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

(Stock Code: 3898)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
UNDER 2026-2028 QINGDAO MUTUAL SUPPLY AGREEMENT**

Reference is made to the announcement of the Company dated 28 December 2022 in relation to, among other things, the 2023-2025 Qingdao Mutual Supply Agreement.

2026-2028 QINGDAO MUTUAL SUPPLY AGREEMENT

In view of the expiry of the 2023-2025 Qingdao Mutual Supply Agreement, on 15 December 2025, the Company entered into the 2026-2028 Qingdao Mutual Supply Agreement with the Qingdao Company for a term of three years commencing on 1 January 2026 and ending on 31 December 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Parent Company is a controlling shareholder of the Company, and CRRC directly holds the entire equity interest in the Parent Company and 97.81% equity interest in CRRC Sifang, respectively. Therefore, CRRC Sifang is an associate of the Parent Company and a connected person of the Company under the Listing Rules. Qingdao Company is held as to held as to 45%, 38% and 17% by the Company, CRRC Sifang and Hongda Schnell, respectively. Accordingly, the Qingdao Company is a connected subsidiary of the Company and the transactions contemplated under the 2026-2028 Qingdao Mutual Supply Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (other than the profits ratio) (as defined under the Listing Rules) for the 2026-2028 Qingdao Mutual Supply Agreement are more than 0.1% but are all less than 5%, the 2026-2028 Qingdao Mutual Supply Agreement and the transaction contemplated therein 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 28 December 2022 in relation to, among other things, the 2023-2025 Qingdao Mutual Supply Agreement.

In view of the expiry of the 2023-2025 Qingdao Mutual Supply Agreement, on 15 December 2025, the Company entered into the 2026-2028 Qingdao Mutual Supply Agreement with the Qingdao Company for a term of three years commencing on 1 January 2026 and ending on 31 December 2028.

CONTINUING CONNECTED TRANSACTIONS WITH THE QINGDAO GROUP

Principal Terms of the 2026-2028 Qingdao Mutual Supply Agreement

The principal terms of the 2026-2028 Qingdao Mutual Supply Agreement are summarised as follows:

- Date: 15 December 2025

- Parties: (a) the Qingdao Company; and
(b) the Company

- Term: A term of three years commencing on 1 January 2026 and ending on 31 December 2028.

- Scope of products and services to be provided: The Company agreed to supply and procure its subsidiaries (excluding the Qingdao Group) to supply to the Qingdao Group certain products (including electrical systems and electrical components), parts and components, technical services, after-sale services, management services and other related services, and related facilities for research and development, production and testing purposes.

The Qingdao Company agreed to supply and procure its subsidiaries and/or their respective associates to supply to the Company certain products, parts and components, technical services, after-sale services, management services and other related services, and related facilities for research and development, production and testing purposes.

Pricing basis:

The pricing for the products and/or services supplied by and/or to the Qingdao Group will be determined in accordance with the following principles and order of priority:

- (a) the prices prescribed by the government of the PRC or any regulatory authority(ies) (if any) (“**Government-prescribed Prices**”);
- (b) the pricing guidelines or prices to be determined by the parties within the range as set by the government of the PRC or any regulatory authority(ies) (if any) (“**Government-guided Prices**”), where no Government-prescribed Prices are available or applicable;
- (c) the final confirmed prices through the bidding and tendering process conducted in accordance with the applicable laws, rules and regulations (if any) (“**Bidding Prices**”), where neither Government-prescribed Prices nor Government-guided Prices are available or applicable;
- (d) the market prices confirmed in accordance with the following order: (1) the prevailing prices received by Independent Third Parties when the type of products and/or services is provided under normal commercial circumstances in areas where the type of products and/or services is provided or its surrounding areas; or (2) the prevailing prices received by Independent Third Parties when the type of products and/or services is provided under normal commercial circumstances, where none of the Government-prescribed Prices, Government-guided Prices or the Bidding Prices are available or applicable (the “**Market Prices**”); and
- (e) the agreed prices based on the actual or reasonable cost incurred thereof plus a reasonable profit (which is determined by reference to the nature and historical price of products and/or services, current market price of the similar products and/or services and the forecasted demand of the Group and Qingdao Group, and increase or decrease in the market price of such products and/or services in the remaining term), where none of the above prices are available or applicable.

Payment terms:

Payments for the products and/or services supplied by and/or to the Qingdao Group will be settled by way of cash or such other manners as agreed by the parties and in accordance with the agreed timing and manners as specified in the actual product and service contracts to be entered into between the Group Companies and the Qingdao Group Companies.

The Government-prescribed Prices and Government-guided Prices include prices or pricing range set by the government authorities such as the National Development and Reform Commission (國家發展和改革委員會) and the National Railway Administration (國家鐵路局) (the “NRA”) of the PRC. For example, the Standard Quota for Design Budget of Basic Railway Construction Projects (《鐵路基本建設工程設計概(預)算費用定額》) issued by the NRA in December 2024 clearly sets out the price range references or limits for railway products such as locomotives.

In determining the Bidding Prices and/or Market Prices, the Group will, where applicable, (1) obtain and compare price references from at least two Independent Third Parties in the market; and/or (2) conduct researches on industry websites (such as the websites of the International Trading Center for Electronic Components and Integrated Circuits* (電子元器件和集成電路國際交易中心) and Mouser Electronics) to obtain and compare price references to the extent that those products and/or services are of similar nature, quality, quantity and condition to ensure that the relevant prices and/or payment terms are fair and reasonable to the Group or are no less favourable than those available from/to the Independent Third Parties. In particular, in respect of purchase and/or supply of products and/or services by the Group, if the prices and/or payment terms offered by Qingdao Group are less favourable than those offered by the Independent Third Parties, the Group shall have the right to terminate and cancel such purchases.

In determining the agreed prices, to assess whether the profit is a reasonable profit, the Company will take into account the historical profit margin of at least two similar products or services supplied by/ to the Independent Third Parties (if available) or the relevant industry profit margin (if available) for reference in conjunction with the prevailing market and business conditions. The Company will also consider, where applicable, the historical gross profit margin of the relevant business (and for reference only, the gross profit margins of the Group in respect of (1) rail transit equipment business; (2) emerging equipment business and (3) other business for the two years ended 31 December 2024 were in the range of approximately (1) 37-38%; (2) 25-29% and (3) 17%-19%, respectively) and will generally charge a reasonable profit at such reference rates (if applicable) depending on specific products and services required and prevailing market and business conditions. In addition, experts in the Group with sufficient industry experience (who are usually technical experts from the relevant product/business unit of the Group and are familiar with and/or closely involved in the research and development, production and/or operation processes of relevant products or the provision of related services) could opine on the fairness and reasonableness of the relevant price (and the profit margin) by reference to the most similar products and/or the comparable price and/or historical transaction price and taking into account various factors, including the type of products or services, the complexity of the products and technologies involved, the estimated costs and resources required in the research and development, production and/or provision of the products/services, as well as the prevailing market and business conditions. The experts' opinions on pricing are recorded and maintained in the Company's internal system to ensure traceability and accountability.

The Directors (including the independent non-executive Directors) consider that such methods and procedures can ensure that the transactions contemplated under the 2026-2028 Qingdao Mutual Supply Agreement will be conducted on normal commercial terms or better and not prejudicial to the interests of the Company and its shareholders.

Historical Transaction Records with the Qingdao Group

Set out below is a summary of the transaction records of the transactions under the 2023-2025 Qingdao Mutual Supply Agreement for the two years ended 31 December 2024 and the nine months ended 30 September 2025:

	Year ended 31 December		Nine months ended
	2023	2024	30 September 2025
	<i>(RMB million)</i>		
Amounts paid to the Qingdao Group by the Group for the products and/or services provided by the Qingdao Group	1.93	0.04	0.14
Amounts paid to the Group by the Qingdao Group for the products and/or services provided by the Group	26.62	31.38	24.66

Annual Caps and Basis of Annual Caps

The Annual Caps under the 2026-2028 Qingdao Mutual Supply Agreement for the three years ending 31 December 2026, 2027 and 2028 are as follows:

	Year ending 31 December		
	2026	2027	2028
	<i>(RMB million)</i>		
Annual caps to be paid to the Qingdao Group by the Group for the products and/or services to be provided by the Qingdao Group	40	50	60
Annual caps to be paid to the Group by the Qingdao Group for the products and/or services to be provided by the Group	50	60	70

The Annual Caps are determined by the parties based on the estimated transaction amounts with reference to the following assumptions: (1) the expected growth of railway industry in the PRC; (2) the expected growth of rapid transit systems sector in the PRC; (3) the future business potential of the Qingdao Group; (4) the business development plan of the Group; (5) the anticipated supply contracts to be entered into, and supply plans, between the Group and the Qingdao Group, together with the anticipated market demand and tender plans; and (6) the historical transaction amounts under the 2023-2025 Qingdao Mutual Supply Agreement as shown in the section headed “Historical Transaction Records with the Qingdao Group” above.

INFORMATION ON 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 basic devices, new energy vehicle electric drive system, new energy power generation, marine equipment and industrial converter.

INFORMATION ON THE QINGDAO GROUP

The Qingdao Group is principally engaged in the design, manufacturing, sales, provision of technical service, repair and maintenance, upkeep, as well as retrofit and transform of electrical systems, equipment and facilities and parts and components of railway transportation (projects that are subject to approval in accordance with laws shall only commence operation after approval by relevant authorities).

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026-2028 QINGDAO MUTUAL SUPPLY AGREEMENT

With the combined technical, production and management expertise of the Company, CRRC Sifang and Hongda Schnell, the Qingdao Company was established to support the Group’s ancillary production facilities in Qingdao City, Shandong Province, the PRC which will bring synergy effect on the business development of the Group as a whole in the long run. The Group and the Qingdao Group have entered into the mutual supply transactions in order to secure the stable supply of the relevant products and services. The transactions contemplated under the 2026-2028 Qingdao Mutual Supply Agreement are necessary for and are beneficial to the Company and therefore are of commercial benefit to the Company and the Group as a whole. Entering into the 2026-2028 Qingdao Mutual Supply Agreement will continue to facilitate the operation and growth of the Group’s business.

Mr. Li Donglin and Mr. Shang Jing have abstained from voting on the Board resolution approving the 2026-2028 Qingdao Mutual Supply Agreement due to conflict of interests. Save as mentioned above, none of the Directors has material interest in the 2026-2028 Qingdao Mutual Supply Agreement and hence no other Director has abstained from voting on such Board resolution.

The Directors (excluding Mr. Li Donglin and Mr. Shang Jing but including the independent non-executive Directors) are of the view that the 2026-2028 Qingdao Mutual Supply 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 and the 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

As at the date of this announcement, the Parent Company is a controlling shareholder of the Company, and CRRC directly holds the entire equity interest in the Parent Company and 97.81% equity interest in CRRC Sifang, respectively. Therefore, CRRC Sifang is an associate of the Parent Company and a connected person of the Company under the Listing Rules. Qingdao Company is held as to held as to 45%, 38% and 17% by the Company, CRRC Sifang and Hongda Schnell, respectively. Accordingly, the Qingdao Company is a connected subsidiary of the Company and the transactions contemplated under the 2026-2028 Qingdao Mutual Supply Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios (other than the profits ratio) (as defined under the Listing Rules) for the 2026-2028 Qingdao Mutual Supply Agreement are more than 0.1% but are all less than 5%, the 2026-2028 Qingdao Mutual Supply Agreement and the transaction contemplated therein 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 information in relation to the 2026-2028 Qingdao Mutual Supply Agreement in the next published annual report of the Company in accordance with Rule 14A.71 of the Listing Rules.

DEFINITIONS

“2023-2025 Qingdao Mutual Supply Agreement”	a framework agreement on mutual supply of products and ancillary services entered into between the Qingdao Company and the Company dated 28 December 2022 for a term of three years commencing on 1 January 2023 and ending on 31 December 2025
“2026-2028 Qingdao Mutual Supply Agreement”	a framework agreement on mutual supply of products and ancillary services entered into between the Qingdao Company and the Company dated 15 December 2025 for a term of three years commencing on 1 January 2026 and ending on 31 December 2028
“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 sale amounts in respect of the transactions under the 2026-2028 Qingdao Mutual Supply Agreement
“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors

“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 Main Board of the 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 given to it under the Listing Rules
“connected subsidiary”	has the meaning given to it under the Listing Rules
“controlling shareholder”	has the meaning given 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 51.45% in aggregate by CRRC Group and holds the entire equity interest in the Parent Company
“CRRC Group”	中 國 中 車 集 團 有 限 公 司 (CRRC Group Co., Ltd.*), a state-owned enterprise of the PRC and the controlling shareholder of CRRC
“CRRC Sifang”	中 車 青 島 四 方 機 車 車 輛 股 份 有 限 公 司 (CRRC Qingdao Sifang Locomotive & Rolling Stock Co., Ltd.*), a joint stock company established in the PRC, and is held as to 97.81% by CRRC
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries (excluding the Qingdao Group) and “Group Company” means any of them
“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
“Hongda Schnell”	青 島 宏 達 賽 耐 爾 科 技 股 份 有 限 公 司 (Qingdao Hongda Schnell Science & Technology Co., Ltd.*), a joint stock company established in the PRC and an Independent Third Party
“Independent Third Party(ies)”	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”	中車株洲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
“Parent Group”	the Parent Company and its subsidiaries (excluding the Group)
“PRC”	the People’s Republic of China
“Qingdao Company”	青島中車電氣設備有限公司 (Qingdao CRRC Electric Equipment Co., Ltd.*), a limited liability company established under the laws of the PRC, which was held as to 45% by the Company, 38% by CRRC Sifang, and 17% by Hongda Schnell
“Qingdao Group”	Qingdao Company and its subsidiaries (for the purpose of this announcement, including their respective associates) and “Qingdao Group Company” means any of them
“RMB”	Renminbi, the lawful currency of the PRC
“SSE”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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, 15 December 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, our independent non-executive Directors are Li Kaiguo, Zhong Ninghua, Lam Siu Fung and Feng Xiaoyun, and our employee Director is Chen Zhiman.