of the Company
“PRC”	the People’s Republic of China
“Revised Annual Caps”	the revised maximum aggregate annual amounts to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the Supplemental Agreement for the three years ending 31 December 2022, 2023 and 2024
“RMB”	Renminbi, the lawful currency of the PRC
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 25 November 2022 and entered into between the Company and Taiyuan CRRC Times in relation to, among other things, the revision of the Annual Caps to be paid to Taiyuan CRRC Times Group by the Group for the provision of the products and/or services by Taiyuan CRRC Times Group under the 2022-2024 Taiyuan CRRC Times Mutual Supply Agreement

“Taiyuan CRRC Times”	Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd.* (太原中車時代軌道工程機械有限公司), a company established in the PRC with limited liability and which is held as to approximately 55% by Baoji CRRC Times and 45% by CRRC Taiyuan, respectively
“Taiyuan CRRC Times Group”	Taiyuan CRRC Times, its subsidiaries and their respective associates
“%”	per cent

The English names of the PRC entities mentioned in this announcement which are marked with “” are translation, or transliteration from their Chinese names and are for identification purposes only. If there is any inconsistency between the Chinese name of the PRC entities mentioned in this announcement and their English translation, the Chinese version shall prevail.*

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

Zhuzhou, China, 25 November 2022

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, Gao Feng and Li Kaiguo.