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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)

ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.
THE PLAN FOR DISTRIBUTION OF DIVIDENDS TO SHAREHOLDERS
FOR THE NEXT THREE YEARS (2025-2027)

To improve the scientific, consistent and stable dividend decision-making and supervision mechanism of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Company**”), actively reward shareholders and protect the legitimate rights and interests of investors, the Company has formulated the “Plan for Distribution of Dividends to Shareholders for the Next Three Years (2025-2027)” (the “**Plan**”) in accordance with requirements of the “Regulatory Guidelines for Listed Companies No. 3 – Cash Dividends of Listed Companies” issued by the China Securities Regulatory Commission, the Articles of Association of Zhuzhou CRRC Times Electric Co., Ltd. (the “**Articles of Association**”) and other relevant documents, and based on a thorough consideration of the Company’s actual operating conditions and future development needs. The specific details are as follows:

I. PRINCIPAL FACTORS CONSIDERED IN FORMULATING THE PLAN BY THE COMPANY

Focusing on long-term and sustainable development, the Company comprehensively considers factors such as its actual operating conditions, business development plans, industry development trends, current and future profitability, cash flow status, project investment capital needs, shareholder returns, cost of social capital, and external financing environment. On the basis of balancing reasonable investment returns for shareholders with the Company’s sustainable development, the Company establishes a consistent, stable and scientific return plan and mechanism for investors, so as to enable institutional arrangements for profit distribution and ensure the continuity and stability of the profit distribution policy.

II. PRINCIPLES FOR FORMULATING THE PLAN

The Company’s profit distribution shall prioritize reasonable investment returns for public shareholders, with the objectives of sustainable development and safeguarding shareholders’ rights and interests. It shall maintain the continuity and stability of the profit distribution policy and comply with relevant requirements on profit distribution policy as stipulated in the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, other relevant laws, regulations, normative documents, and the Articles of Association.

III. DETAILS OF THE PLAN FOR DISTRIBUTION OF DIVIDENDS TO SHAREHOLDERS FOR THE NEXT THREE YEARS (2025-2027) ARE AS FOLLOWS:

(i) Methods of profit distribution

The Company's profit may be distributed in cash, shares, a combination of both, or other methods permitted by laws and administrative regulations. Cash dividends shall take precedence over stock dividends. When conditions for cash dividends are met, the Company shall adopt cash dividends for profit distribution. While ensuring a reasonable share capital scale and equity structure, the Company may distribute stock dividends alongside cash dividends.

The Board of the Company shall comprehensively consider factors such as industry characteristics, development stage, business model, profitability, solvency, and whether there are significant capital expenditure arrangements. Based on the procedures stipulated in the Articles of Association, the Board shall propose differentiated cash dividend policies under the following circumstances:

1. If the Company is in a mature stage with no significant capital expenditure arrangements, the proportion of cash dividends in the profit distribution shall be at least 80%;
2. If the Company is in a mature stage with significant capital expenditure arrangements, the proportion of cash dividends in the profit distribution shall be at least 40%;
3. If the Company is in a growing stage with significant capital expenditure arrangements, the proportion of cash dividends in the profit distribution shall be at least 20%.

For cases where the Company's development stage is not easily distinguishable but involves significant capital expenditure arrangements, the matter may be handled in accordance with the preceding provisions. The specific development stage of the Company during actual dividend distribution shall be determined by the Board based on specific circumstances.

(ii) Conditions for profit distribution

1. Conditions for cash dividends

To adopt cash dividends, the Company shall meet all of the following conditions:

- (1) The Company's distributable net profits (i.e., net profit after making up losses and appropriation to reserves, based on the parent company's financial statements) for the relevant year or half-year are positive, and the Company has sufficient cash flow, such that cash dividends will not affect its ability to operate as a going concern;
- (2) The Company's cumulative distributable profits (based on the parent company's financial statements) are positive;

- (3) The auditor issues a standard unqualified audit report on the Company's financial report for the relevant year;
- (4) The Company has no major investment plans or significant cash expenditures (excluding investment projects funded by raised capital);
- (5) There are no significant changes in the external operating environment or events that materially impact the Company's production and operations;
- (6) No events have occurred, or are expected to occur within the next twelve months, that would materially affect the Company's production, operations or financial condition;
- (7) The Company's debt to equity ratio at the end of the year does not exceed 70%.

The term "major investment plans or significant cash expenditures" above refers to cumulative expenditures within the next twelve months for proposed external investments, asset acquisitions or equipment purchases that reach or exceed 30% of the Company's most recent audited net assets.

2. *Percentage and intervals of cash dividends*

Subject to the principles of profit distribution, and on the basis of ensuring normal operations and supporting long-term development, the Company shall, in principle, make profit distribution once annually after the annual general meeting. The Board of the Company may propose interim profit distributions based on the Company's profitability and capital needs.

To maintain the continuity and stability of the profit distribution policy, when conditions for cash dividends are met, the annual cash dividends shall account for no less than 35% of the distributable profits realized in that year, and over a three-year period, the cumulative cash dividends shall be no less than 105% of the annual average distributable profits realized in the most recent three years. The specific cash dividend proportion for each year shall be determined by the Board of the Company based on corresponding dividend proposals and plans formulated based on annual profitability, capital needs, development stage and other factors.

3. *Conditions for stock dividend distribution*

When the conditions for cash dividends are met, and if the Company experiences rapid growth in operating revenue and net profit, the Board may propose and implement a stock dividend distribution plan in addition to a cash dividend plan, provided that the Board deems the Company's share capital scale and equity structure reasonable. For each stock dividend distribution, the stock dividend per 10 shares shall be no less than 1 share.

(iii) Decision-making procedures and mechanisms for profit distribution

1. The Company's annual profit distribution plan shall be proposed and formulated by the Board, taking into account the provisions of the Articles of Association, profitability, and the Company's capital supply and demand situation. The Board shall thoroughly discuss the rationality of the profit distribution plan and, upon forming a specific resolution, submit it to the general meeting for consideration. Independent directors may solicit opinions from minority shareholders, propose dividend plans, and submit them directly to the Board for consideration.
2. When formulating specific cash dividend plans, the Board shall diligently study and evaluate matters such as the timing, conditions, minimum proportion, adjustment conditions and decision-making procedure requirements for cash dividends. If independent directors believe that a specific cash dividend plan may harm the interests of the Company or minority shareholders, they have the right to express an independent opinion. If the Board does not adopt or only partially adopts the opinions of independent directors, the independent directors' opinions and the specific reasons for not adopting them shall be included in the Board resolution and disclosed.
3. Before the general meeting deliberates on a specific cash dividend plan, the Company shall proactively communicate and engage with shareholders, particularly minority shareholders, through various channels (including but not limited to phone, fax, email, or inviting minority shareholders to attend meetings), fully listen to the opinions and concerns of minority shareholders and promptly address their questions.
4. If the Company, due to special circumstances, does not distribute cash dividends or distributes dividends at a level lower than stipulated, the Board shall provide a specific explanation regarding the reasons for not distributing cash dividends or distributing less than the required proportion, as well as the purpose and usage plan for the retained earnings.
5. The profit distribution plan of the Company shall be approved at the general meeting. After the general meeting passes a resolution on the profit distribution plan, or after the Board of the Company formulates a specific plan based on the conditions and upper limits for interim dividends approved at the annual general meeting for the following year, the distribution of dividends (or shares) shall be completed within two months.
6. The supervisory committee or audit committee shall oversee the Board and management's implementation of the Company's dividend policy, shareholders' return plan and decision-making procedures.

IV. FORMULATION CYCLE AND ADJUSTMENT MECHANISM FOR SHAREHOLDERS' RETURN PLAN

1. The Company shall review the plan for distribution of dividends to shareholders at least once every three years, and shall, after taking into account the opinions of shareholders, particularly minority shareholders, make appropriate and necessary amendments to the profit distribution policy of the Company currently in effect to determine the plan for distribution of dividends to shareholders for that period.
2. If the Company needs to adjust its profit distribution policy based on production and operating conditions, investment plans and long-term development needs, such adjustments shall prioritize the protection of shareholders' rights and interests. The adjusted profit distribution policy shall not violate the requirements of relevant laws, regulations, normative documents and the Articles of Association. Proposals to adjust the profit distribution policy shall be reviewed by the Board of the Company and submitted to the general meeting of the Company for approval, requiring approval by at least two-thirds of the voting rights held by shareholders present at the general meeting. The Company shall also provide online voting method to facilitate minority shareholders' participation in voting at the general meeting.

V. OTHER MATTERS RELATED TO THE SHAREHOLDERS' RETURN PLAN

1. This Plan shall take effect on the date of consideration and approval at the general meeting of the Company, and the same applies to any amendments.
2. Matters not covered in this Plan shall be implemented in accordance with the requirements of relevant laws, regulations, normative documents and the Articles of Association.
3. The Board of the Company shall be responsible for the interpretation of this Plan.

The Board of the Company will convene a general meeting to consider and approve the Plan. A circular containing, among other things, details of the Plan and the notice of the general meeting will be published in due course.

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

Zhuzhou, China, 29 April 2025

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 Shang Jing, our other executive Director is Xu Shaolong, and our independent non-executive directors are Li Kaiguo, Zhong Ninghua, Lam Siu Fung and Feng Xiaoyun.