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

(Stock Code: 3898)

**PROPOSED DISCLOSEABLE TRANSACTION:
DEEMED DISPOSAL IN RELATION TO THE CAPITAL INCREASE AND
SHARE EXPANSION OF A SUBSIDIARY**

THE CAPITAL INCREASE AGREEMENT

On 20 December 2023, Times Semiconductor made a public tender at China Beijing Equity Exchange for the Capital Increase to introduce strategic investors and employee stock ownership platform. The public tender expired on 8 March 2024, and 26 strategic investors were solicited, and ESOP 2 participated in the Capital Increase simultaneously at the price of capital increase by the 26 strategic investors, and they intend to enter into the Capital Increase Agreement. At present, the relevant parties have agreed upon the terms of the Capital Increase Agreement, and they would execute the agreement once each of them goes through the approval procedures. The Board considered and approved the Capital Increase on 28 March 2024.

Pursuant to the terms and conditions set out in the Capital Increase Agreement, the registered capital of Times Semiconductor will be increased from RMB4,567,600,670 to RMB5,647,633,598, and the resulted Registered Capital Increment, which will amount to RMB1,080,032,928, will be fully subscribed for by the Capital Injectors (subject to the result of the public tender verified by the equity exchange). The parties agreed that the price of the Capital Increase shall be determined on the basis of the result of the public tender at the equity exchange, and the Capital Injectors will contribute the Capital Increase Amount totalling RMB4,327,800,000 to subscribe for the aforesaid Registered Capital Increment at a premium, of which RMB1,080,032,928 will be included in the registered capital of Times Semiconductor and the remaining RMB3,247,767,072 will be included in the capital reserve of Times Semiconductor.

Upon completion of the Capital Increase, the Company's shareholding in Times Semiconductor will decrease from 96.168% to 77.7771%, in which case Times Semiconductor will remain as a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated into the financial results of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The implementation of the Capital Increase by Times Semiconductor will provide more funds for the development of the power semiconductor industry, deepen industrial strategic cooperation and effectively motivate core employees. This will further enhance operational vitality and benefits, and boost the core competitiveness of Times Semiconductor, thus underpinning the long-term development strategy of the Company.

IMPLICATIONS UNDER THE LISTING RULES

Upon closing of the Capital Increase, the Company's shareholding interest in Times Semiconductor will decrease from 96.168% to 77.7771%. Therefore, the Capital Increase constitutes a deemed disposal of the Company under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio in respect of the Capital Increase exceeds 5% but is less than 25%, the Capital Increase constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Capital Increase is subject to the execution of the Capital Increase Agreement with the strategic investors and ESOP 2, industrial and commercial registration and other required procedures. There are still uncertainties in the implementation of the Capital Increase and results of the transaction. Investors are advised to pay attention to the investment risks.

1. INTRODUCTION

Reference is made to the overseas regulatory announcements of the Company dated 6 June 2023 and 15 December 2023, respectively, in relation to the proposed capital increase and share expansion of Times Semiconductor. On 20 December 2023, Times Semiconductor made a public tender at China Beijing Equity Exchange for the Capital Increase to introduce strategic investors and employee stock ownership platform. The public tender expired on 8 March 2024, and 26 strategic investors were solicited, and ESOP 2 participated in the Capital Increase simultaneously at the price of capital increase by the 26 strategic investors, and they intend to enter into the Capital Increase Agreement. At present, the relevant parties have agreed upon the terms of the Capital Increase Agreement, and they would execute the agreement once each of them goes through the approval procedures. The Board considered and approved the Capital Increase on 28 March 2024.

Further details of the Capital Increase Agreement are set out below.

2. THE CAPITAL INCREASE AGREEMENT

The following is a summary of the principal terms of the Capital Increase Agreement to be entered into.

2.1 Parties

The parties to enter into the Capital Increase Agreement:

- (a) The Company;
- (b) ESOP 1 (its further information disclosed in Section 6.2 of this announcement);
- (c) 26 strategic investors (their further information disclosed in Section 6.4 of this announcement):
 - (i) Zhuzhou Guochuang Tianxin Venture Capital Fund Partnership (Limited Partnership)* (株洲市國創田芯創業投資基金合夥企業(有限合夥));
 - (ii) Yixing Kechan Kinetic Times Equity Investment Partnership (Limited Partnership)* (宜興科產動能時代股權投資合夥企業(有限合夥));
 - (iii) Changsha SAIC Jiabeinuo Venture Capital Partnership (Limited Partnership)* (長沙上汽嘉貝諾創業投資合夥企業(有限合夥));
 - (iv) Ningbo Goldwind Aoying Equity Investment Co., Ltd. * (寧波金風澳贏股權投資有限公司);
 - (v) CSG Electric Power Research Institute* (南方電網科學研究院有限責任公司);
 - (vi) Hefei Renche Venture Capital Fund Partnership (Limited Partnership)* (合肥仁車創業投資基金合夥企業(有限合夥));
 - (vii) Yankuang Capital Management Co., Ltd.* (兗礦資本管理有限公司);
 - (viii) Qingdao CCS Electric Corporation* (青島中加特電氣股份有限公司);
 - (ix) Beijing Guoneng New Energy Industry Investment Fund (Limited Partnership)* (北京國能新能源產業投資基金(有限合夥));
 - (x) SPIC Fusion Innovation (Changzhou) Equity Investment Partnership (Limited Partnership)* (電投融合創新(常州)股權投資合夥企業(有限合夥));
 - (xi) Three Gorges (Shandong) Energy Investment Co., Ltd.* (三峽(山東)能源投資有限公司);
 - (xii) China Huadian Capital Holdings Company Limited* (中國華電集團資本控股有限公司);

- (xiii) Chengdu Rail Industry Investment Group Co., Ltd.* (成都軌道產業投資集團有限公司);
 - (xiv) Chongqing City Transportation Development & Investment Group Co., Ltd.* (重慶城市交通開發投資(集團)有限公司);
 - (xv) Hefei Industrial Investment Rail Industry Investment Partnership (Limited Partnership)* (合肥產投軌道產業投資合夥企業(有限合夥));
 - (xvi) Hunan Rail High-tech Industry Investment Co., Ltd.* (湖南軌道高新產業投資有限公司);
 - (xvii) Hualin Jinchan (Tianjin) Industry Investment Fund Partnership (Limited Partnership)* (華菱津杉(天津)產業投資基金合夥企業(有限合夥));
 - (xviii) Orange Leaf Xindong (Zibo) Equity Investment Partnership (Limited Partnership)* (橙葉芯動(淄博)股權投資合夥企業(有限合夥));
 - (xix) China Railway Harbin Group of Technology Corporation* (哈爾濱國鐵科技集團股份有限公司);
 - (xx) China Integrated Circuit Industry Investment Fund Phase II Co., Ltd.* (國家集成電路產業投資基金二期股份有限公司);
 - (xxi) Wuxi Xinxin Chuangshi Emerging Industry Venture Capital Fund Partnership (Limited Partnership)* (無錫信新創時新興產業創業投資基金合夥企業(有限合夥));
 - (xxii) CITIC Securities Investment Company Limited* (中信證券投資有限公司);
 - (xxiii) China Reform Development Investment Co., Ltd.* (國新發展投資管理有限公司);
 - (xxiv) Nam Kwong Innovation Capital (Zhuhai Hengqin) Co., Ltd.* (南光創新投資(珠海橫琴)有限公司);
 - (xxv) Hefei Haitong Small and Medium Fund Partnership (Limited Partnership)* (合肥海通中小基金合夥企業(有限合夥)); and
 - (xxvi) Juyuan SME Development (Tianjin) Venture Fund, LLP* (聚源海河中小企業發展創業投資基金(天津)合夥企業(有限合夥));
- (d) ESOP 2 (its further information disclosed in Section 6.3 of this announcement); and
 - (e) Times Semiconductor, a subsidiary of the Company (its further information disclosed in Section 5 of this announcement).

2.2 Subscription for Registered Capital Increment of Times Semiconductor

Pursuant to the terms and conditions set out in the Capital Increase Agreement, the registered capital of Times Semiconductor will be increased by RMB1,080,032,928 (the “**Registered Capital Increment**”) from RMB4,567,600,670 to RMB5,647,633,598. The Registered Capital Increment will be fully subscribed for by the Capital Injectors (subject to the result of the public tender verified by the equity exchange).

The parties agreed that the price of the Capital Increase shall be determined on the basis of the result of the public tender at the equity exchange, and the Capital Injectors will contribute a total amount of RMB4,327,800,000 (the “**Capital Increase Amount**”) to subscribe for the aforesaid Registered Capital Increment at a premium, of which RMB1,080,032,928 will be included in the registered capital of Times Semiconductor and the remaining RMB3,247,767,072 will be included in the capital reserve of Times Semiconductor.

The following table presents the shareholding structure of Times Semiconductor before the Capital Increase and the expected shareholding structure after completion of the Capital Increase. The final shareholding structure is subject to the industrial and commercial registration.

No.	Name of shareholder	Before the Capital Increase		After the Capital Increase		
		Registered capital contribution amount (RMB0' 000)	Shareholding ratio	Amount of the Capital Increase (RMB0' 000)	Registered capital contribution amount (RMB0' 000)	Shareholding ratio
1	The Company	439,256.7981	96.1680%	–	439,256.7981	77.7771%
2	ESOP 1	17,503.2689	3.8320%	–	17,503.2689	3.0992%
3	Zhuzhou Guochuang Tianxin Venture Capital Fund Partnership (Limited Partnership)* (株洲市國創田芯創業投資基金合夥企業(有限合夥))	–	–	62,000.0000	15,472.5362	2.7396%
4	Yixing Kechan Kinetic Times Equity Investment Partnership (Limited Partnership)* (宜興科產動能時代股權投資合夥企業(有限合夥))	–	–	40,000.0000	9,982.2814	1.7675%
5	Changsha SAIC Jiabeinuo Venture Capital Partnership (Limited Partnership)* (長沙上汽嘉貝諾創業投資合夥企業(有限合夥))	–	–	30,000.0000	7,486.7110	1.3256%

No.	Name of shareholder	Before the Capital Increase		After the Capital Increase		
		Registered capital contribution amount (RMB0' 000)	Shareholding ratio	Amount of the Capital Increase (RMB0' 000)	Registered capital contribution amount (RMB0' 000)	Shareholding ratio
6	Ningbo Goldwind Aoying Equity Investment Co., Ltd.* (寧波金風澳贏股權投資有限公司)	-	-	20,000.0000	4,991.1407	0.8838%
7	CSG Electric Power Research Institute* (南方電網科學研究院有限責任公司)	-	-	20,000.0000	4,991.1407	0.8838%
8	Hefei Renche Venture Capital Fund Partnership (Limited Partnership)* (合肥仁車創業投資基金合夥企業(有限合夥))	-	-	25,000.0000	6,238.9259	1.1047%
9	Yankuang Capital Management Co., Ltd.* (兗礦資本管理有限公司)	-	-	5,000.0000	1,247.7851	0.2209%
10	SPIC Industrial Fund Management Co., Ltd.* (青島中加特電氣股份有限公司)	-	-	2,000.0000	499.1140	0.0884%
11	Beijing Guoneng New Energy Industry Investment Fund (Limited Partnership)* (北京國能新能源產業投資基金(有限合夥))	-	-	20,000.0000	4,991.1407	0.8838%
12	SPIC Fusion Innovation (Changzhou) Equity Investment Partnership (Limited Partnership)* (電投融合創新(常州)股權投資合夥企業(有限合夥))	-	-	20,000.0000	4,991.1407	0.8838%
13	Three Gorges (Shandong) Energy Investment Co., Ltd.* (三峽(山東)能源投資有限公司)	-	-	20,000.0000	4,991.1407	0.8838%

No.	Name of shareholder	Before the Capital Increase		After the Capital Increase		
		Registered capital contribution amount (RMB0' 000)	Shareholding ratio	Amount of the Capital Increase (RMB0' 000)	Registered capital contribution amount (RMB0' 000)	Shareholding ratio
14	China Huadian Capital Holdings Company Limited* (中國華電集團資本控股有限公司)	-	-	3,000.0000	748.6711	0.1326%
15	Chengdu Rail Industry Investment Group Co., Ltd.* (成都軌道產業投資集團有限公司)	-	-	15,000.0000	3,743.3555	0.6628%
16	Chongqing City Transportation Development & Investment Group Co., Ltd.* (重慶城市交通開發投資(集團)有限公司)	-	-	15,000.0000	3,743.3555	0.6628%
17	Hefei Industrial Investment Rail Industry Investment Partnership (Limited Partnership)* (合肥產投軌道產業投資合夥企業(有限合夥))	-	-	10,000.0000	2,495.5703	0.4419%
18	Hunan Rail High-tech Industry Investment Co., Ltd.* (湖南軌道高新產業投資有限公司)	-	-	4,900.0000	1,222.8294	0.2165%
19	Hualin Jinchan (Tianjin) Industry Investment Fund Partnership (Limited Partnership)* (華菱津杉(天津)產業投資基金合夥企業(有限合夥))	-	-	10,000.0000	2,495.5703	0.4419%
20	Orange Leaf Xindong (Zibo) Equity Investment Partnership (Limited Partnership)* (橙葉芯動(淄博)股權投資合夥企業(有限合夥))	-	-	5,000.0000	1,247.7851	0.2209%

No.	Name of shareholder	Before the Capital Increase		After the Capital Increase		
		Registered capital contribution amount (RMB0' 000)	Shareholding ratio	Amount of the Capital Increase (RMB0' 000)	Registered capital contribution amount (RMB0' 000)	Shareholding ratio
21	China Railway Harbin Group of Technology Corporation* (哈爾濱國鐵科技集團股份有限公司)	-	-	2,000.0000	499.1140	0.0884%
22	China Integrated Circuit Industry Investment Fund Phase II Co., Ltd.* (國家集成電路產業投資基金二期股份有限公司)	-	-	30,000.0000	7,486.7110	1.3256%
23	Wuxi Xinxin Chuangshi Emerging Industry Venture Capital Fund Partnership (Limited Partnership)* (無錫信新創時新興產業創業投資基金合夥企業(有限合夥))	-	-	20,000.0000	4,991.1407	0.8838%
24	CITIC Securities Investment Company Limited* (中信證券投資有限公司)	-	-	10,000.0000	2,495.5703	0.4419%
25	China Reform Development Investment Co., Ltd.* (國新發展投資管理有限公司)	-	-	20,000.0000	4,991.1407	0.8838%
26	Nam Kwong Innovation Capital (Zhuhai Hengqin) Co., Ltd.* (南光創新投資(珠海橫琴)有限公司)	-	-	10,000.0000	2,495.5703	0.4419%
27	Hefei Haitong Small and Medium Fund Partnership (Limited Partnership)* (合肥海通中小基金合夥企業(有限合夥))	-	-	2,000.0000	499.1140	0.0884%
28	Juyuan SME Development (Tianjin) Venture Fund, LLP* (聚源海河中小企業發展創業投資基金(天津)合夥企業(有限合夥))	-	-	2,000.0000	499.1140	0.0884%
29	ESOP 2	-	-	9,880.0000	2,465.6235	0.4366%
	Total	456,760.0670	100.0000%	432,780.0000	564,763.3598	100.0000%

2.3 Basis for determining the Capital Increase Amount

The price of the Capital Increase is based on the appraised value of the net assets of Times Semiconductor as at 30 April 2023, which was RMB18,302.6465 million and appraised by an independent valuer using market approach, and the final Capital Increase Amount is determined based on the result of the public tender at China Beijing Equity Exchange.

2.4 Payment terms

The 26 strategic investors have paid a total deposit of RMB865,800,000 to China Beijing Equity Exchange for the Capital Increase. The above paid deposit will be directly converted into a part of the Capital Increase Amount after the Capital Increase Agreement becomes effective, and will be transferred to the account designated by Times Semiconductor within three business days after the Capital Increase Certificate is issued by China Beijing Equity Exchange for the Capital Increase.

The Capital Injectors shall, within five business days from the effective date of the Capital Increase Agreement, pay the remaining Capital Increase Amount in one lump sum to Times Semiconductor.

If any Capital Injector fails to pay the Capital Increase Amount in full within the period as agreed in the Capital Increase Agreement, it shall pay Times Semiconductor late payment penalty for the overdue payment (the “**Late Payment Penalty**”) equal to 0.05% of any such overdue payment for each day after such period. If any such payment remains unpaid for more than ten business days after the above period, Times Semiconductor is entitled to terminate the Capital Increase Agreement, and to claim against the defaulting Capital Injector a termination penalty equal to 20% of the aggregate Capital Increase Amount to be injected by the defaulting Capital Injector (the “**Termination Penalty**”). Times Semiconductor is entitled to deduct the Termination Penalty from the deposit paid by a defaulting Capital Injector, and shall, on the date when such deduction takes place, return to such defaulting Capital Injector any remaining deposit after such deduction and the Capital Increase Amount already paid by such defaulting Capital Injector on a non-interest bearing basis. In the event that a defaulting Capital Injector pays Termination Penalty to Times Semiconductor, such defaulting Capital Injector shall not pay any Late Payment Penalty to Times Semiconductor, and Times Semiconductor shall refund any paid Late Payment Penalty to such defaulting Capital Injector.

2.5 Effectiveness

The Capital Increase Agreement shall be effective from the date on which it is signed and affixed with common seals by legal representatives or proxies of managing partners or authorised representative of parties thereto.

2.6 Closing terms

Times Semiconductor shall, within 15 business days from the date on which the Capital Injectors make full payment of the total Capital Increase Amount in accordance with the Capital Increase Agreement, convene a general meeting to consider and sign the amended articles of association, and other matters involved in the Capital Increase that are subject to the decision of the general meeting. The date of such general meeting shall be the closing date of the Capital Increase. Times Semiconductor shall deliver its register of members to the Capital Injectors on the closing date. The Capital Injectors shall be regarded as shareholders of Times Semiconductor effective from the closing date.

Times Semiconductor shall, within 20 business days after the closing date, complete the relevant registration or filing procedures with the registering authority in respect of the change of registered capital, shareholding structure, articles of association and corporate governance body to be involved in the Capital Increase.

The completion date of the Capital Increase (the “**Capital Increase Completion Date**”) shall be either of the date on which the Capital Increase Amount has been fully paid by the Capital Injectors and the date on which Times Semiconductor is issued the business license that is updated in respect of the Capital Increase, whichever is later.

Upon completion of the Capital Increase, the Company’s shareholding in Times Semiconductor will decrease from 96.168% to 77.7771%, in which case Times Semiconductor will remain as a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated into the financial results of the Group. For the shareholding structure of Times Semiconductor after the closing, please refer to the relevant table in Section 2.2 of this announcement.

2.7 Corporate governance

Upon completion of the Capital Increase, the corporate governance structure of Times Semiconductor will be as follows:

- (a) Shareholders’ meeting: shareholders shall exercise their voting rights at the shareholders’ meeting in proportion to their paid-in capital contribution. Any resolution of shareholders’ meeting concerning amendments to the articles of association, increase or decrease in registered capital, and merger, division, dissolution or change of corporate form of Times Semiconductor shall be adopted by more than two-thirds of the voting rights held by the shareholders; and unless otherwise stipulated in the articles of association, other resolutions of the shareholders’ meeting shall be adopted by more than half of the voting rights held by the shareholders.

- (b) Board of directors: the board of directors shall consist of five directors. The Company has the right to nominate four of the five directors, which shall be elected at the shareholders' meeting of Times Semiconductor; and one director shall be elected by the employees of Times Semiconductor through the employee representative meeting, the employees' meeting or other forms of democratic election. Voting on resolutions of the board of directors shall be made on a one-person-one-vote basis; and any resolution of the board of directors shall be subject to approval by more than half of all directors.
- (c) Board of supervisors: the board of supervisors shall consist of three supervisors. The Company has the right to nominate two of the three supervisors, who shall be elected at the shareholders' meeting of Times Semiconductor; and one supervisor shall be elected by the employees of Times Semiconductor through the employee representative meeting, the employees' meeting or other forms of democratic election.
- (d) General manager: the general manager shall be nominated by the chairman of the board of directors and appointed by the board of directors of Times Semiconductor. Senior management other than the general manager shall be nominated by the general manager and appointed by the board of directors of Times Semiconductor.
- (e) Fund management system: fund management shall be in line with the requirements of regulatory policies for state-owned assets and external regulatory policies.

2.8 Undertakings of strategic investors

The strategic investors undertake that they will, upon completion of the Capital Increase, act within the framework of the following arrangements as long as they are shareholders of Times Semiconductor:

- (a) they will not, directly or indirectly, transfer their equity interests in Times Semiconductor, and will also comply with the requirements of the Company Law of the PRC and other laws and regulations on the transfer and reduction of equity interest by investors, within 36 months commencing from the Capital Increase Completion Date;
- (b) they will not pledge or use all or part of their equity interests in Times Semiconductor as other forms of guarantee without the consent of the board of directors of Times Semiconductor; and
- (c) they will not disclose any non-public information or trade secrets they obtain from Times Semiconductor to any competitor of Times Semiconductor; they will not rely on any such information to express opinions or make decisions at the shareholders' meetings, board of directors or similar decision-making bodies of any such competitor and any information they rely upon to express opinions or make decisions at the shareholders' meetings of Times Semiconductor will not violate its similar responsibilities or obligations to any third party.

2.9 Rights of strategic investors

Upon completion of the Capital Increase, the strategic investors will have the pre-emptive right to subscribe for the future increase in registered capital of Times Semiconductor and the pre-emptive right to purchase the equity interest held by any other shareholders (other than ESOPs 1 and 2) in case of transfer of such equity interest to any third party by any such other shareholders in accordance with the relevant requirements of the Company Law of the PRC and the articles of association of Times Semiconductor; any transfer of equity interest by a shareholder to its actual controller or any third party directly or indirectly controlled by its actual controller shall not be deemed as a transfer of equity interest by a shareholder to a person other than a shareholder, in which case other shareholders would not have the pre-emptive right for such transfer, provided that such transfer shall be considered and approved by the shareholders' meeting of Times Semiconductor.

3. FINANCIAL IMPACT OF THE CAPITAL INCREASE ON THE GROUP

As disclosed in Section 2.6 of this announcement, Times Semiconductor will remain as a non-wholly owned subsidiary of the Company upon the closing of the Capital Increase. Accordingly, the operating results and financial position of Times Semiconductor will continue to be recorded in the consolidated financial statements of the Group. As the reduction of the Company's interest in Times Semiconductor will not result in the loss of its control over Times Semiconductor, the Company will not record a gain or loss on the Capital Increase under the generally accepted accounting principles of the PRC.

4. EXPECTED USE OF PROCEEDS

The proceeds from the Capital Increase will be mainly used for the Medium-and-low Voltage Power Semiconductor Devices Industrialisation (Yixing) Project, and other portions of the proceeds will be used for construction-in-progress, subsequent capacity expansion of joint ventures and a small amount of cash flow replenishment.

5. INFORMATION OF TIMES SEMICONDUCTOR

5.1 General

Times Semiconductor is mainly engaged in research, development, manufacturing and sales of power semiconductors and related products, provision of relevant technical consultation, technical services and technology transfer; commodity and technology import-export operation and agency business (unless otherwise prohibited and restricted by national laws and regulations), site leasing; equipment leasing; and transportation and warehousing of general cargo. (For items subject to approval in accordance with the law, business activities can only be carried out with approval by relevant authority.)

As at the date of this announcement, Times Semiconductor is owned as to 96.168% and 3.832% by the Company and ESOP 1, respectively.

5.2 Financial information

Set out below is the audited consolidated financial information of Times Semiconductor for the two years ended 31 December 2022 and 2023, respectively, which were prepared in accordance with the generally accepted accounting principles of the PRC:

	Year ended 31 December 2022 RMB0'000	Year ended 31 December 2023 RMB0'000
Profit before tax	48,186	103,049
Profit after tax	41,284	102,835

	Year ended 31 December 2022 RMB0'000	Year ended 31 December 2023 RMB0'000
Total assets	721,608	908,835
Total liabilities	141,850	254,498
Net assets	579,758	654,337

6. INFORMATION OF THE OTHER PARTIES

6.1 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 traction converter systems of rail transit vehicles. 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.

6.2 ESOP 1

As at the date of this announcement, among the employees who hold equity interests in Times Semiconductor through this employee stock ownership platform (the “**Xinlianjie Shareholding Employees**”), there were no more than 5 directors, supervisors and other persons of Times Semiconductor who are connected persons of Times Semiconductor (the “**Connected Shareholding Employees**”).

The Xinlianjie Shareholding Employees established eight limited partnerships in the PRC as the limited partners of ESOP 1 (the “**Xinlianjie Limited Partners**”), and, together with a limited liability company, Zhuzhou Xinshidai Enterprise Management Co., Ltd. * (株 洲 芯 時 代 企 業 管 理 有 限 責 任 公 司) (“**Zhuzhou Xinshidai**”), which acts as the general partner of ESOP 1, jointly established a limited partnership as an employee stock ownership platform.

Zhuzhou Xinshidai is responsible for the partnership business of ESOP 1 and represents the partnership to deal with external parties. Zhuzhou Xinshidai implements the daily affairs of the partnership, including going through the relevant approval procedures involved in the operation of the partnership, entering into and performing agreements related to the daily operation and management of the partnership, and participating in the partners’ meeting in accordance with the law to exercise corresponding voting rights. Xinlianjie Limited Partners shall not perform the partnership business and shall not represent the limited partnership to deal with external parties.

Funds for subscription by Xinlianjie Shareholding Employees for equity interests in ESOP 1 comprise funds they raise legally and other funds permitted by laws and regulations.

Upon completion of the Capital Increase, equity interests of Times Semiconductor to be held by ESOP 1 will account for 3.0992% of the enlarged equity interests of Times Semiconductor, and the equity interests of ESOP 1 indirectly held by a single Xinlianjie Shareholding Employee do not exceed 5%. In addition, the total equity interests of ESOP 1 indirectly held by all Connected Shareholding Employees (only by holding shares in Zhuzhou Xinshidai) do not exceed 5%. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, save for the above Connected Shareholding Employees, each of ESOP 1 and its ultimate beneficial owners (including the general partner, each of the limited partners and participating employees) is a third party independent of the Company and its connected persons.

6.3 ESOP 2

As at the date of this announcement, the employees who hold the equity interest in Times Semiconductor through this employee stock ownership platform (the “**Xinfazhan Shareholding Employees**”) established two limited partnerships in the PRC to jointly act as the limited partners of ESOP 2 (the “**Xinfazhan Limited Partners**”), thereby indirectly holding the equity interest in Times Semiconductor through their holding of equity interests in these limited partnerships. The managing partner of the ESOP 2 is Zhuzhou Xinshidai.

Funds for subscription by Xinfazhan Shareholding Employees for equity interests in ESOP 2 comprise funds they raise legally and other funds permitted by laws and regulations.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, ESOP 2 and its ultimate beneficial owners (including the general partner, each of the limited partners and the participating employees) is a third party independent of the Company and its connected persons.

6.4 The 26 strategic investors

Each of the strategic investors is an enterprise established in the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the strategic investors and their respective ultimate beneficial owners (or the largest shareholder, as applicable) is a third party independent of the Company and its connected persons. Upon completion of the Capital Increase, each of the strategic investors will hold less than 3% of the enlarged equity interests in Times Semiconductor, and in aggregate, all of the strategic investors will hold less than 20% of the enlarged equity interests in Times Semiconductor. Further information of each of the strategic investors (based on information that is available publicly and after making all reasonable enquiries) is disclosed as follows:

(I) Zhuzhou Guochuang Tianxin Venture Capital Fund Partnership (Limited Partnership)*
(株州市國創田芯創業投資基金合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 21 December 2023
3. Managing partner: Zhuzhou SAH Innovation & Entrepreneur Investment Co., Ltd.* (株州市國投創新創業投資有限公司) (a state-owned enterprise, which, together with limited partners of this strategic investor (other than Jiazixin), are independent third parties. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the managing partner of Jiazixin is Zhuzhou CRRC Times High-tech Investment Co., Ltd. * (株州中車時代高新投資有限公司) (an associate of CRRC, the indirect controlling shareholder of the Company) and holds approximately 37.0079% partnership interest in Jiazixin. Jiazixin only holds approximately 19.0476% limited partnership interest in this strategic investor, is not the managing partner of this strategic investor, and is not consolidated into financial statements of this strategic investor, therefore this strategic investor is not a connected person of the Company)
4. Capital contribution: RMB630 million
5. Registered address: No. A412, 5/F, Chuangke Building, No. 1288 Yunlong Avenue, Xuelin Sub-district, Shifeng District, Zhuzhou, Hunan Province
6. Scope of business: general items: venture capital (limited to investment in unlisted enterprises); equity investment, investment management, asset management and other activities based on private funds (business activities can only be carried out after registration and filing with the Asset Management Association of PRC); and investment activities with self-owned funds. (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
7. Not a judgment defaulter

(II) Yixing Kechan Kinetic Times Equity Investment Partnership (Limited Partnership)* (宜興科產動能時代股權投資合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 2 January 2024
3. Managing partner: Yixing Yicai Private Equity Fund Management Co., Ltd. * (宜興市宜財私募基金管理有限公司) (a state-owned enterprise, which, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB402 million
5. Registered address: Room 801, Building 1, Yixing Optoelectronic Industrial Park, No. 10 Xingli Road, Economic and Technological Development Zone, Yixing
6. Scope of business: general items: equity investment; venture capital investment (limited to investment in unlisted enterprises); investment activities with self-owned funds; equity investment, investment management, asset management and other activities based on private funds (business activities can only be carried out after registration and filing with the Asset Management Association of PRC) (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
7. Not a judgment defaulter

(III) Changsha SAIC Jiabeinuo Venture Capital Partnership (Limited Partnership)* (長沙上汽嘉貝諾創業投資合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 25 July 2023
3. Managing partner: Shanghai SAIC Hengxu Investment Management Co., Ltd. * (上海上汽恒旭投資管理有限公司) (which, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB303.986 million
5. Registered address: Room 204-484, 2/F, Building 2, Xiangjiang Fund Town, No. 188 Binjiang Road, Guanshaling Street, Yuelu District, Changsha, Hunan Province
6. Scope of business: general items: venture capital (limited to investment in unlisted enterprises); equity investment, investment management, asset management and other activities based on private funds (business activities can only be carried out after registration and filing with the Asset Management Association of PRC). (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
7. Not a judgment defaulter

(IV) Ningbo Goldwind Aoying Equity Investment Co., Ltd.* (寧波金風澳贏股權投資有限公司)

1. Nature of enterprise: limited liability company (sole proprietorship of legal person invested or controlled by persons other than individuals)
2. Date of incorporation: 11 March 2021
3. Ultimate beneficial owner: a listed company, which is an independent third party
4. Legal representative: Hua Zhen
5. Registered capital: RMB30 million
6. Registered address: Room 1351, No. 366 Cihu Renjia, Cicheng Town, Jiangbei District, Ningbo, Zhejiang Province
7. Scope of business: general items: equity investment; (not being allowed to engage in financial businesses such as deposit-taking, financing guarantee, entrusted wealth management, and collection (financing) of funds from the public without the approval of financial and other regulatory authorities) (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
8. Not a judgment defaulter

(V) CSG Electric Power Research Institute* (南方電網科學研究院有限責任公司)

1. Nature of enterprise: limited liability company (state-controlled)
2. Date of incorporation: 5 November 2010
3. Ultimate beneficial owner: a state-owned enterprise, which is an independent third party
4. Legal representative: Wu Baoying
5. Registered capital: RMB100 million
6. Registered address: 3, 4, 5/F, Building J1, and 3/F, Building J3, No. 11 Kexiang Road, Science City, Luogang District, Guangzhou, Guangdong Province

7. Scope of business: carrying out power grid technology research, technology development, product research and development, equipment manufacturing and sales, technology transfer, technical supervision, technical training, technical consultation, technical services and other businesses; carrying out project review, power engineering commissioning, system integration and other businesses; investing in and operating industries related to core power grid technologies and new power grid technologies; equipment supervision, design, consultation and construction of power transmission and transformation engineering; carrying out information system development, system operation and maintenance and software sales business; testing and tests of power equipment and power devices; computer network technology services; editing, publishing and distribution of the journal “CSG Technology”* (《南方電網技術》); designing, producing, acting as an agent and publishing various domestic and foreign advertisements; and import and export of goods and technologies (excluding items prohibited by laws and administrative regulations; and business activities for items restricted by laws and administrative regulations can only be conducted after license is obtained). (For items subject to approval in accordance with laws, business activities can only be commenced upon approval by the relevant authority)
8. Not a judgment defaulter

(VI) Hefei Renche Venture Capital Fund Partnership (Limited Partnership)* (合肥仁車創業投資基金合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 10 November 2023
3. Managing partner: Hefei Renfa New Energy Investment Fund Management Co., Ltd.* (合肥仁發新能投資基金管理有限公司) (which, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB265 million
5. Registered address: Room 1116, Building F8, Zhongan Chuanggu Science and Technology Park · No. 920 Wangjiang West Road, High-tech Zone, Hefei, Anhui Province
6. Scope of business: general items: venture capital (limited to investment in unlisted enterprises); equity investment, investment management, asset management and other activities based on private funds (business activities can only be carried out after registration and filing with the Asset Management Association of PRC); investment activities with self-owned funds (Except for businesses subject to license, business activities for items that are not prohibited or restricted by laws and regulations can be conducted independently and lawfully)
7. Not a judgment defaulter

(VII) Yankuang Capital Management Co., Ltd. (兗礦資本管理有限公司)

1. Nature of enterprise: limited liability company (sole proprietorship invested or controlled by persons other than individuals)
2. Date of incorporation: 28 July 2015
3. Ultimate beneficial owner: a state-owned enterprise, which is an independent third party
4. Legal representative: Song Cong
5. Registered capital: RMB1,500 million
6. Registered address: Room 702, Block A, No. 1168 Century Avenue, China (Shanghai) Pilot Free Trade Zone
7. Scope of business: industrial investment, investment management, asset management, hotel management, property management, investment consulting, business information consulting, financial consulting, enterprise management consulting, corporate image planning, conference and exhibition services, and self-owned equipment leasing (not being allowed to engage in financial leasing). (For items subject to approval in accordance with laws, business activities can only be commenced upon approval by the relevant authority)
8. Not a judgment defaulter

(VIII) Qingdao CCS Electric Corporation* (青島中加特電氣股份有限公司)

1. Nature of enterprise: joint stock limited company (unlisted, and invested or controlled by natural persons)
2. Date of incorporation: 3 November 2011
3. Ultimate beneficial owner: an independent third party
4. Legal representative: Deng Kefei
5. Registered capital: RMB366.882353 million
6. Registered address: 3138 Century Avenue, Huangdao District, Qingdao, Shandong Province

7. Scope of business: manufacturing, research and development and sales of variable frequency motors, variable frequency speed regulation all-in-one machines, explosion-proof electrical equipment, explosion-proof variable frequency motors, electrical transmission equipment and control systems, semiconductor power modules and automation products; development and sales of software; and engaging in the maintenance, technical services and technical consultation of the above products; and import and export of goods and technologies. (For items subject to approval in accordance with laws, business activities can only be commenced upon approval by the relevant authority)
8. Not a judgment defaulter

(IX) Beijing Guoneng New Energy Industry Investment Fund (Limited Partnership)* (北京國能新能源產業投資基金(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 27 January 2021
3. Managing partner: Guoxin Shengkang Private Equity Fund Management (Beijing) Co., Ltd.* (國新盛康私募基金管理(北京)有限公司) (a state-owned enterprise, which, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB10,020 million
5. Registered address: Room 1708, 17/F, No. 3 Dongzhimen South Street, Dongcheng District, Beijing
6. Scope of business: engaging in equity investment, investment management, asset management and other activities based on private funds. (1. not to raise funds in public without the approval of relevant authorities; 2. not to publicly carry out trading activities of securities products and financial derivatives; 3. not to grant loans; 4. not to provide guarantees for other enterprises other than the invested enterprises; 5. not to promise investors that the investment principal is not lost or the minimum return is promised); market entities shall independently select business projects and carry out business activities in accordance with the law; for items subject to approval in accordance with the law; market entities shall carry out business activities within the approved scope after approval by relevant authority; and shall not engage in business activities prohibited and restricted by the industrial policies of the state and the city where the market entity operates.)
7. Not a judgment defaulter

(X) SPIC Fusion Innovation (Changzhou) Equity Investment Partnership (Limited Partnership)* (電投融合創新(常州)股權投資合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 17 June 2022
3. Managing partner: SPIC Industrial Fund Management Co., Ltd. * (國家電投集團產業基金管理有限公司) (a state-owned enterprise, which, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB1,000 million
5. Registered address: Room 201, Building 1, No. 8 Lanxiang Road, Changzhou West Taihu Science and Technology Industrial Park
6. Scope of business: general items: equity investment, investment management, asset management and other activities based on private funds (business activities can only be carried out after registration and filing with the Asset Management Association of PRC) (except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
7. Not a judgment defaulter

(XI) Three Gorges (Shandong) Energy Investment Co., Ltd.* (三峽(山東)能源投資有限公司)

1. Nature of enterprise: other limited liability company
2. Date of incorporation: 25 August 2021
3. Ultimate beneficial owner: a listed company and a state-owned enterprise, both being independent third parties
4. Legal representative: Ai Qing
5. Registered capital: RMB400 million
6. Registered address: Huangdao District, Qingdao, Shandong Province (former 1611, Chengfa Building, No. 458 Jiangshan South Road, the former Development Zone)

7. Scope of business: general items: engaging in investment activities with self-owned funds; technical services for wind power generation; solar power generation technology services; power generation technology services; technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; and asset management services for proprietary investments. (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses) Permitted items: power generation business, power transmission business, power supply (distribution) business; power supply business; and hydropower generation. (For items subject to approval in accordance with laws, business activities can only be commenced upon approval by the relevant authority, and specific business items are subject to the approval documents or permits of relevant authority)
8. Not a judgment defaulter

(XII) China Huadian Capital Holdings Company Limited* (中國華電集團資本控股有限公司)

1. Nature of enterprise: other limited liability company
2. Date of incorporation: 31 May 2007
3. Ultimate beneficial owner: a state-owned enterprise, which is an independent third party
4. Legal representative: Liu Lei
5. Registered capital: RMB13,458,235,468.71
6. Registered address: Room 1-195, Building 1, Yard 1, Dongguangtou, Fengtai District, Beijing
7. Scope of business: investment and asset management; entrusted asset management; investment planning; consulting services; and property rights brokerage. (1. not to raise funds in public without the approval of relevant authorities; 2. not to publicly carry out trading activities of securities products and financial derivatives; 3. not to grant loans; 4. not to provide guarantees for other enterprises other than the invested enterprises; 5. not to promise investors that the investment principal is not lost or the minimum return is promised; enterprises shall independently select business projects and carry out business activities in accordance with the law; for items subject to approval in accordance with the law; enterprises shall carry out business activities within the approved scope after approval by relevant authority; and shall not engage in business activities prohibited and restricted by the industrial policies of the state and the city where the enterprise operates.)
8. Not a judgment defaulter

(XIII) Chengdu Rail Industry Investment Group Co., Ltd.* (成都軌道產業投資集團有限公司)

1. Nature of enterprise: limited liability company (sole proprietorship of legal person invested or controlled by persons other than individuals)
2. Date of incorporation: 17 October 2018
3. Ultimate beneficial owner: a state-owned enterprise, which is an independent third party
4. Legal representative: Guo Zhihong
5. Registered capital: RMB1,000 million
6. Registered address: 23/F, No. 396 Middle Section of Tianfu Avenue, Chengdu High-tech Zone, China (Sichuan) Pilot Free Trade Zone
7. Scope of business: project investment (illegal fund-raising, taking funds from the general public and other financial activities are prohibited); asset management (illegal fund-raising, taking funds from the general public and other financial activities are prohibited); investment consultation (illegal fund-raising, taking funds from the general public and other financial activities are prohibited); information technology promotion and services; domestic trade agency; advertising design, production and agency (excluding balloon advertising); and import and export of goods and technologies (except for import and export of goods and technologies prohibited by the state or involving administrative approval). (For items subject to approval in accordance with laws, business activities can only be commenced upon approval by the relevant authority)
8. Not a judgment defaulter

(XIV) Chongqing City Transportation Development & Investment Group Co., Ltd.* (重慶城市交通開發投資(集團)有限公司)

1. Nature of enterprise: limited liability company (wholly state-owned)
2. Date of incorporation: 9 November 1994
3. Ultimate beneficial owner: a national institution, which is an independent third party
4. Legal representative: Shi Jidong
5. Registered capital: RMB10,000 million
6. Registered address: No. 128, Zhongshan 3rd Road, Yuzhong District, Chongqing

7. Scope of business: general items: engaging in the operation and management of state-owned assets within the scope authorised by the municipal government, engaging in the investment, development, operation and management of urban transportation and infrastructure projects in Chongqing, engaging in the investment in urbanisation infrastructure, high-tech industry, environmental protection industry and aviation support industry projects (business activities for any item falling within the above and prohibited by laws and regulations shall not be conducted, and business activities for any item restricted by the laws and regulations shall only be conducted after the relevant administrative permits is obtained), property management (practicing with qualification certificate), warehousing services (excluding dangerous goods), land freight transportation agency, design, production, agency and publication of domestic advertisements, and land remediation services (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
8. Not a judgment defaulter

(XV) Hefei Industrial Investment Rail Industry Investment Partnership (Limited Partnership)* (合肥產投軌道產業投資合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 28 September 2023
3. Managing partner: Hefei Industrial Investment Capital Venture Capital Management Co., Ltd. * (合肥產投資本創業投資管理有限公司) (a state-owned enterprise, which, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB100.21 million
5. Registered address: No. 316, Jinxiu Avenue, Economic Development Zone, Feixi County, Hefei, Anhui Province
6. Scope of business: general items: equity investment, investment management, asset management and other activities based on private funds (business activities can only be carried out after registration and filing with the Asset Management Association of PRC) (Except for businesses subject to license, business activities for items that are not prohibited or restricted by laws and regulations can be conducted independently and lawfully)
7. Not a judgment defaulter

(XVI) Hunan Rail High-tech Industry Investment Co., Ltd.* (湖南軌道高新產業投資有限公司)

1. Nature of enterprise: limited liability company (sole proprietorship of legal person invested or controlled by persons other than individuals)
2. Date of incorporation: 13 February 2020
3. Ultimate beneficial owner: a state-owned enterprise, which is an independent third party
4. Legal representative: Bin Yu
5. Registered capital: RMB500 million
6. Registered address: 1703, 17/F, Building A, Xiangjiang Times Commercial Plaza, No. 179 Xiandao Road, Yanghu Street, Yuelu District, Changsha, Hunan Province
7. Scope of business: general projects: investment activities with self-owned funds; sales of special equipment, key systems and components for rail transit; information consulting services (excluding information consulting services subject to license); leasing of non-residential real estate; and sales of building materials (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses).
8. Not a judgment defaulter.

(XVII) Hualin Jinchan (Tianjin) Industry Investment Fund Partnership (Limited Partnership)* (華菱津杉(天津)產業投資基金合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 2 April 2009
3. Managing partner: Hunan Dice Runtong Private Equity Fund Management Co., Ltd. * (湖南迪策潤通私募基金管理有限公司) (a state-owned enterprise, which, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB2,000 million
5. Registered address: Room 213, 2/F, Office Building D, Comprehensive Service Area, Nangang Industrial Zone, Tianjin Economic and Technological Development Zone (Tianjin Xinxing Business Secretarial Services Limited Custody No. 1194)

6. Scope of business: investment in non-listed enterprises, investment in non-public issuance of shares by listed companies and related consulting services. (The above scope shall be subject to the relevant regulations should they be state-monopolised items)
7. Not a judgment defaulter

(XVIII) Orange Leaf Xindong (Zibo) Equity Investment Partnership (Limited Partnership)* (橙葉芯動(淄博)股權投資合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 17 August 2023
3. Managing partner: Beijing Orange Leaf Private Equity Fund Management Co., Ltd. * (北京橙葉私募基金管理有限公司) (which, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB53.28 million
5. Registered address: Room 1387, Area A, 13/F, Block B, Financial Technology Centre, No. 139 Liuquan Road, High-tech Zone, Zibo, Shandong Province
6. Scope of business: general items: investment activities with self-owned funds; venture capital (limited to investment in unlisted enterprises); equity investment, investment management, asset management and other activities based on private funds (business activities can only be carried out after registration and filing with the Asset Management Association of PRC). (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
7. Not a judgment defaulter

(XIX) China Railway Harbin Group of Technology Corporation* (哈爾濱國鐵科技集團股份有限公司)

1. Nature of enterprise: other joint stock limited companies (listed)
2. Date of incorporation: 31 October 1996
3. Legal representative: Liu Jinming
4. Registered capital: RMB480 million
5. Registered address: Building 35-2, High-tech Industrial Development Zone, Nangang District, Harbin

6. Scope of business: items subject to license: manufacturing of basic equipment for railway transportation; production of class II medical devices; construction works; interior decoration of residential units; electrical installation services; and design of special equipment. general items: technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; development of rail transit operation management system; ancillary activities of railway transportation; sales of special equipment, key systems and components of rail transit; information system integration services; sales of basic equipment for railway transportation; manufacturing of telecommunication equipment; manufacturing of network equipment; sales of network equipment; manufacturing of electrical signal equipment; sales of electrical signal equipment devices; manufacturing of transmission, distribution and control equipment; development of rail transit communication signal system; development of AI application software; AI industry application system integration services; sales of class II medical devices; manufacturing of vibration and noise reduction equipment; sales of vibration and noise reduction equipment; manufacturing of electronic components; wholesale of electronic components; retail of electronic components; manufacturing of integrated circuit chips and products; sales of integrated circuit chips and products; integrated circuit chip design and services; noise and vibration control services; import and export of goods; import and export of technology; manufacturing of electrical instrument; sales of electrical instruments and meters; manufacturing of instrument and instrument; sales of instruments and meters; housing rental; non-residential real estate leasing; and sales of smart power transmission and distribution and control equipment.
7. Not a judgment defaulter

(XX) China Integrated Circuit Industry Investment Fund Phase II Co., Ltd.* (國家集成電路產業投資基金二期股份有限公司)

1. Nature of enterprise: other joint stock company (unlisted)
2. Date of incorporation: 22 October 2019
3. The largest shareholder: a governmental department, which is an independent third party
4. Legal representative: Lou Yuguang
5. Registered capital: RMB204,150 million
6. Registered address: 701-6, 7/F, Block 52, No. 2 Jingyuan North Street, Beijing Economic-Technological Development Area, Beijing

7. Scope of business: project investment, equity investment; investment management, enterprise management; and investment consulting. (1. not to raise funds in public without the approval of relevant authorities; 2. not to publicly carry out trading activities of securities products and financial derivatives; 3. not to grant loans; 4. not to provide guarantees for other enterprises other than the invested enterprises; 5. not to promise investors that the investment principal is not lost or the minimum return is promised; enterprises shall carry out business activities for items subject to approval within the approved scope with approval by relevant authority)
8. Not a judgment defaulter

(XXI) Wuxi Xinxin Chuangshi Emerging Industry Venture Capital Fund Partnership (Limited Partnership)* (無錫信新創時新興產業創業投資基金合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 24 October 2023
3. Managing partner: CITIC Private Equity Fund Management Co., Ltd. * (中信私募基金管理有限公司) (which is controlled by a listed company, and, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB213.994 million
5. Registered address: A205-5, No. 9 Huayuan Street, Chang' an Avenue, Huishan District, Wuxi
6. Scope of business: general items: venture capital investment (only limited to investment in unlisted enterprises); equity investment; and investment activities with self-owned funds (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
7. Not a judgment defaulter

(XXII) CITIC Securities Investment Company Limited* (中信證券投資有限公司)

1. Nature of enterprise: limited liability company
2. Date of incorporation: 1 April 2012
3. Ultimate beneficial owner: a listed company, which is an independent third party
4. Legal representative: Fang Hao

5. Registered capital: RMB17,000 million
6. Registered address: Room 2001, Building 1, International Finance Plaza, No. 222 Shenzhen Road, Laoshan District, Qingdao
7. Scope of business: financial product investment, securities investment, and equity investment (the above scope shall be registered with the Asset Management Association of PRC, and the entity shall not engage in financial services such as deposit taking from the public, financing guarantee and entrusted wealth management without the approval of the financial regulator in accordance with the law). (For items subject to approval in accordance with laws, business activities can only be commenced with approval by the relevant authority)
8. Not a judgment defaulter

(XXIII) China Reform Development Investment Co., Ltd.* (國新發展投資管理有限公司)

1. Nature of enterprise: limited liability company (sole proprietorship of legal person)
2. Date of incorporation: 24 February 2022
3. Ultimate beneficial owner: a state-owned enterprise, which is an independent third party
4. Legal representative: Li Tienan
5. Registered capital: RMB50,000 million
6. Registered address: Room A2108, 1/F, Building 2, No. 4 Chegongzhuang Street, Xicheng District, Beijing
7. Scope of business: investment management; project investment; investment consulting; and enterprise management. (1. not to raise funds in public without the approval of relevant authorities; 2. not to publicly carry out trading activities of securities products and financial derivatives; 3. not to grant loans; 4. not to provide guarantees for other enterprises other than the invested enterprises; 5. not to promise investors that the investment principal is not lost or the minimum return is promised); market entities shall independently select business projects and carry out business activities in accordance with the law; for items subject to approval in accordance with the law; market entities shall carry out business activities within the approved scope after approval by relevant authority; and shall not engage in business activities prohibited and restricted by the industrial policies of the state and the city where the market entity operates.)
8. Not a judgment defaulter

(XXIV) Nam Kwong Innovation Capital (Zhuhai Hengqin) Co., Ltd.* (南光創新投資(珠海橫琴)有限公司)

1. Nature of enterprise: limited liability company (sole proprietorship of legal person invested or controlled by persons other than individuals)
2. Date of incorporation: 13 October 2023
3. Ultimate beneficial owner: a state-owned enterprise, which is an independent third party
4. Legal representative: Zhang Jian
5. Registered capital: RMB100 million
6. Registered address: Room 2601, No. 55 Fulin Road, Hengqin New District, Zhuhai
7. Scope of business: general items: investment activities with self-owned funds; and enterprise management. (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
8. Not a judgment defaulter

(XXV) Hefei Haitong Small and Medium Fund Partnership (Limited Partnership)* (合肥海通中小基金合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 11 May 2021
3. Managing partner: Haitong Capital Investment Co., Ltd. * (海通開元投資有限公司) (which is controlled by a listed company, and, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB2,000 million
5. Registered address: 20/F, Feixi Rural Commercial Bank, Guanyi Road, Shangpai Town, Feixi County, Hefei, Anhui Province
6. Scope of business: general items: investment activities with self-owned funds; equity investment, investment management, asset management and other activities based on private funds (business activities can only be carried out after completion of registration and filing with the Asset Management Association of China); and venture capital (limited to investment in unlisted enterprises) (Except for businesses subject to license, business activities for items that are not prohibited or restricted by laws and regulations can be conducted independently and lawfully)
7. Not a judgment defaulter

(XXVI) Juyuan SME Development (Tianjin) Venture Fund, LLP* (聚源海河中小企業發展創業投資基金(天津)合夥企業(有限合夥))

1. Nature of enterprise: limited partnership
2. Date of incorporation: 24 February 2023
3. Managing partner: SMIC Juyuan Equity Investment Management (Tianjin) Partnership (Limited Partnership)* (中芯聚源股權投資管理(天津)合夥企業(有限合夥)) (which, together with the limited partners of this strategic investor, are independent third parties)
4. Capital contribution: RMB3,000 million
5. Registered address: 6-788, 6/F, Building C, XEDA Sci-Tech Park, Xiqing Economic and Technological Development Zone, Tianjin
6. Scope of business: general items: venture capital (limited to investment in unlisted enterprises). (Except for items subject to approval in accordance with the law, business activities shall be carried out independently and lawfully with business licenses)
7. Not a judgment defaulter

7. REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The Company is of the view that the implementation of the Capital Increase and share expansion of Times Semiconductor will provide more funds for the development of the power semiconductor industry, deepen industrial strategic cooperation and effectively motivate core employees. This will further enhance operational vitality and benefits, and boost the core competitiveness of Times Semiconductor, thus underpinning the long-term development strategy of Times Semiconductor.

Upon completion of the Capital Increase, the Company will hold 77.7771% equity interest in Times Semiconductor, in which case Times Semiconductor will remain as a controlling subsidiary of the Company, and therefore the scope of consolidated financial statements of the Company will remain unchanged.

The Company further considers that the Capital Increase Agreement and the transactions contemplated thereunder are entered into on normal commercial terms after arm's length negotiations, and the terms and conditions of the Capital Increase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

8. IMPLICATIONS UNDER THE LISTING RULES

As the transactions contemplated under the Capital Increase Agreement will result in a decrease in the Company's equity interest in Times Semiconductor from 96.168% to 77.7771%, the Capital Increase will constitute a deemed disposal of the Company under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio in respect of the Capital Increase exceeds 5% but is less than 25%, the Capital Increase will constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Capital Increase is subject to the execution of the Capital Increase Agreement with the strategic investors and ESOP 2, industrial and commercial registration and other required procedures. There are still uncertainties in the implementation of the Capital Increase and results of the transaction. Investors are advised to pay attention to the investment risks.

DEFINITIONS

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

“associate(s)”	has the meaning as defined in the Listing Rules
“Board”	the board of Directors of the Company
“Capital Increase”	increasing the capital of Times Semiconductor by subscription for the Registered Capital Increment with the Capital Increase Amount under the Capital Increase Agreement
“Capital Increase Agreement”	the Capital Increase Agreement to be entered into by and among the Company, ESOP 1, the Capital Injectors and Times Semiconductor in relation to the Capital Increase
“Capital Increase Amount”	has the meaning as defined in Section 2.2 of this announcement
“Capital Increase Completion Date”	has the meaning as defined in Section 2.6 of this announcement
“Capital Injectors(s)”	collectively, the 26 strategic investors and ESOP 2, and a Capital Injector being any one of the strategic investors or ESOP 2

“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 incorporated in the PRC with limited liability, the shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange
“connected person(s)”	has the meaning as defined in the Listing Rules
“CRRC”	CRRC Corporation Limited (中 國 中 車 股 份 有 限 公 司), an indirect controlling shareholder of the Company
“Director(s)”	the director(s) of the Company
“ESOP 1”	Zhuzhou Xinlianjie No. 0 Enterprise Management Partnership (Limited Partnership)* (株 洲 芯 連 接 零 號 企 業 管 理 合 夥 企 業 (有 限 合 夥)), a limited partnership established in the PRC and an employee stock ownership platform of Times Semiconductor
“ESOP 2”	Zhuzhou Xinfazhan No. 0 Enterprise Management Partnership (Limited Partnership)* (株 洲 芯 發 展 零 號 企 業 管 理 合 夥 企 業 (有 限 合 夥)), a limited partnership established in the PRC and an employee stock ownership platform of Times Semiconductor
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	a party(ies) independent of and not connected with the Company and its connected persons
“Jiazixin”	Zhuzhou Jiazixin Investment Partnership (Limited Partnership)* (株 洲 甲 子 芯 投 資 合 夥 企 業 (有 限 合 夥)), a limited partnership established in the PRC; one of the limited partners of Zhuzhou Guochuang Tianxin Venture Capital Fund Partnership (Limited Partnership)* (株 洲 市 國 創 田 芯 創 業 投 資 基 金 合 夥 企 業 (有 限 合 夥)), which is one of the Capital Injectors, holding approximately 19.0476% of its limited partnership interest
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio”	has the meaning as defined in Rule 14.07 of the Listing Rules

“PRC”	the People’s Republic of China, which, for the purpose of this announcement only, excludes Taiwan, Hong Kong and Macau Special Administrative Region
“Registered Capital Increment”	has the meaning as defined in Section 2.2 of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Times Semiconductor”	Zhuzhou CRRC Times Semiconductor Co., Ltd. * (株 洲 中 車 時 代 半 導 體 有 限 公 司), a subsidiary of the Company, and a company established in the PRC with limited liability

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

Zhuzhou, China, 28 March 2024

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 Director is Shang Jing, and our independent non-executive Directors are Gao Feng, Li Kaiguo, Zhong Ninghua and Lam Siu Fung.

[^] *Where the context permits or requires, words denoting the singular include the plural and vice versa; and words denoting the masculine gender include the feminine and neuter genders and vice versa.*

^{*} *For identification purpose only.*