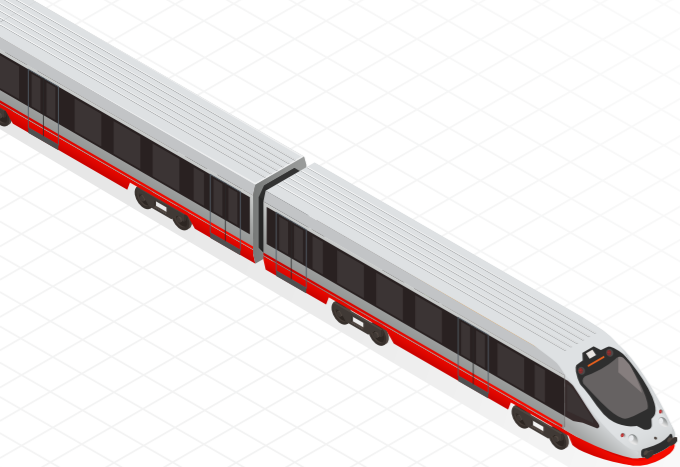


2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT



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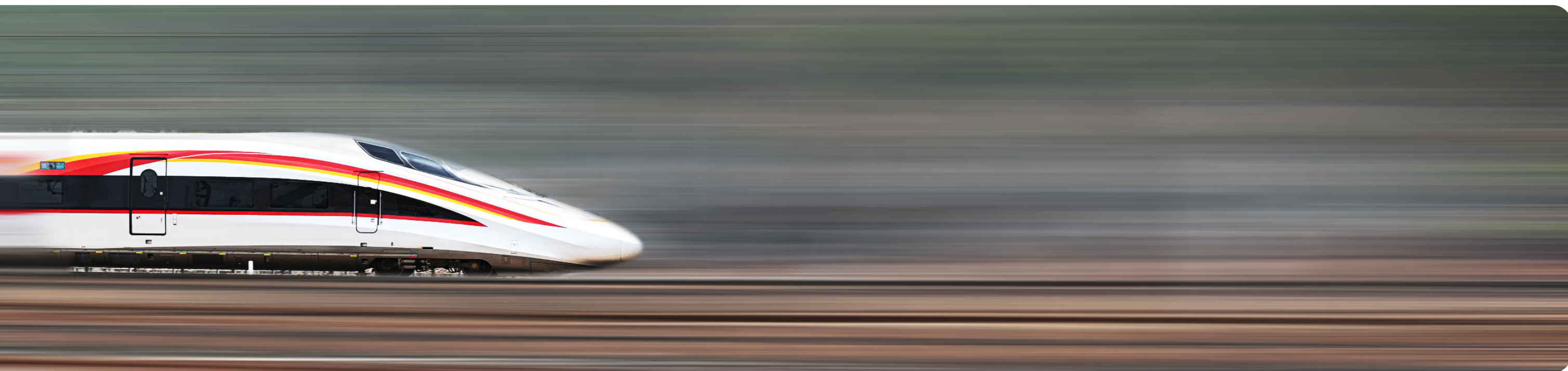
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株洲中车时代电气股份有限公司
ZHUSHOU CRRC TIMES ELECTRIC CO., LTD.

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About This Report

The 2025 Environmental, Social, and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. (the "Report") is disclosed by Zhuzhou CRRC Times Electric Co., Ltd. (hereinafter referred to as "Times Electric", the "Company", or "we"). The Report aims to provide a comprehensive disclosure to stakeholders regarding the Company's principles, governance approaches, implementation measures, and achievements in ESG aspects throughout its operations.

Reporting Period

This is an annual report covering the period from January 1, 2025, to December 31, 2025 (the "Reporting Period"). To enhance comparability and forward-looking insights, some textual content extends appropriately to previous and subsequent years.

Reporting Scope

The scope of information disclosed in this Report covers Times Electric's headquarters and its financially consolidated subsidiaries. Companies in which Times Electric holds an equity stake are excluded from this scope. In particular, the key performance indicators relating to environmental, social and governance matters cover the Company and its wholly-owned subsidiaries in Chinese mainland. The scope of disclosure in this report is consistent with consolidation scope.

Basis of Preparation

The Report is prepared with reference to the *Environmental, Social and Governance Reporting Code* (the "ESG Reporting Code") in Appendix C2 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "HKEX"), the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* released by the Shanghai Stock Exchange (the "SSE"), the *Sustainability Reporting Standards* (the "GRI Standards") issued by the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (the "SDGs"), the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* ("IFRS S1") and the *IFRS S2 Climate-related Disclosures* ("IFRS S2") issued by the International Sustainability Standards Board (the "ISSB"), and the Key Focus Areas of MSCI ESG Ratings, etc.

Reporting Principles

This report is prepared in accordance with the four fundamental reporting principles outlined in the *HKEX ESG Reporting Code*: Materiality, Quantitative, Balance, and Consistency, as well as the "Mandatory Disclosure" and "Comply or Explain" provisions. Times Electric affirms that the Report contains no false statements or misleading descriptions and is responsible for the authenticity, accuracy, and completeness of its contents.

- **Materiality:** The Company conducts annual stakeholder engagement and materiality assessments to identify significant ESG issues, with a focus on disclosing and responding to highly material issues.
- **Quantitative:** The Report adopts quantitative methods to measure applicable key performance indicators and discloses the measurement methodology, basis, and scope.
- **Balance:** The Report provides a transparent and objective account of the Company's ESG performance, enabling stakeholders to make objective reviews.
- **Consistency:** Unless otherwise specified, the Report maintains consistency in statistical methods with previous years to ensure comparability of ESG data over time. If there are changes in statistical scope, explanatory notes will be provided in the Report.

Data Sources

The textual information and quantitative data disclosed in the Report are from the Company's official documents and statistical reports, and the quantitative data quoted represent the final statistical results calculated using generally accepted, fair standard calculation methodologies. If the relevant financial data is inconsistent with the Company's annual report, the annual report shall prevail.

Report Access

The Report is available in Simplified Chinese, Traditional Chinese, and English. You can download and read the PDF version on the company's official website (www.tec.crrcztic.com) to access more information about its environmental, social and corporate governance. In case of discrepancies between the Simplified Chinese, Traditional Chinese and English versions, the Simplified Chinese version shall prevail.

External Assurance

To fully address the demands of various stakeholders and ensure the materiality of the Report, Times Electric has engaged TÜV Rheinland (China) Ltd. to conduct independent, objective and impartial assurance services in accordance with the *AA1000 Assurance Standards V3* (AA1000AS V3). The assurance statement is included in the Appendix to the Report.

Feedback

If you have any questions or feedback regarding the Report and its contents, please feel free to contact us through the following methods:

Office Address: No.169 Times Road, Shifeng District, Zhuzhou, Hunan, People's Republic of China

E-mail: ir@csrzic.com

Table of Abbreviations for Company Names Referenced in This Report

CRRC Group Co., Ltd.	CRRC Group
CRRC Corporation Limited	CRRC
CRRC Zhuzhou Institute Co., Ltd.	CRRC Zhuzhou Institute
Ningbo CRRC Times Transducer Technology Co., Ltd.	Ningbo Times
Baoji CRRC Times Engineering Machinery Co., Ltd.	Baoji Times
Zhuzhou CRRC Times Semiconductor Co., Ltd.	Times Semiconductor
Yixing CRRC Times Semiconductor Co., Ltd.	Yixing Semiconductor
CRRC SMD (Shanghai), Ltd.	SMD Shanghai
Zhuzhou National Engineering Research Center of Converters Co., Ltd.	National Center of Converters
Chongqing CRRC Times Electric Technology Co., Ltd.	Chongqing Times
Hunan CRRC Times Electric Drive Technology Co., Ltd.	CRRC Electric Drive
Ningbo CRRC Times Electric Equipment Co., Ltd.	Ningbo Electric
Taiyuan CRRC Times Rail Engineering Machinery Co., Ltd.	Taiyuan Times

Message from the General Manager

As the seasons turn, we set off on a new journey with determination. Times Electric remains steadfast in its mission of "Connecting the World and Benefiting Mankind" and its core values of "Righteousness and Integrity, Goodness and Success". Guided by becoming an electrical enterprise with "Four Higher" as the basic operating principles, we closely align individual endeavor with corporate growth and national strategy, delivering a sustainable development performance in the final year of the 14th Five-Year Plan that is rich in responsibility and human warmth.

In 2025, with innovation as the catalyst, we cultivated new quality productive forces. Keeping pace with the national wave of scientific and technological innovation, we are committed to deeply integrating our high-speed rail DNA into industrial upgrading, providing society with safe, intelligent, green and comfortable technology products and system services. In the rail transit sector, we deepened the application of intelligent operation and maintenance technologies, completed iterative upgrades of key components for the CR450 EMU, and developed an autonomous collaborative operation control platform for urban rail transit, thereby enhancing passenger travel experience while helping reduce carbon emissions across the full life cycle. In the new energy sector, we advanced clean technologies and product innovation, launching the 2000V/455kW photovoltaic inverter "Chixiao" and the 3.45MW energy storage power conversion system "Yunshu", and continued the R&D and industrialization of key products such as intelligent control platforms and high-performance chips. Multiple technologies achieved breakthroughs and were brought to market, setting new benchmarks for efficiency and safety in the industry and strengthening the momentum of technology-enabled high-quality development.

In 2025, we honored our low-carbon commitment with green development as the foundation. We fully implemented the "carbon peaking and carbon neutrality" strategy, embedding the concept of green development throughout the entire value chain of production and operations. We continued to advance the "6R1D" green packaging strategy, increased the share of clean energy use, and procured 150,415 MWh of green electricity and corresponding green certificates, driving carbon reduction and efficiency gains across all operational processes. We established three digital platforms—Smart Park, Energy Dispatching, and Carbon Management and Control—completed carbon emissions accounting for corporate operations and the entire value chain, and enhanced refined carbon management capabilities. We upgraded our green supply chain management system to drive coordinated low-carbon transformation across upstream and downstream partners. We were awarded the MIIT "Excellence-level Smart Factory" designation, and continued to enhance our standing as a "National Green Factory" and a "National Green Supply Chain Management Demonstration Enterprise". We optimized solid waste sorting and disposal and improved processes to reduce waste gas emissions, and advanced water resource circularity projects such as reclaimed water reuse and the purification and reuse of low-concentration fluoride wastewater, embedding green development as a defining characteristic of our growth.

In 2025, we strengthened the foundations for steady growth with compliance as the cornerstone. We continuously optimized the three-tier ESG governance structure, deeply integrating sustainable development into corporate strategy and the full governance process. We enhanced the "integrated multi-stakeholder" oversight system, focusing on key areas and critical links, strengthening integrity risk prevention and control, and upholding the bottom line of law-based and compliant operations. We successfully passed the on-site audit for maintaining the effectiveness of the ISO 37301 compliance management system, demonstrating the efficient operation of our compliance framework. We expanded communication channels with stakeholders such as shareholders and investors, and improved the transparency and quality of information disclosure, ensuring sound governance for long-term, stable progress and earning broad market recognition through integrity-based operations.

In 2025, we built a shared and mutually beneficial development ecosystem with a people-centered approach. We always place employees at the core of development by improving our occupational health and safety system, optimizing training and career advancement pathways, and enriching cultural and sports-related activities, so that every hard-working employee can grow with the Company and feel supported and valued. Upholding the principle of win-win cooperation, we hosted a supply chain ecosystem co-building exchange conference, deepened collaborative innovation with partners, and fostered a highly reliable and sustainable industrial ecosystem. We actively fulfilled our social responsibilities by organizing the "science outreach and educational support program titled "Green Energy Lighting Up the Future", advancing community co-building, and promoting PV-based desertification control projects in the "Shagehuang" regions (desert, Gobi and desertified areas). We also supported rural revitalization through donations, employment support and other initiatives, demonstrating the responsibilities expected of a state-owned enterprise and enabling more people to share in the outcomes of development.

Looking ahead, standing at the new starting point of the 15th Five-Year Plan, we will continue to drive industrial upgrading through innovation, protect our shared ecological home through green development, safeguard the bottom line for development through compliance, and fulfill our founding aspiration and mission through responsibility. Together with global partners, we will write an even more impressive new chapter of high-quality development.



Secretary of Party Committee, Executive Director and General Manager
of Zhuzhou CRRC Times Electric Co., Ltd.

Xu Shaolong

About Times Electric

Company Profile

Zhuzhou CRRC Times Electric Co., Ltd. (Times Electric) is a joint-stock company under CRRC. Originating from its predecessor and parent company, CRRC Zhuzhou Institute, which was established in 1959, the Company has been at the forefront of China's electrified railway equipment industry. Times Electric was officially founded in 2005 and successfully listed on the Hong Kong Stock Exchange on December 20, 2006 (Stock Code: 3898). On September 7, 2021, the Company was also listed on the Science and Technology Innovation Board (STAR Market) of the Shanghai Stock Exchange (Stock Code: 688187).

As a global leader in railway transit and new energy industries, Times Electric has remained committed to technological innovation and high-quality development. With the vision of "jointly building a green, intelligent new era through technological innovation", the Company has established a complete industrial chain encompassing "core components, devices & systems, and complete equipment & engineering solutions". Times Electric operates across six major sectors, including rail transit, semiconductors, new energy power generation, automotive equipment, industrial applications and marine equipment, with a well-established supply and service network in more than 20 countries and regions worldwide.

Driven by a strong commitment to independent innovation, the Company has played a key role in formulating international standards and has received numerous prestigious awards, including the China Patent Gold Award and the National Science and Technology Progress Award. As a core power provider for China's high-speed rail industry, Times Electric has established a globally competitive edge in traction drive and control systems for rail transit, supporting China's "Belt and Road" Initiative and the "Going Global" strategy of high-end equipment.

Amidst a new wave of technological advancements and industrial transformation, Times Electric unswervingly pursues green and sustainable development. The Company has deeply integrated China's Dual Carbon (carbon peaking and carbon neutrality) targets into its business strategy, actively expanding in the new energy sector, and driving the innovation and application of green, low-carbon technologies to support global sustainability.

Throughout its growth, Times Electric has remained dedicated to fulfilling its corporate social responsibilities, safeguarding shareholders' rights and interests, strengthening its full industry-chain deployment, enhancing self-sufficiency, and continuously improving resource efficiency and profitability. Through innovation-driven, high-quality development, Times Electric provides safe, intelligent, green, and comfortable high-end equipment to the world, supporting the building of a more sustainable future.

	2025	2024	2023
Total Assets	720.84 RMB 100 million	648.02 RMB 100 million	537.79 RMB 100 million
Operating Income	287.03 RMB 100 million	249.09 RMB 100 million	219.62 RMB 100 million
Operating Income Growth Rate	15.23 %	13.42 %	21.16 %
Net Profit Attributable to the Shareholders of the Parent Company	40.97 RMB 100 million	37.03 RMB 100 million	30.41 RMB 100 million
Cash Dividend per 10 Shares	11.20 RMB	10.00 RMB	7.80 RMB
R&D Investment	31.77 RMB 100 million	28.42 RMB 100 million	21.87 RMB 100 million
R&D Investment as a Percentage of Operating Income	11.07 %	11.41 %	9.96 %



Corporate Culture

Mission

Connecting the World and Benefiting Mankind



Vision

To become a world-class company in the transportation and energy sectors



CRRC Philosophy

- Core Values: Righteousness and Integrity, Goodness and Success
- Organizational Climate: Harmony, Transparency, Sincerity, Inclusiveness
- Work Ethos: Responsibility, Efficiency, Excellence



Corporate Spirit

Practicality, Respect, Innovation, Achievement



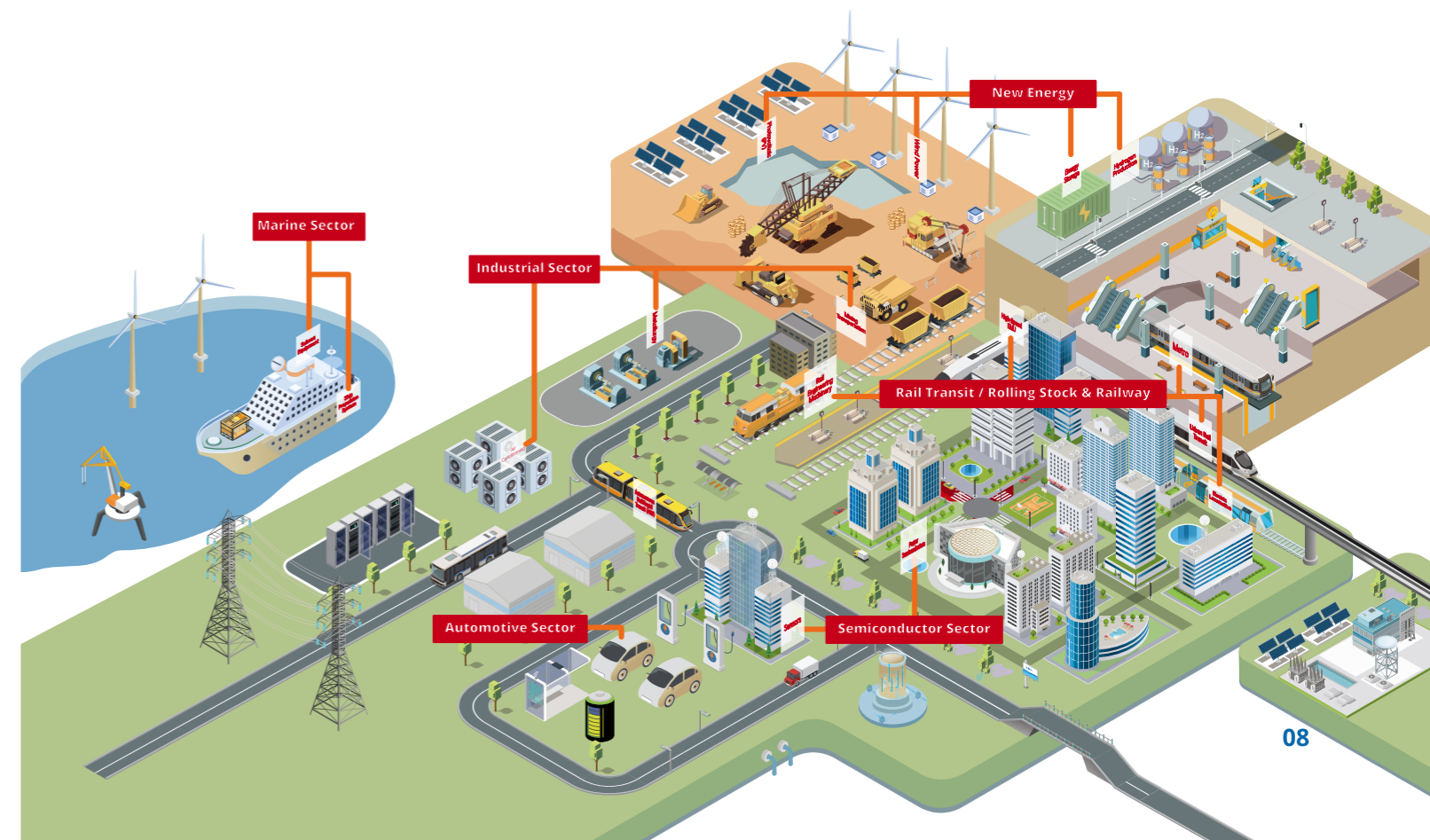
Twelve Key Principles

- On Industry: Focus, Diversification, Contribution to the Nation
- On Work: Joyful Work, Happy Life
- On Talent: Expertise, Commitment, Dedication
- On Reform: Progress, Boldness, Leadership
- On Marketing: Customer Focus, Integrity, Trust
- On R&D: Openness, Self-Improvement, Innovation
- On Manufacturing: Precision, Intelligence, Distinction
- On Quality: Reliability, Customer Satisfaction, Continuous Improvement
- On Safety: Prevention, Protection, Consistency
- On Service: Tailored Service, Efficiency, Responsiveness
- On Risk Control: Strengthen Accountability to Safeguard Development
- On Party-building: Rooted Cultivation and Soul-Shaping, and Deep Integration



Business Layout

With "technology" and "market" as twin focal points, we have established six major business segments: rail transit, semiconductors, new energy power generation, automotive equipment, industrial applications, and marine equipment. We have progressively built a complete technology and industrial chain spanning from chips (devices) to systems (components) and to complete equipment units.



- Times Electric supported the grid connection and power generation of the country's largest photovoltaic project in the "Shagehuang" regions (desert, Gobi and desertified areas) — CGDG 400kW Photovoltaic Project in Ruoqiang, Xinjiang.
- Times Electric showcased its full range of new energy products at the World Future Energy Summit 2025 in Abu Dhabi.

January

- The relocation ceremony of the CRRC Electric Drive Zero Carbon Industrial Park was successfully held.

March

- Times Electric convened the 2025 Partners Conference.
- Times Electric supported the delivery of a series of standardized new energy locomotives.

May

- Times Electric's close range wireless reconnection system for locomotives was deployed at scale.

July

- Times Electric supported the commencement of full line no load trial operations for Phase I of Hefei Metro Line 6.
- Times Electric showcased integrated vehicle-ground system solutions and core urban rail products at the 2025 China International Metro Transit Exhibition.

September

- SMD Shanghai's enterprise standard titled *Deep Sea Intelligent Trenching and Cable Laying Robot* was designated as a "Shanghai Standard".
- Times Electric visited Bayannur to carry out the "Green Energy Lighting Up the Future" learning support program.

November

Milestones for 2025

February

- Marine optical cable installation equipment independently developed by Times Electric was added to the collection of the National Museum of China.

April

- Times Electric unveiled "Super Multi-in-One E-Drive" C-Power330, the first product of the CRRC E-Drive 5.0 Platform.

June

- Times Electric showcased its next generation PV and energy storage power conversion products at SNEC 2025.
- Times Electric's fully self-developed FAO signaling system was applied for the first time on Ningbo Rail Transit Line 8.

August

- With the help of Times Electric, wide-width, high-speed continuous rolling mill for silicon steel was successfully commissioned.

October

- Three international standards in the field of fully automated rail transit operation, in which Times Electric participated as a core contributor, came into effect.
- Times Electric supported the successful first rolling of the 1580 hot strip rolling project at Baoshan Base of Baoshan Iron & Steel Co., Ltd.
- CRRC Electric Drive convened the 2025 Supply Partner Strategic Seminar and Technology Development Day event.

December

- With the help of Times Electric's FAO system, Anhui Province's first large-scale project to split an operational line and upgrade the FAO system wound up.

ESG Ratings of Times Electric

CSI ESG Rating
CSI ESG RATING **A**

Sino-Securities ESG RATINGS
Sino-Securities Index **AAA**

Wind ESG Rating
WIND ESG RATING **AA**

Honors & Awards

ESG

Top 100 of the 3rd "Guoxin Cup" ESG Golden Bull Awards
China Securities Journal and China Reform


"2025 A Share Listed Companies Industrial Sector ESG Performance TOP 20"
Sino-Securities Index

The 19th Listed Company Value Selection "ESG Top 100"
Securities Times

"2025 A Share Listed Companies Best Practices in the Social (S) Dimension TOP 50"
Sino-Securities Index

"2025 A Share Listed Companies ESG Excellence TOP 100"
Sino-Securities Index

"2025 A Share Listed Companies Best Improvement in ESG Ratings TOP 100"
Sino-Securities Index



Technology Innovation

Silver Award of the 25th China Patent Awards
China National Intellectual Property Administration

Manufacturing "Single Champion"
Ministry of Industry and Information Technology

Second Prize and Third Prize in the National Lean Digital Intelligence Competition
China Enterprise Reform and Development Society

Grand Prize of Railway Science and Technology
China Railway Society

Information Disclosure

Grade A in the 2024 to 2025 Information Disclosure Assessment, receiving Grade A for three consecutive years
Shanghai Stock Exchange

2025 Best Practice Case Award for Listed Company Board Offices of Directors
China Association for Public Companies

2025 Best Practice Case Award for Listed Company Board Offices of Directors
China Association for Public Companies

Investor Relations

5A Rating in the 2025 Performance Evaluation for Board Secretaries of Listed Companies
China Association for Public Companies

The 16th Tianma Award for Investor Relations Management
Securities Times

"Sunshine Board Secretary Award"
Securities Times

Brand Leadership

Highest tier "Benchmark" rating in the 2024 "Science and Technology Reform Enterprises" evaluation
Bureau of Enterprise Reform, State-owned Assets Supervision and Administration Commission of the State Council

2025 "Excellence Level Smart Factory"
Ministry of Industry and Information Technology

National Specialized and Innovative "Little Giant" Enterprise
Ministry of Industry and Information Technology

The "Deep Sea Intelligent Trenching and Cable Laying Robot" was included in the 2025 list of "Strong Chain Brands" in China's shipbuilding industry
China Association of National Shipbuilding Industry

Theme of 2025

Technological Innovation Driving a Green Future

To create a world-class company and achieve high quality development, Times Electric has consistently adhered to an innovation-driven and diversified-yet-focused development strategy, and is committed to providing society with safe, intelligent, green and comfortable technology products and system solutions. The Company is committed to China's "Carbon Peaking and Carbon Neutrality" goals and continues to promote innovation in clean technologies and products. In 2025, it continued the R&D and industrialization of key products such as photovoltaic inverters, intelligent control platforms, highly reliable energy storage power conversion systems, and high performance chips. A number of technologies achieved breakthroughs and were brought to market.

In 2025, Times Electric

- completed iterative upgrades of key technologies such as the PCU and permanent magnet safety solutions for the CR450 EMU, and passed stable mainline operation assessment exceeding 360,000 km.
- completed onboard testing of the Fuxing series high power permanent magnet freight electric locomotive, helping heavy haul electric locomotives transition from "Hexie" to "Fuxing".
- saw that the FAO system on Ningbo Rail Transit Line 8 was put into full operation, incorporating multiple advanced technologies.
- completed China's first engineering demonstration application of a coordinated "grid-power source-energy storage-rolling stock" functional system for heavy haul railways.
- launched in series six construction equipment electric drive platforms adapted to complex operating conditions such as high altitude and extreme cold, and tunnel geothermal environments for the first time.
- achieved a breakthrough in fourth generation trench gate SiC MOSFET chip technology, with specific on-resistance of no more than 2 milliohms per square centimeter, reaching an internationally leading level.
- made a breakthrough in 1 micrometer pitch ultra fine trench IGBT technology, increasing current output capability by 7 percent and further expanding its leading edge.
- launched the 400 kW+ photovoltaic inverter "Chixiao" and the 3.X MW energy storage PCS "Yunshu".
- rolled out the IGBT based hydrogen production power supply HPS 2.0 platform, increasing power density by more than 40% and delivering industry leading performance indicators.
- developed a series of 0.5 to 4.3 MW shaft generator frequency converters, realizing the onboard application of the world's largest domestically produced shaft generator frequency converter on board a vessel, maintaining an industry leading position.
- The world's first commercially delivered electric ROV for underwater heavy-duty operations leads the global electrification trend for deep-sea operations. A domestically developed maximum-horsepower 1,500-meter deep-sea ROV system has successfully completed sea trials and been delivered.

Clean Technology R&D

Times Electric upholds the development philosophy of "intelligent, safe, green and comfortable", focuses on the R&D and manufacturing of high-end equipment, and actively promotes the green and low carbon transition in the transportation and energy sectors. Leveraging continuous technological innovation and resource investment, the Company has made notable progress in clean technology R&D. The Company's business covers multiple areas including green rail transit and new energy power generation, and all of its technology R&D and patents fall within the clean technology domain.

Number of clean tech-related patents ¹	2,647
R&D investment in clean tech ¹	RMB 3.177 billion
Target of investment in clean tech in 2025 ¹	R&D investment on clean tech accounts for 10% of revenue. Progress: R&D investment on clean tech accounts for 11.07% of revenue, exceeding the target.
Target of investment in clean tech in 2026 ¹	R&D investment on clean tech accounts for 10% of operating income.

Times Electric's Investment in Green and Clean Technology Development

Clean Technology Achievements

The Company regards strategic R&D in clean energy technologies as a core engine for industrial upgrading and green transformation. During the year, through systematic innovation and R&D in equipment such as photovoltaic inverters, energy storage power conversion systems, and new energy electric drives, the Company successfully launched products including the "Chixiao" series inverters, and achieved key technological breakthroughs and demonstration applications in areas such as new energy locomotive platforms and autonomous control platforms, providing strong support for building an efficient, low carbon modern energy system and advancing the green transition in the transportation sector.



Case: Autonomous Collaborative Operation and Control Platform for Urban Rail Transit —Driving Green, Safe and Efficient Mobility Through an Intelligent Technology Paradigm

By deeply integrating core systems including signaling, autonomous sensing, traction, and networks, the platform has established an integrated "sens-communication-computing-execution" technology foundation. The platform developed key equipment for communication and signaling, autonomous sensing, and network control, enabling coordinated operation and control across systems and disciplines and supporting rapid, customized development for multiple modes, including urban rail transit, regional railways, and maglev transit. In practical deployment, the platform has significantly improved system reliability and operating efficiency, effectively reducing construction and operation and maintenance costs. In addition, its intelligent management and control capabilities optimize the energy consumption mix and support flexible train formation and precise dispatching, thereby enhancing passenger travel experience and helping urban rail systems reduce life cycle carbon emissions.



Autonomous Collaborative Operation Control Platform for Urban Rail

* 1. All of the Company's technological R&D and patents fall within clean technology domain.



Case: "Chixiao" Photovoltaic Inverter—Driving the Upgrade of Green Energy Equipment Through Proprietary Technology Breakthroughs and Industrial Chain Collaboration

Leveraging the Company's mature technical expertise in high-speed rail traction converters, Times Electric successfully developed the 2000V/455kW photovoltaic inverter "Chixiao". Through localization of core components and system optimization, it significantly improves the product's environmental performance and the value created through industrial chain collaboration. Relying on topology innovation and breakthroughs in thermal management technologies, the product achieves improvements in both conversion efficiency and power density, effectively reducing energy consumption and operation and maintenance costs of photovoltaic power generation systems. Its high-speed-rail-grade quality ensures high reliability in complex environments, extending service life and reducing resource consumption. Its fully independent and controllable supply chain enhances the resilience of the industrial chain and facilitates the domestic substitution of new energy equipment. Its full-domain adaptive grid-forming capability enables the integration of high-penetration renewable energy into the power grid, improving the stability of the energy system.



"Chixiao" Photovoltaic Inverter



Case: "Yunshu" Energy Storage Power Conversion System—Supporting Clean Energy Transition and Grid Security Through High Performance Technologies

Times Electric developed the "Yunshu" series 3.X MW energy storage PCS. By integrating core technologies such as high power density, hybrid energy storage dispatching, and full range protection, the product significantly enhances the environmental benefits and operational reliability of energy storage systems. With a single-unit power rating of up to 3.45 MW, it can seamlessly adapt to next-generation high-capacity lithium-ion battery systems ranging from 587 Ah to 688 Ah. Its grid-forming technology delivers stronger grid adaptability, effectively enabling high penetration of renewable energy and helping to reduce carbon emissions. In terms of safety, the product enables millisecond-level arc detection and suppression, establishing a flameless safety barrier and ensuring stable operation of power stations over their full life cycle, which underscores its strong sense of responsibility to communities and the environment. Meanwhile, its high compatibility design and intelligent dispatching capabilities optimize energy dispatching efficiency across scenarios and reduce energy losses. With domestically produced core components, it also strengthens supply chain resilience, practicing ESG principles from multiple dimensions including technological innovation, safety assurance, and resource coordination.



"Yunshu" Energy Storage Power Conversion System



Case: Permanent Magnet Six Axle Locomotive Traction System Platform—Achieving Indigenous Capability and Green Upgrading in Heavy Haul Traction Technologies

The permanent magnet six axle locomotive traction system platform applied high power permanent magnet synchronous traction technology to the heavy haul locomotive sector for the first time. By overcoming bottlenecks in the application of new power devices, it established a fully independent and controllable traction auxiliary system and network control system, enabling iterative upgrades from "Harmony" to "Fuxing" locomotives. The platform supports the green and intelligent transformation of rail transit equipment and reflects Times Electric's breakthrough progress in core technology innovation and industrial chain self-reliance.

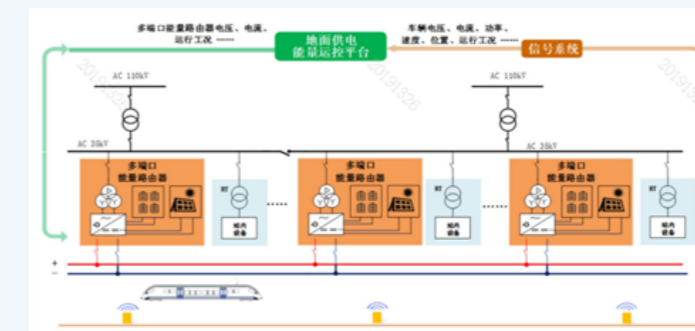


Permanent Magnet Six Axle Locomotive Traction System Platform



Case: Multi-Source Integrated Active Power Supply System for Urban Rail Transit—Promoting Green and Low Carbon Mobility Through "Source-Grid-Load-Storage" Coordination

The multi-source integrated active power supply system for urban rail transit developed by Times Electric enables intelligent coordination among traction power supply, photovoltaic power generation, energy storage, and loads through an energy router and an energy operation and control platform, building a new "train-to-ground" coordinated ecosystem for efficient power supply and consumption. Centered on bidirectional power conversion technology, the system transforms the traditional passive power supply into active bidirectional power supply, significantly enhancing power quality and the capacity to accommodate renewable energy. In practical application, the system enables recovery and utilization of regenerative braking energy, reduces line losses, and effectively suppresses rail potential fluctuations, improving power supply reliability. Meanwhile, through multi-source coordination modes such as direct PV connection to the traction network and peak shaving and valley filling by energy storage systems, the system optimizes energy consumption and reduces carbon emissions for urban rail transit, providing key technical support for the development of green urban rail.



Multi-source Integrated Active Power Supply System for Urban Rail

ESG Governance

Times Electric continues to deepen sustainable development governance by systematically integrating environmental, social and governance (ESG) elements into its daily operations and management practices. The Company has established and improved a sound and effective sustainable development governance structure, and continuously enhances the quality of its ESG governance. Through active engagement and communication with stakeholders, the Company has identified and developed a materiality issue matrix to push forward the implementation of the sustainable development strategy in a systematic and structured manner.

Board Statement

The Board of Directors of Times Electric attaches great importance to the Company's ESG and sustainable development, and assumes ultimate responsibility for the review, and decision making of the Company's ESG and sustainable development motions. Through the three-tier ESG governance structure, the Board of Directors of Times Electric performs the following duties:

- 1 Oversee the management and executive teams in the implementation of ESG and sustainable development initiatives.
- 2 Review and decide on major strategies and policies for ESG and sustainable development of Times Electric.
- 3 Identify and assess ESG issues, and prioritize them based on their impacts on the Company's business model, operating performance and ESG impacts in the short, medium and long term.
- 4 Regularly review progress against ESG and sustainable development targets.
- 5 Regularly review the operation of the Company's ESG oversight mechanisms.
- 6 Directly integrate and consider ESG-related factors in strategy formulation and major transaction decision making.

In March 2026, this report was reviewed and approved by the Board of Directors.

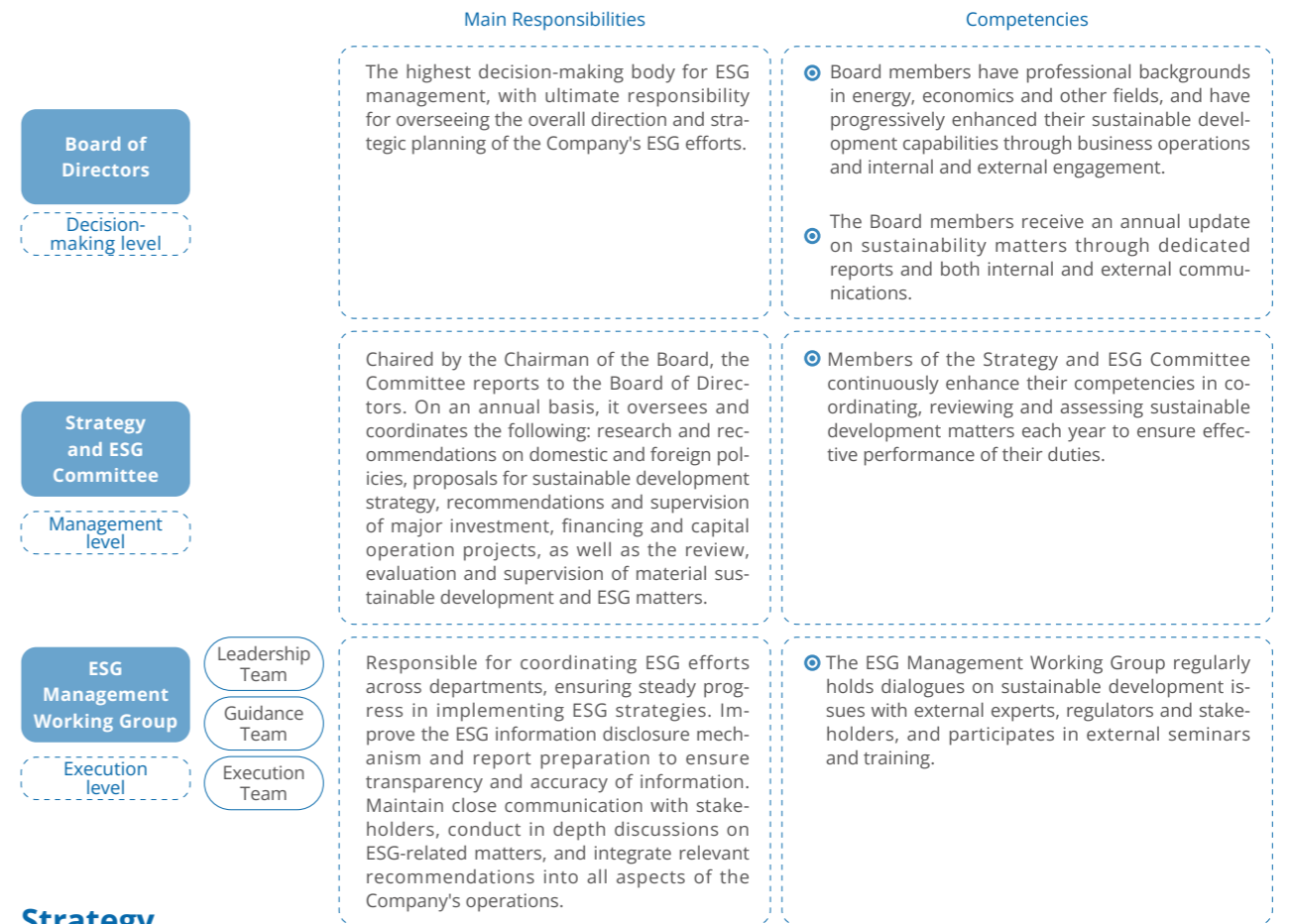
As the highest decision-making body, the Board of Directors is responsible for decisions on major ESG issues. In 2025, the Board discussed and decided on a range of ESG-related matters as follows:

In March 2025, the Board reviewed and approved the *Proposal on the Environmental, Social and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd. for 2024*, and reviewed and approved the *Proposal on Continuously Optimizing the Sustainable Development (ESG) Management System*.

ESG Governance System

Governance

In accordance with institutional documents including the *Working Rules of the Strategy and ESG Committee of the Board of Directors*, Times Electric has established a top-down, clearly defined three-tier ESG governance structure with clear roles and responsibilities.



Strategy

In full alignment with national strategies, having fully recognized its responsibilities and mission, the Company will further concentrate on its core businesses and main responsibilities, fully leverage the synergies among its six business segments, and further advance high-quality development. Guided by the vision of "Co-Creating a Green and Smart New Era Through Scientific and Technological Innovation", the Company has formulated the "1246" strategic framework:

Anchor a first-class positioning and maintain one guiding thread throughout. Aiming to become a world-class enterprise and a globally leading supplier of electrical system solutions for the transportation and energy sectors, the Company will treat high-quality development as its guiding principle and progressively enhance profitability by strengthening management capabilities, optimizing its industrial structure, and iteratively upgrading technologies and products.

Focus on two approaches and fulfill dual responsibilities. Through two approaches—continuously enhancing core competitiveness and strengthening core functions—the Company will actively support major national strategies. Internally, it will deepen its two core competencies in power-conversion and control technologies to create a sustainable, value-creating competitive advantage. Externally, it will shoulder responsibilities related to "the nation's major priorities", ensuring that pursuit of national strategic objectives is aligned with the Company's value creation.

Uphold the "Four Highers" and create outstanding value. By operating with high quality and efficiency, the Company will become an electrical enterprise that achieves "Four Highers", that is, greater social esteem, stronger shareholder recognition, higher customer satisfaction, and improved employee well-being.

Deploy six sectors and forge six capabilities. The Company will pursue balanced, tiered development across six industrial sectors—rail transit, semiconductors, new energy, automotive, industrial equipment, and maritime—and strengthen six capabilities: party-building leadership, scientific and technological leadership, sector-based management and control, reform-driven vitality, digital and intelligent development, and global operations.

In strategy formulation and major decision-making, the Company incorporates sustainable development impacts, risks and opportunities into the pre-assessment process for major transactions and strategic planning, identifies potential risks and opportunities, and ensures—through a cross-departmental review mechanism—that such factors serve as core inputs to decision-making. Building on this, the company has identified clean technology innovation and green, low-carbon development as one of its key strategic objectives. It has incorporated this objective into the "1246" strategic framework for coordinated implementation and prioritized its safeguarding and implementation through strategic planning, resource allocation, R&D investment and industrial layout.

Risk Management

The Company has established an ongoing monitoring mechanism to dynamically track sustainable development-related impacts, risks and opportunities, and has integrated ESG risk management into the Company's enterprise-wide risk management system. During strategy formulation, the Company adopts ESG assessment as a prerequisite for major decision-making. In daily operations, it embeds sustainable development requirements across the entire value chain, including procurement, production and delivery. The Company regularly reviews its risk profile in light of the external environment and industry trends, and dynamically identifies potential opportunities and challenges. By establishing a scientific, quantitative indicator system and referencing relevant domestic and international standards, the Company selects key performance indicators in key areas including resource utilization, green operations, technological innovation, employees' rights and interests, a sustainable supply chain and corporate governance, standardizes data collection and analysis processes, and enables more accurate risk identification and assessment.

Metrics and Targets

To deeply integrate sustainable development into corporate governance and strategy execution, Times Electric has fully incorporated ESG (environmental, social and governance) indicators (including climate-related considerations) into the Company's overall performance appraisal system, and has established an incentive-and-accountability mechanism linked to executive compensation. The Company, based on its sustainable development strategic objectives, selects key ESG performance indicators and systematically integrates them into appraisal programs at all levels, ensuring that ESG initiatives are advanced in coordination with business operations, with clear accountabilities assigned. By linking ESG performance to executive compensation incentives, the Company further strengthens management's focus on and investment in sustainable development, and promotes the effective implementation of ESG objectives. The Company plans to achieve operational carbon neutrality by 2035, and achieve carbon neutrality across the full value chain by 2050.

Pollutant emission targets

With 2025 as the baseline year, by 2030 within the company's business operations,	↓	hazardous waste generation per RMB million of operating income will decrease by 5-10%
With 2025 as the baseline year, by 2030 within the company's business operations,	↓	general waste generation per RMB million of operating income will decrease by 5-10%
With 2025 as the baseline year, by 2030 within the company's business operations,	↓	total non-methane hydrocarbons emissions per RMB million of operating income will cumulatively decrease by 5-10%
With 2025 as the baseline year, by 2030 within the company's business operations,	↓	sulfur oxides emissions per RMB million of operating income will cumulatively decrease by 5-10%
With 2025 as the baseline year, by 2030 within the company's business operations,	↓	VOC emissions per RMB million of operating income will cumulatively decrease by 5-10%
With 2025 as the baseline year, by 2030 within the company's business operations,	↓	COD emissions per RMB million of operating income will cumulatively decrease by 5-10%

Stakeholder Communication

Times Electric attaches great importance to communication and engagement with stakeholders. Through open days, roadshows, thematic forums and other initiatives, the Company maintains ongoing dialogue with government and regulatory authorities, investors and shareholders, employees, suppliers, customers, industry associations, public welfare and charitable organizations, the media, as well as the public and communities, and actively solicits views and suggestions from all parties. In 2025, the Company responded to 386 investor questions via SSE e-Interactive and held more than 180 investor events, including quarterly, interim and annual results briefings, roadshows, reverse roadshows and investor surveys.

The Company has established a systematic mechanism for issue identification and feedback, and works with relevant internal departments to assess and manage the issues collected, continuously enhancing ESG practices. Through this report, we disclose key progress in environmental, social and corporate governance matters in a timely and transparent manner, actively respond to stakeholder concerns and expectations, and effectively communicate the Company's sustainable development value and sense of responsibility.

Stakeholders	Concerns	Communication & Response	
Government & Regulators	<ul style="list-style-type: none"> Compliance operation Business ethics Corporate governance Utilization of resources and energy Emissions management 	<ul style="list-style-type: none"> Energy-saving and carbon reduction R&D innovation Climate change response Driving local economic development 	<ul style="list-style-type: none"> Supervision and inspections Information disclosure Meetings and discussions Work reports
Investors/ Shareholders	<ul style="list-style-type: none"> Corporate governance Risk management Stakeholder communication Business ethics 	<ul style="list-style-type: none"> Sustainable development strategy R&D innovation Intellectual property protection 	<ul style="list-style-type: none"> Information disclosure Performance briefings General meetings of shareholders Routine investor meetings, conference calls, roadshows, etc. Regular reports ESG reports
Employees	<ul style="list-style-type: none"> Employees' rights & interests and well-being Employee diversity and equality 	<ul style="list-style-type: none"> Employee training and development Occupational health and safety 	<ul style="list-style-type: none"> Employee congress and union Employee feedback platform Employee satisfaction surveys Employee seminars Employee training
Suppliers	<ul style="list-style-type: none"> Risk management Business ethics 	<ul style="list-style-type: none"> Supply chain management Industry collaboration 	<ul style="list-style-type: none"> Supplier conferences Compliance training and promotion Regular exchanges and communications Company website Supply chain audits Periodic reports
Customers	<ul style="list-style-type: none"> Product quality and safety Supply chain management Quality service R&D innovation 	<ul style="list-style-type: none"> Information security and privacy protection Green products Clean technology R&D 	<ul style="list-style-type: none"> Customer satisfaction surveys Full-lifecycle products and services Customer visits Supply chain audits Complaint handling
Industry Associations	<ul style="list-style-type: none"> Product quality and safety R&D innovation 	<ul style="list-style-type: none"> Social welfare Industry collaboration 	<ul style="list-style-type: none"> Industry conferences and forums Academic research activities Standards formulation workshops
Charitable Organizations	<ul style="list-style-type: none"> Social welfare 		<ul style="list-style-type: none"> Charitable donations Public welfare activities
Media	<ul style="list-style-type: none"> Sustainable development strategy Product quality and safety 	<ul style="list-style-type: none"> Social welfare 	<ul style="list-style-type: none"> Press conferences Information disclosure Exclusive interviews
Public & Communities	<ul style="list-style-type: none"> Social welfare Biodiversity 	<ul style="list-style-type: none"> Driving local economic development 	<ul style="list-style-type: none"> Volunteer activities Charitable donations Community involvement

Double-Materiality Issue Assessment

Times Electric proactively identifies core issues material to its sustainable development. Taking into account national policies, changes in the internal and external environment, and industry trends, the Company conducts a double materiality assessment from both the financial materiality and impact materiality perspectives, identifies material topics, responds to stakeholders' expectations and concerns, and continuously enhances its ESG management.

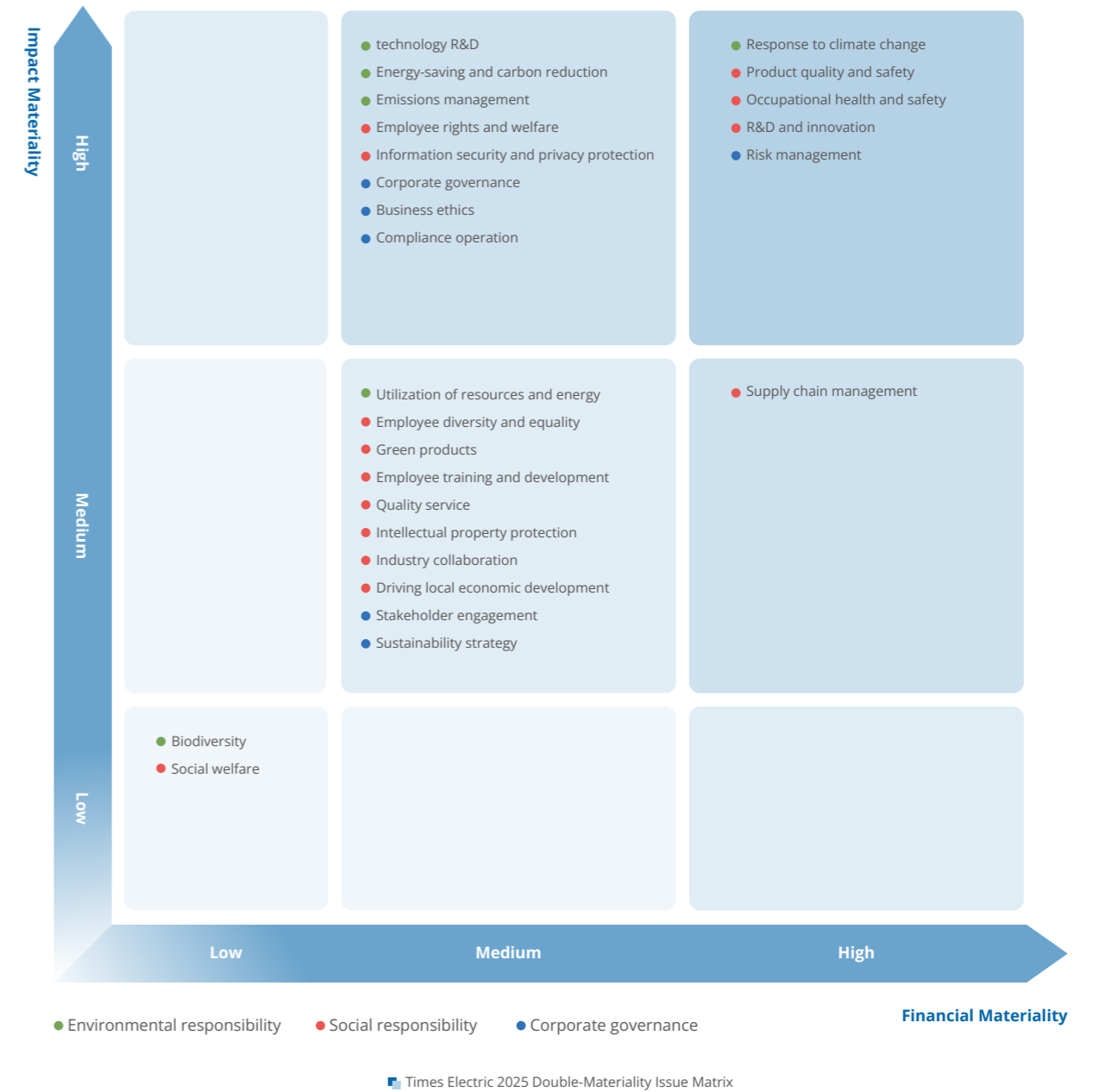
Materiality Identification Process

The Company actively conducts double-materiality issue analysis and evaluation to accurately understand and respond to the issues most relevant to stakeholders. This enables more effective identification and management of risks and opportunities. In 2025, Times Electric adopted a four-step process—Issue Identification, Issue Research, Issue Evaluation & Analysis, and Issue Review & Confirmation—to assess both financial and impact materiality. The specific process is as follows:



Double-Materiality Issue Matrix

In 2025, based on the double-materiality principle, the Company adopted a risk assessment matrix approach to survey and assess 26 ESG issues across two dimensions—likelihood of occurrence and degree of impact. As a result, the Company identified 13 issues of high impact materiality and 6 issues of financial materiality, and developed the corresponding materiality issue matrix. Below is Times Electric's 2025 Double-Materiality ESG Issue Matrix:



Issues of Financial Materiality

Times Electric has conducted an analysis and summary of the impact areas, potential risks, opportunities, and financial impacts. In accordance with the *Guidelines No. 14 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report*, the Report provides key disclosures regarding the corresponding management strategies and actions in relevant sections.

Climate change response	
Impact Areas	Company operations and strategy
Potential Risks	Production disruptions resulting from extreme weather; failure to promptly meet customer demand for low-carbon products and services resulting in potential reputational risks; increased investment in emission reduction to comply with stricter carbon emission regulations.
Potential Opportunities	Innovations in energy-saving and carbon-reduction technologies create broad market opportunities for the Company to develop new energy technologies and products, while enhancing its reputation.
Potential Financial Impacts	Risks: Financial uncertainty arising from fluctuations in green electricity prices; increased management costs due to carbon-emission constraints; short-term financial losses caused by physical risks such as extreme weather; and increased costs related to energy transition, upgrading, and technological innovation. Opportunities: Increased operating income from products applying energy-saving and carbon-reduction technologies; rapid advances in clean energy technologies such as solar and wind power, which drive the Company's energy transition and equipment upgrades, thereby reducing operating costs.
Further Management Details	Please refer to Section Climate Change Response and the ESG Key Performance Table.
Product quality and safety	
Impact Areas	Company production and operations
Potential Risks	Product recalls due to quality and safety issues, affecting customer satisfaction and company reputation.
Potential Opportunities	Building a product quality and safety system to enhance market competitiveness through high-quality products.
Potential Financial Impacts	Risks: Reduced operating income and increased costs from product recalls; increased management costs to strengthen product quality management systems. Opportunities: Increased operating income driven by high-quality products.
Further Management Details	Please refer to Section Quality Products and Services and the ESG Key Performance Table
Occupational health and safety	
Impact Areas	Company production and operations
Potential Risks	Reduced production efficiency and employee satisfaction due to occupational diseases or work-related injuries.
Potential Opportunities	Building an occupational health and safety (OHS) management system to effectively prevent occupational diseases and work-related injuries, strengthen the Company's care for employees and sense of responsibility, and attract and retain top talent.
Potential Financial Impacts	Risks: Increased management costs to strengthen occupational health and safety management systems. Opportunities: Lower insurance payouts and employee turnover rates, attracting and retaining talent through enhanced occupational health and safety management systems.
Further Management Details	Please refer to Section Building a Safety Assurance System and the ESG Key Performance Table

R&D innovation	
Impact Areas	Company operations
Potential Risks	Increased research and development costs; reduced market share due to technological obsolescence.
Potential Opportunities	Enhancing market competitiveness through technological innovation.
Potential Financial Impacts	Risks: Increased research and development costs. Opportunities: Increased operating income from improved product competitiveness.
Further Management Details	Please refer to Section Adhering to Innovative R&D and the ESG Key Performance Table
Supply chain management	
Impact Areas	Company operations
Potential Risks	Supply disruptions, demand fluctuations, compliance risks, quality control, and technological risks.
Potential Opportunities	Establishing strategic partnerships with suppliers to jointly develop new products or technologies, lowering costs and enhancing market competitiveness; implementing green supply chain management to reduce environmental impact and enhance brand image.
Potential Financial Impacts	Risks: Supply disruptions affecting production and delivery; rapid market demand changes leading to excess inventory or stockouts, impacting cash flow and operating profits; regulatory compliance requirements for cross-border procurement, resulting in higher operational costs and legal responsibilities; product quality issues from suppliers affecting the final product quality and corporate reputation. Opportunities: Cost savings through refined management practices.
Further Management Details	Please refer to Section Building a Green Supply Chain and the ESG Key Performance Table
Risk management	
Impact Areas	Company operations
Potential Risks	Operational, reputational, and financial risks resulting from inadequate systems and structures.
Potential Opportunities	Improving systems and structures and enhancing risk control to ensure the Company's stable operations.
Potential Financial Impacts	Risks: Increased operational costs due to enhanced risk management efforts, including but not limited to audit costs; operating income loss due to reputational damage. Opportunities: Reduced litigation costs resulting from improved risk management systems.
Further Management Details	Please refer to Section Strengthening Risk Management and Control

Governance as the Foundation Compliance as the Safeguard

Major sustainable development issues covered in this chapter :

- Corporate governance
- Risk management
- Compliance operation
- Business ethics

SDGs to which this chapter responds :



Optimizing Corporate Governance

Times Electric operates strictly in compliance with the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, as well as relevant regulatory requirements of the China Securities Regulatory Commission, requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange. Through a sound, professional and efficient governance structure, the Company effectively safeguards the Board's independence, diversity and expertise, supports the Company's steady and long-term development, and drives continuous enhancement of corporate value.

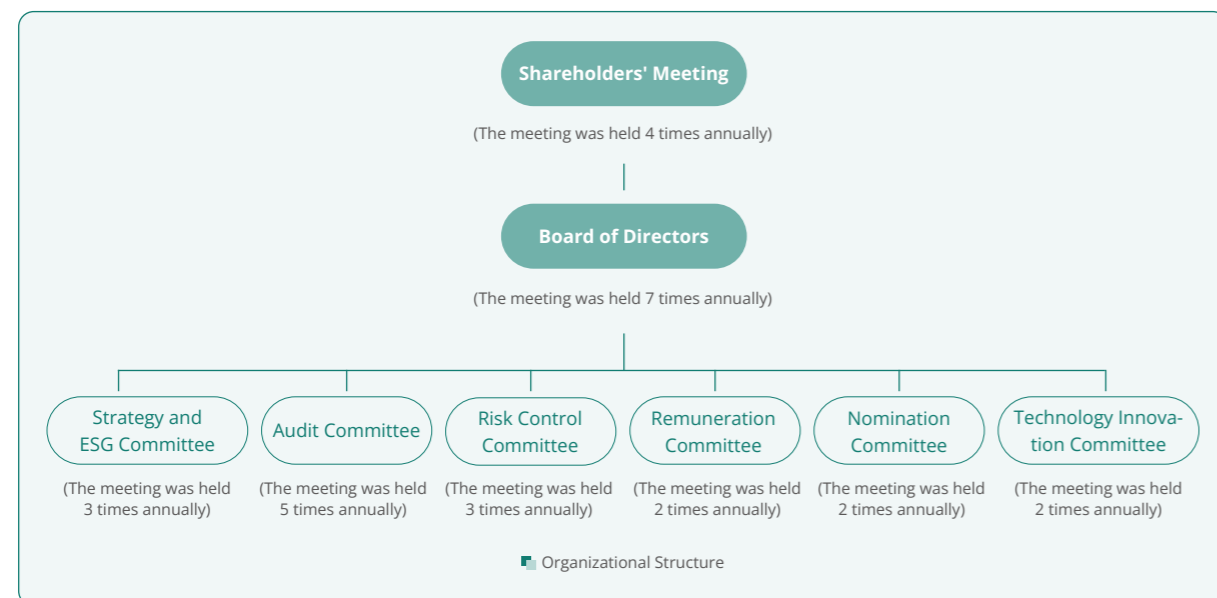
Governance System

The Company has established a well-defined, checks-and-balances governance structure comprising the shareholders' meeting, the Board of Directors and the management team, with standardized operations to ensure fairness, soundness and effectiveness in corporate governance decision-making. The shareholders' meeting is the Company's highest authority. The Board of Directors is accountable to the shareholders' meeting and exercises its authorities and duties in accordance with the law. The Board has established six specialized committees: the Strategy and ESG Committee, the Audit Committee, the Risk Control Committee, the Remuneration Committee, the Nomination Committee, and the Science and Technology Innovation Committee. These committees operate in a standardized manner and make professional decisions.

The Company attaches importance to the practicality and effectiveness of its governance policies and procedures. In 2025, taking into account its business operations and governance needs, the Company formulated and revised 29 internal policies and procedures, including the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings*, the *Rules of Procedure for Board Meetings*, and the *Internal Audit Policy*, thereby strengthening the institutional foundation for standardized governance.

To further optimize its governance structure and enhance decision-making efficiency, the Company reviewed and approved the *Proposal on Cancelling the Board of Supervisors and Supervisors and Discontinuing the Rules of Procedure for Supervisory Board Meetings*. In line with regulatory requirements, the Company cancelled the Board of Supervisors and, on December 9, 2025, promptly appointed an employee director to meet the requirements for employee director representation after the cancellation. The transition of responsibilities from the Board of Supervisors to the Audit Committee was completed efficiently. To further enhance the effectiveness of the Board's specialized committees, the Company held discussions in 2025 on topics such as technological innovation and ESG-related matters, addressing governance requirements from multiple perspectives.

In 2025, we held 4 shareholders' meetings, 7 board meetings, 3 supervisory board meetings, and numerous specialized committee and independent director meetings in accordance with laws and regulations.



Board Diversity and Independence

The Company is steadfast in enhancing the diversity and independence of its Board of Directors. In selecting Board members, the Company follows relevant requirements such as the *Board Diversity Policy*, taking into consideration factors including, but not limited to, gender, age, cultural and educational background, race, professional experience, skills, knowledge and tenure of service, as well as any other factors the Board considers relevant and applicable. Our Independent Directors diligently fulfill their responsibilities in strict accordance with regulations, utilizing their extensive professional experience to offer independent judgments and reasonable advice on the Company's major decisions. Notably, Lam Siu Fung, an Independent Non-Executive Director, brings over 25 years of accounting expertise, with profound knowledge in auditing, accounting, and taxation in Hong Kong and Chinese Mainland. In 2025, the Company appointed an additional employee director.

Key Performance

In 2025, Times Electric

- A total of **8** Board members
- **4** Independent Directors, accounting for **50%** of the Board
- **2** Female Directors, accounting for **25%** of the Board
- **1** Employee Director, accounting for **12.5%** of the Board

<p>Li Donglin</p> <p>Chairman, Executive Director</p> <p>Professor-level Senior Engineer. Major in Electric Traction and Drive Control</p>	<p>Shang Jing</p> <p>Vice Chairman, Executive Director</p> <p>Professor-level Senior Engineer. Major in Mechanical Electronic Engineering, Power Systems and Automation, Control Science and Engineering</p>	<p>Xu Shaolong</p> <p>Executive Director, General Manager</p> <p>Professor-level Senior Engineer. Major in Automation, Electrical Engineering, Transportation Engineering</p>	<p>Li Kaiguo</p> <p>Independent Non-Executive Director</p> <p>Researcher-level Senior Engineer, Science and Technology Expert of China Machinery Industry Federation, Expert entitled to the Special Government Allowance of the State Council</p>
<p>Zhong Ninghua</p> <p>Independent Non-Executive Director</p> <p>Major in Economics, Finance</p>	<p>Lam Siu Fung</p> <p>Independent Non-Executive Director</p> <p>Major in Accounting. Certified Public Accountant in Hong Kong</p>	<p>Feng Xiaoyun</p> <p>Independent Non-Executive Director</p> <p>Major in Electric Locomotives, Power Electronics and Electric Drives</p>	<p>Chen Zhiman</p> <p>Employee Director</p> <p>Senior Engineer. Major in Industrial Electrical Automation</p>

■ Professional Background of Board Members

Management of Related Party Transactions

Times Electric adheres strictly to listing rules and regulatory mandates of the STAR Market of the Shanghai Stock Exchange and the Hong Kong Stock Exchange. This year, we have revised and updated our *Related Party Transaction Management System*, rigorously overseeing and managing the signing, approval, cap management, information disclosure, and control of related party transaction agreements.

In 2025, the Board reviewed a total of 6 proposals relating to related party transactions, and all related directors abstained from voting in accordance with applicable requirements. The Board has established an Audit Committee. Independent directors and auditors review related party transactions on a quarterly basis to strengthen guidance and oversight.

In 2025, the shareholders' meeting reviewed a total of 1 proposals relating to related party transactions. In December 2025, the shareholders' meeting reviewed and approved the *Proposal Regarding the Entering into the 'Framework Agreement on Mutual Supply of Products and Supporting Services for 2026-2028' Between the Company and CRRC Group and the Estimated Amount of Continuing Related Party Transactions* thereunder. The Company engaged an independent financial adviser in Hong Kong to provide a professional opinion, and the proposal was approved with a 99.90% affirmative vote of non-related shareholders.

Meanwhile, the Company ensured high-quality information disclosure to promote fairness, impartiality and arm's-length terms in related party transactions, effectively safeguarding the interests of the Company and all shareholders and supporting its steady development.

Safeguarding Investors' Rights and Interests

With safeguarding investors' rights and interests at its core, Times Electric has established a multi-dimensional framework covering investor communication, information disclosure and shareholder rights protection. The Company strictly complies with regulatory requirements including the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange* and the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. It maintains transparency through proactive communication, ensures compliance and credibility through systematic disclosure, and protects the lawful rights and interests of all shareholders—especially minority shareholders—through stable return mechanisms and institutional arrangements.

Investor Communication

In 2025, guided by the principles of being "comprehensive, proactive, collaborative, precise, and effective", the Company continued to enhance investor relations management and systematically built an efficient and transparent communication platform to ensure effective engagement with investors. The Company disseminates information to the market in a timely, open and transparent manner through channels including listed company announcements, investor briefings, onsite investor visits, the SSE e-Interactive platform, telephone calls and emails. During the reporting period, the Company responded to investor enquiries via the SSE e-Interactive platform, demonstrating its proactive and highly responsible approach to investor concerns.

The shareholders' meeting adopted the SSE online voting system, effectively expanding investor participation. In terms of participation, the voting rights represented by A-share shareholders attending the 2024 annual general meeting accounted for 49.11% of the Company's total voting rights.



Case: Carefully Planned Investor Activities to Strengthen the Distinct Brand of a "Sci-Tech Central SOE"

In 2025, the Company engaged with different types of investors through a range of activities, including results briefings (quarterly, interim and annual), roadshows, reverse roadshows, and investor visits.

◉ In April 2025, the Company held its 2024 annual results briefing in Hong Kong to share insights into its 2024 performance and 2025 development plans. During the event, management also discussed opportunities and challenges while addressing core investor concerns.

◉ In May 2025, the Company proactively participated in the SSE "STAR Market in 3 Minutes" themed event. Under the theme "Advancing with Innovation—Times Electric's Path to High-Quality Development", the Chairman communicated operating results and development outlook to investors, effectively strengthening the Company's brand influence in the capital market as a central SOE with strong sci-tech attributes.

◉ In September 2025, the Company held a reverse roadshow event in Shanghai themed "Times Electric: A New Voyage into the Deep Sea".



■ 2024 Annual Performance Press Conference (Hong Kong)

Information Disclosure

The Company strictly complies with applicable laws and regulations and, in accordance with requirements of regulators such as the CSRC, the SSE and HKEX as well as the Company's *Administrative Measures on Information Disclosure*, duly fulfills its disclosure obligations to ensure that disclosed information is true, accurate, complete, timely and fair.

The Company has developed supporting policies including the *Internal Reporting System for Material Information*, the *Accountability System for Material Errors in Annual Report Disclosure*, and the Management System for Deferral and Exemption of Investor Information Disclosure, thereby establishing a smooth internal reporting mechanism, a comprehensive oversight framework, and coordinated disclosure procedures across levels to enable systematic information disclosure. From the Board of Directors to each subsidiary, an information disclosure contact network has been established, integrating first-level leaders and business backbones from various departments (units) and subsidiaries. Through internal promotion and training, the awareness of information disclosure obligations and insider information confidentiality among relevant contacts has been strengthened.

The Company continues to enhance the quality of its information disclosure. The Company publishes reports such as its annual report and ESG report on time, and prepares an "ESG at a Glance" visual summary, using channels such as its WeChat official account to help investors understand its operations in a more accessible way. It also issues announcements to highlight its efforts and achievements in improving corporate governance, R&D progress, business development, social responsibility and investor relations. All announcements and circulars are published in accordance with the listing rules of the relevant listing venues on the SSE, HKEX, the Company's website, and designated newspapers (where applicable). No false records, misleading statements or material omissions were found, safeguarding investors' legitimate rights and interests.

Key Performance

In 2025, Times Electric

◉ issued **186** announcements and disclosure documents on the Shanghai Stock Exchange

◉ **197** traditional Chinese announcements

◉ **121** English announcements on the Hong Kong Stock Exchange

Times Electric was rated

Grade A in the SSE's 2024-2025 information disclosure assessment for Shanghai-listed companies

Since the STAR Market launched its information disclosure assessment,

the Company has received a **Grade A** rating for three consecutive years

Protection of Shareholders' Rights and Interests

Equal Treatment of Small and Medium-sized Investors

In 2025, the Company revised its *Management Policy for Investor Relations* to enhance investors' understanding of and confidence in the Company, with the aim of improving governance, maximizing overall corporate interests, and protecting investors' lawful rights and interests. The Company formulated a *Management Policy for Market Value* to further standardize and strengthen market value management and safeguard the legitimate rights and interests of the Company and investors. The Company also implemented an H-share share repurchase program in the Hong Kong market to enhance market confidence and shareholder value.

The Company upholds the principle of better safeguarding shareholders' rights and interests and creating greater value for them. We have established a fair and transparent profit distribution and/or cash dividend system to ensure that all shareholders, including small and medium-sized shareholders, receive reasonable investment returns. Since our listing on the Hong Kong Stock Exchange in 2006, we have maintained a stable dividend policy, with the total annual dividend accounting for more than 20% of the net profit attributable to shareholders of the year and the dividend per share increasing year by year. After the Company's listing on the SSE STAR Market in 2021, the dividend payout ratio increased to over 30%. In 2025, the Company made its first interim dividend distribution and released a shareholder return plan for the next three years (2025-2027), enhancing investors' sense of return and recognition and demonstrating its value creation capabilities through concrete actions.

In June 2025, at the 16th Listed Companies Investor Relations Management Forum organized by Securities Times, the Company received the "Tianma Award for Investor Relations Management of Chinese Listed Companies".

Upholding Business Ethics

Times Electric adheres to its core values of "Righteousness and Integrity, Goodness and Success", embeds business ethics principles into all aspects of internal management and external cooperation, and maintains zero tolerance for bribery and corruption. With anti-corruption and business ethics as cornerstones, the Company, through multiple measures including improving policies and procedures, strengthening oversight mechanisms, extending audits, engaging with partners, and maintaining accessible reporting channels, reinforces end-to-end integrity risk prevention and control. In external cooperation, the Company upholds integrity as a guiding principle, works with business partners to foster fair competition, and jointly builds a transparent and trustworthy business ecosystem. During the reporting period, operations in these areas remained stable and no non-compliance incidents occurred.

Anti-bribery and Anti-corruption

Institutional development

The Company strictly complies with national policies and regulations, such as the *Criminal Law of the People's Republic of China*, *Anti-Un-Fair Competition Law of the People's Republic of China*, and *Interim Provisions on Banning Commercial Bribery*, as well as internal regulations like the *Management Measures for Major Decisions, Major Cadres, Major Project Arrangements and Large Amounts of Funds of Zhuzhou CRRC Times Electric Co., Ltd*, *Measures for Prohibition of Commercial Bribery Management of Zhuzhou CRRC Times Electric Co., Ltd*, *Measures for Handling Discipline Inspection Letters and Visits and Reports*, to ensure the thorough implementation of integrity within the Company and among business partners, and firmly put an end to commercial bribery and unfair competition. In 2025, the Company further strengthened its internal integrity assurance framework and enhanced integrity management by formulating and revising key internal policies, such as the *Management Measures for Employment Integrity*, the *Implementing Measures for Integrity Risk Prevention and Control*, and the *Implementing Measures for Disciplinary Inspection Commission Supervision*.

During the reporting period, neither the Company nor its employees were involved in litigation cases relating to corruption, bribery, extortion or fraud.

Oversight and management

The Company continues to improve its internal integrity management system and strengthen its defenses against integrity risks on all fronts.

Further strengthening the "multi-dimensional and integrated" large-scale supervision system

- The Company convened two joint oversight work meetings to enhance functional oversight by various departments, closely tracking the topic selection, project initiation and implementation of annual major oversight projects. It coordinated and carried out 15 major oversight projects, mainly covering areas such as technical service procurement, management of "two funds" (accounts receivable and inventory), and the digitalization and intelligent enablement of audit rectification. It also advanced a special program of "re-review, re-rectification and re-evaluation" of oversight issues, further improving the effectiveness of the comprehensive oversight system.

Conducting oversight focused on the "key few"

- The Secretary of the Company's Party Committee held supervisory talks with Party secretaries of business units as part of "top leader" oversight. The Secretary of the Discipline Inspection Commission conducted supervisory talks with the heads of Ningbo Times, Ningbo Electric, the National Center of Converters, Times Semiconductor, Chongqing Times and other units.
- The Company organized annual integrity file declarations and checks on employees' engagement in business operations, screening a total of 5,600 instances involving Party members, cadres, personnel in key positions and their relatives.
- The Company also carried out oversight on job rotation for personnel in key positions.

Special oversight in the procurement area

- The Company conducted integrity risk education and study sessions for the procurement function. It invited the Party Secretary of the company, the Secretary of the Discipline Inspection Commission, and legal counsel to deliver integrity and compliance training for key procurement personnel. It also completed updates to the definitions and standards for key procurement positions and implemented job-rotation oversight.
- The Company carried out special procurement audit work, completed rectification for a special audit of agency procurement, revised three management policies and two procedures, and conducted a *Follow-up Audits with Closed-loop Management* to review rectification of procurement-related audit issues since 2019, putting forward 21 management optimization recommendations.
- The Company also promoted special compliance oversight by advancing management of the alignment between procurement payments and contract terms, enabling contract-driven accounts payable management and automatic generation of funding plans to ensure payment compliance and financial security.
- The procurement business achieved end-to-end digitalization, with full data traceability.

Oversight on key periods

- Focusing on key holidays such as New Year's Day and Spring Festival, Labor Day and Dragon Boat Festival, and Mid-Autumn Festival and National Day, the Company issued notices, held themed meetings, and conducted both open and covert inspections to remind and supervise against common holiday-related violations (e.g., improper banquets, improper gift and cash giving/receiving, and official vehicle management). It reiterated discipline and conduct requirements and guided Party members and cadres to uphold integrity during holidays.

High-quality advancement of "full coverage" inspections


- The Company standardized organization and efficiently implemented two rounds of routine inspections. It completed routine inspections of four units: the Railway Business Division, the Urban Rail Business Division, the Product Management Center, and CRRC Electric Drive. Through attending Party organization meetings of inspected units, supervising democratic life meetings, and conducting comprehensive checks, it strengthened ongoing oversight of inspection rectification. As of December 2025, the four Party organizations inspected in 2024—Manufacturing Center, Supply Chain Management Center, Railway Transportation Technology Center, and Data and Intelligent Technology Center—developed 228 rectification measures for 38 issues identified. Of these, 202 measures were completed, representing a rectification completion rate of 88.6%, and 14 policies were improved or established.

Continued strengthening of integrity risk prevention and control

- Adhering to the principles of "problem-oriented, precise identification, and closed-loop management", the Company focused on key areas and critical links and organized two rounds of integrity risk assessment across affiliated units, covering 26 assessment items in 14 domains.
- At the Company level, six units were selected for two rounds of re-assessments. Across both rounds, 33 issues were identified, including lax implementation of processes and policies and weaknesses in procurement and supplier management. Rectification plans were developed as required and rectification progress was tracked.
- Assessment tools were further optimized. Based on issue lists collected through assessments, the Company updated three tools, including those for "Major Decisions, Major Cadres, Major Project Arrangements and Large Amounts of Funds" decision-making and "employee recruitment".

Building a culture of integrity

The Company organized a series of activities—including integrity talks, warning education, discipline lectures by discipline inspection personnel, and the 4th Integrity Culture Week—to deepen the development of a "four-in-one" integrity culture education system and foster a corporate atmosphere that values integrity and promotes clean governance. In 2025, the Company's integrity education activities reached more than 5,000 person-times.




Promoting implementation of the "two responsibilities"

- ① The Company convened its annual meeting on Party conduct, clean governance and anti-corruption, conducted collective integrity talks for all professional managers, and organized 583 mid-level and above personnel at all levels to sign the "One Position, Two Responsibilities" Responsibility Commitment Letter. Organizing annual integrity talks by level and category: A total of 106 sessions of group and one-on-one talks were conducted, covering 2,036 leaders and personnel in key positions.



Normalizing warning education

- ① The Company provided discipline and compliance training for two key groups—procurement personnel and grassroots managers—with a total attendance of 500 person-times.
- ② It organized 496 person-times for leaders and key-position personnel to attend warning education conferences held by superior units and the Company, and organized more than 30 newly appointed leaders and key-position personnel to observe duty-related crime trials at the Tianyuan District Court of Zhuzhou City.
- ③ Discipline lectures by discipline inspection personnel: Full-time and part-time discipline inspection personnel delivered 33 sessions, reaching more than 2,000 Party members, cadres and personnel in key positions. The Secretary of the Discipline Inspection Commission took the lead in delivering lectures at grassroots business units, using analysis of typical cases to provide targeted education and further strengthen the "unwillingness to be corrupt" mindset among Party members, cadres and key personnel.
- ④ The Company also leveraged platforms such as the Zhuzhou Institute app, bulletin boards and WeChat groups to regularly share learning materials, including interpretations of the Eight-Point Regulation, integrity stories and short integrity videos.



Organizing integrity culture activities

- ① The Company held the 4th Integrity Culture Week themed "Twenty Years of Perseverance, Setting Sail with a Clean Breeze".
- ② It promoted "four-in" integrity culture activities within grassroots Party organizations. For example, Times Semiconductor carried out the "Upholding Integrity and Righteousness" integrity culture activity, and the Manufacturing Center held an "AI Creations, Clean Breeze in the Workshop" integrity culture creative competition.




Case: Integrity Risk Education and Training in the Procurement Area

In 2025, the Company organized a themed training session on integrity risks in procurement, featuring three modules: a Party lecture by the Party Secretary titled *Stay True to the Original Aspiration in Performing Duties; Uphold the Mission of Transparent Procurement*; a discipline lecture by the Secretary of the Discipline Inspection Commission titled *Strictly Observe Integrity Discipline and Standardize Procurement Practices*; and a session by a professional lawyer titled *Legal and Compliance Education in the Procurement Area*. The training aimed to further strengthen integrity defenses in procurement and regulate professional conduct through ideological education, discipline warnings and compliance guidance, providing solid support for the Company's high-quality development.




Themed Training on Legal and Compliance Education in the Procurement Area




Case: The 4th Integrity Culture Week themed "Twenty Years of Perseverance, Setting Sail with a Clean Breeze"


Activities included a clean-governance debate, the creation and performance of a skit on "four forms of misconduct", integrity micro-lectures, screenings of warning education videos, and updates to integrity culture venues. The activities aimed to promote the Company's integrity philosophy of "cultivating virtue, building the enterprise through diligence and integrity, and delivering results through responsibility", inspire intrinsic motivation for integrity and self-discipline among cadres and employees, and foster a culture where everyone "reflects on integrity, understands integrity, and upholds integrity". Offline activities involved over 220 participants, while online activities covered Party members and key-position personnel across the Company's business units.




Discipline Lecture on Integrity Compliance



Clean-governance Debate



Skit



Screening of Self-produced Videos



Case: Warning Education through Observing Duty-related Crime Trials

In 2025, the Company organized a warning education activity by observing duty-related crime trials. By attending hearings of typical duty-related crime cases at the Tianyuan District People's Court of Zhuzhou City, the Company adopted an "immersive" warning education approach to enhance employees' legal awareness, compliance awareness and integrity self-discipline, ensuring that lessons are drawn from cases and discipline is reinforced through cases. More than 30 newly appointed leaders and key-position personnel, including heads of procurement and marketing departments, participated.



Observing Duty-related Crime Trials

Business Ethics Audits

The Company conducts regular annual audits on compliance with business ethics laws and regulations and ensures that all operating businesses are covered by audit at least once every three years.

In 2025, Times Electric



Provided education on anti-corruption, anti-commercial bribery and employee ethical standards to the Board and all employees (including part-time staff and contractors), achieving 100% coverage of business ethics training.



Achieved 100% integrity file declarations and 100% signing of the *Integrity Commitment Letter* among personnel in key positions.



Incorporated ethics audits into the economic responsibility audit of every manager, extending economic responsibility audits to include ethics risk management.



Required all suppliers to sign the *Supplier Code of Conduct*, clarifying their core responsibilities in business ethics and other areas, standardizing supplier behavior, and preventing corruption and unfair competition. Implemented a "one-vote veto" for integrity and compliance—cooperation is terminated immediately upon identification of any violation.



Ensured 100% of key suppliers participated in integrity training.

Anti-unfair Competition

The Company recognizes the harms and consequences of unfair competition and complies with the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Monopoly Law of the People's Republic of China*. It has adopted a series of robust measures to prevent unfair competition, striving to maintain a fair and orderly market environment and protect the legitimate rights and interests of itself and other market participants. The Company continues to strengthen employees' compliance awareness and legal literacy. It has established an internal whistleblowing mechanism to encourage employees to monitor and report unfair competition practices, promptly investigates and rectifies identified issues, and imposes stringent penalties for violations, forming an effective internal accountability mechanism.

During the reporting period, no unfair competition incidents within the Company's operational scope were found to have resulted in litigation or significant administrative penalties.

Whistleblower Protection

Disciplinary inspection petition and whistleblowing handling is an important component of disciplinary review work and a key foundation for performing oversight, discipline enforcement and accountability. The Company strictly follows internal policies such as the *Measures for Handling Discipline Inspection Letters and Visits and Reports* and the *Measures for Compliance Reporting and Investigation Management*, and has established a robust whistleblowing handling mechanism. Reports may be submitted via in-person visits, letters, telephone, online channels, SMS, WeChat, or transfers from higher-level authorities.

Non-compliance reporting email:

weiguijubao@csrzc.com

Mailing address:

Securities and Legal Department, Zhuzhou CRRC Times Electric Co., Ltd., No. 169 Shidai Road, Shifeng District, Zhuzhou, Hunan Province, PRC

Postcode: 412001

Following the principles of fairness, transparency and efficiency, the Company has established a closed-loop whistleblowing handling process with orderly linkages, including registration and filing, assignment and approval, case handling, and archiving, to promptly identify, correct and prevent business ethics risks, and to handle relevant personnel in accordance with laws and regulations, thereby fostering a clean and upright corporate atmosphere.

The Company adopts multiple measures to keep whistleblowers' information confidential, including (but not limited to) not providing the reported parties with the original whistleblowing materials and not conducting handwriting comparison or document examination. Where whistleblowing handlers or case undertakers violate work discipline or confidentiality requirements, accountability will be pursued seriously in accordance with relevant rules, depending on the severity.

Integrity Management of Suppliers

The Company takes multiple measures to regulate conduct in business cooperation with partners, including requiring the signing of the *Supplier Code of Conduct* and formulating and publicly disclosing the *Measures for Prohibition of Commercial Bribery Management* applicable to all suppliers, ensuring that both parties strictly comply with integrity requirements throughout cooperation.

The Company has established an integrity cooperation assessment mechanism for integrity partnership to review and evaluate the business ethics performance of all suppliers before onboarding, ensuring integrity and compliance across its supply chain. In accordance with the *Supplier Adverse Behavior and Blacklisting Management Measures*, suppliers that violate integrity provisions will be blacklisted and face stringent penalties. Furthermore, the Company mandates that all employees engaging with suppliers strictly adhere to laws, regulations, and internal policies, maintaining a zero-tolerance policy toward corruption to ensure transparency and fairness in all external partnerships.

The Company prepared integrity culture brochures and actively communicated the Company's integrity requirements during routine interactions with suppliers. It also conducted integrity and self-discipline training during the onboarding stage for new suppliers, aiming to jointly foster an atmosphere of honesty and integrity in cooperation.



Integrity Culture Brochure

Ensuring Standardized and Compliant Operations

Times Electric strictly implements its compliance management policies and continues to strengthen its compliance management system. In response to the differing needs of its core rail transit businesses and emerging businesses, the Company refines supporting compliance management tools and carries out ongoing compliance culture communications and capability training for all employees, thereby laying a solid foundation for steady corporate development.

Compliance Management System

Organizational structure

The Company has established a six-tier compliance governance structure featuring Party Committee leadership, Board oversight, management execution, overall coordination by the Chief Compliance Officer, coordination by the Compliance Committee, and linkage among compliance administrators. This structure clarifies and unifies responsibilities and authorities across the compliance organization and ensures end-to-end management alignment.

During the year, the Company held four Compliance Committee meetings, discussing topics such as export control compliance and the implementation of electronic signatures on the procurement contract management platform. These efforts enabled timely responses to compliance risks and ensured the Compliance Committee operated effectively.

Compliance administrators participated in the review of major compliance matters, covering key operations such as procurement and sales, effectively fulfilling compliance management responsibilities and maintaining smooth channels for communicating compliance opinions.

Operation of the compliance management system

In 2024, Times Electric obtained certification for the GB/T 35770-2022/ISO 37301:2021 compliance management system, with the scope covering all operating sites. In 2025, the Company continued to operate its compliance management in accordance with ISO 37301, an international standard for compliance management systems, and compliance management requirements of the State-owned Assets Supervision and Administration Commission. It actively completed rectification of improvement recommendations, carried out internal audits and management reviews, and successfully passed the on-site assessment for maintaining the effectiveness of the ISO 37301 compliance system, further demonstrating the effectiveness of the Company's compliance framework.



GB/T 35770-2022/ISO 37301:2021 Compliance Management System Certificate

Compliance policies and culture building

In 2025, the Company developed detailed compliance guidelines for ten key areas, including labor and employment and anti-monopoly. These guidelines clarified specific compliance requirements and standards, provided compliance guidance for business operations, reduced the risk of operational non-compliance, and improved the Company's overall compliance level.

All units, within their respective responsibilities, emphasized dynamic updates and continuous improvement of policies and procedures. In response to changes in laws and regulations and evolving business needs, they adjusted and optimized compliance management rules in a timely manner to ensure their timeliness and effectiveness.

The Company prepared and published the *Times Electric Handbook for Integrity and Compliance of Employees*, providing a foundation for employees to regulate their conduct and proactively understand the compliance culture, thereby embedding compliance culture across the organization.

Through internal policies such as the *Measures for Compliance Reporting and Investigation Management*, the Company clarified procedures and requirements for compliance investigations, standardized whistleblowing handling processes, ensured smooth reporting channels, and protected whistleblowers' rights and interests. The Company encourages employees to actively participate in compliance management, promptly report misconduct, and jointly foster a clean and upright working environment.

Enhancing overseas compliance management

To continuously enhance overseas compliance management, implement the Company's internationalization strategy, and support the high-quality development of overseas business, the Company carried out special initiatives on key control matters such as the routine operations of overseas subsidiaries, localized execution of overseas projects, full lifecycle management of foreign-related contracts, and compliance empowerment for overseas business personnel. In 2025, no major compliance risks arose at the Company's overseas subsidiaries, and no major compliance risks occurred during the performance of the Company's foreign-related contracts.

Compliance Training

The Company attaches great importance to building a compliance culture. It incorporates compliance topics into the Company-wide training system, formulates an annual compliance training plan each year in accordance with relevant policies, and organizes compliance training programs to ensure that all employees understand compliance requirements and the latest developments in relevant laws and regulations.

In 2025, the Company delivered nine legal and compliance training sessions for directors, supervisors and senior management, managers, business personnel, legal and compliance personnel, and new hires. The training was frequent, widely covered, and rich in content. Programs included updates on the latest regulatory developments for listed companies for directors, supervisors and senior management; annual compliance themed training for legal and compliance personnel; labor compliance training for HR managers; the "First Compliance Lesson" for new hires; and overseas compliance training for international business.



Case: Labor Compliance Training

To further strengthen employees' legal and compliance awareness, deepen understanding of labor policies and regulations, and safeguard the legitimate rights and interests of both the Company and employees, the Company organized a dedicated labor law compliance training program. The training covered core topics such as compliance management in employment, common employment categories, labor contract risks and prevention measures, helping participants systematically grasp key labor compliance requirements and ensure legality and compliance in day-to-day work. HR personnel from the Company's Human Resources Department, business divisions, resource centers, and subsidiaries attended the training.

Strengthening Risk Management and Control

Focusing on its strategic development and core objectives for risk prevention and control, Times Electric continues to enhance a coordinated management mechanism that is risk-oriented, uses internal controls as key levers, and relies on auditing for oversight. In compliance with applicable laws and regulations, the Company revised 13 and newly formulated 1 internal policies and procedures related to risk and internal control management, covering internal audit, risk management, internal control, accountability for violations, and other management requirements, applicable across the Company.

Risk Prevention and Control

Governance

Establishing a comprehensive enterprise risk management system

The Company strictly abides by internal systems and process documents, such as the *Comprehensive Risk Management Measures, Management Measures for Risk Evaluation of Major Projects, Management Measures for Major Operational Risk Incidents, Risk Management Measures for Overseas Enterprises, Legal Risk Management Measures for Overseas Enterprises, Company Risk Assessment Process, and Quarterly Risk Early-Warning Process*. We ensure the timely identification, assessment, monitoring, and response to risks.

In 2025, in accordance with the major project risk management and comprehensive risk management system documents of CRRC and CRRC Zhuzhou Institute, as well as the risk management requirements of the ESG and quality systems, the Company completed the revision of the *Comprehensive Risk Management Measures* and the *Management Measures for Risk Evaluation of Major Projects*, with key additions including requirements related to climate risk assessment and management. In addition, the Company completed the formulation of the "15th Five-Year Plan" for risk management.

Establishing an organizational structure for risk management

The Company integrates risk management requirements into daily management and business processes, establishing a risk management structure consisting of three levels: the Board Risk Control Committee, full-time and professional risk management functional departments, and subsidiaries. The Company has optimized and improved a risk control system that covers the entire organization, the entire process, and all employees.

Board of Directors Risk Control Committee	Provides comprehensive guidance and supervision over the Company's overall risk management work. Including but not limited to: <ul style="list-style-type: none"> Comprehensively summarizes the annual risk and internal control work through the annual risk assessment report and the work report of the Risk Control Committee. In accordance with the Company's "Regulations on Major Decisions, Major Cadres, Major Project Arrangements and Large Amounts of Funds", promptly reports important special risk management projects and the resolution of major risks to the Company's Party Committee and General Manager's Office, strengthening the decision-making, review, supervision, and management of major risks and issues.
Full-time risk (Audit and Risk Control Department)	Responsible for the construction of the Company's comprehensive risk management system; guiding, organizing, and supervising the construction of risk management systems of subordinate units; conducting daily and special risk management work; and preventing the occurrence of major risks in its field.
Other professional functional departments	Responsible for establishing the risk management system in their respective fields; guiding and supervising various business units to carry out risk management work in their fields; cooperating with the Audit and Risk Control Department in daily risk management, special work, and annual risk management benchmarking work; and promptly reporting major operational risk incidents in their fields.
Subordinate business units at all levels of the Company	Setting up full-time and part-time risk management personnel. Responsible for establishing and improving the comprehensive risk management system of the unit, clarifying the functions and responsibilities of risk management, carrying out risk management work, and undertaking and implementing the Company's risk management requirements.

Strategy

The Company strictly executes three-line risk management tasks such as risk identification, assessment, and response in accordance with the requirements of the three-line risk management, forming a closed-loop risk management mechanism of "preliminary prevention, in-process supervision, and post-event correction".

 <p>The first line of risk management</p> <p>Business units at all levels are primarily responsible for risk identification and control in daily business, and the timely reporting of major risks.</p>	 <p>The second line of risk management</p> <p>All full-time functional departments and professional risk management departments are mainly responsible for the overall organization and coordinated planning of the Company's risk management work, monitoring the development of risk management and internal control of the first line of risk management, and assuming the core management and organizational responsibilities for major risks, which is crucial for controlling risks during the process.</p>	 <p>The third line of risk management</p> <p>Audit, discipline inspection, and the Audit Committee are mainly responsible for post-event auditing, review, and supervision of the work of the first and second lines of risk management departments, identifying gaps in the Company's internal control systems, and auditing the compliance, rationality, and risk controllability of the Company's main business processes, which is crucial for post-event risk control.</p>
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Three-line Risk Management

Risk Management

In accordance with the *Comprehensive Risk Management Measures*, the Company organizes all business units (departments) to carry out risk identification around five aspects: "strategy, market, operation, finance, and legal affairs" every fourth quarter; conducts preliminary verification and confirmation of medium and high risks identified by each business unit (department), summarizes medium and high risk incidents to form a risk incident database, then organizes functional departments to review medium and high risk matters, forms a company-level major operational risk prediction list based on the review opinions and submits to the Board for decision-making, organizes the implementation of risk response and control, and conducts follow-up supervision and closed-loop confirmation of the risk response and control situation every quarter.

In 2025, in accordance with the annual risk management key points of CRRC and CRRC Zhuzhou Institute, as well as the Company's annual risk work priorities, the Company has steadily promoted risk management work focusing on the resolution of key operational risks and the identification and management of major project risks, fully fulfilling the responsibilities of risk management and internal control, and building a solid defense line for the Company's stable operation and high-quality development.

- Organized all business units (departments) of the Company to carry out annual risk identification, identifying 5 major operational risks involving 4 business units. Organized the formulation of risk response measures and conducted follow-up supervision every quarter. Among them, 3 risks have been applied for closure, 1 risk was under remediation, and 1 risk remained pending.
- Standardized the risk assessment of major projects and strengthened the dynamic management of project process risks. For domestic equity investment (including mergers and acquisitions), overseas investment, reform, restructuring and reorganization, new fields, new businesses and other projects as defined by CRRC's relevant management, unified the project risk assessment template, updated the project evaluation form template, and gradually promoted the regular notification mechanism for project risk control to strengthen the process management of project risks. The Company organized and completed the risk assessment of 26 investment projects, issuing special risk assessment reports and professional risk review opinions, identifying project risks, evaluating risk levels, and proposing countermeasures.
- Conducted precise diagnosis and promoted the continuous improvement of investment control work. The Company implemented the decisions and arrangements of the Party Central Committee on preventing and resolving overseas project risks, strictly aligned with the requirements of various management links such as investment decision-making, execution, and post-investment operation, and organized the completion of post-investment evaluation of 5 projects. Among them, there were 2 overseas projects and 3 domestic projects. The main existing problems involve project schedule management, quality management, and commissioning management. In response to the existing problems, each project is being organized to formulate rectification and improvement plans.
- Invited accounting firms to carry out special training on internal control and risk control, with about 40 full-time and part-time employees from various subsidiaries participating in the training.

Metrics and Targets

In terms of risk management, the Company sets risk management indicators from multiple dimensions, including comprehensive risk assessment, improvement of process and system standards, and training and promotion. In 2025, the Company's risk management objectives include "achieving the comprehensive risk assessment requirements of CRRC", "achieving a 90% completion rate and promotion rate of the process and system standard revision plan", and "conducting 4 special management training and promotion sessions on audit and internal control risks for the Company's industrial units". As of the end of 2025, all the above objectives have been achieved.

Internal Audit

The Company strictly implements 17 internal systems and processes, such as the *Audit Practitioner Management Measures*, *Audit Work Management Measures*, *Management Measures for Economic Contract Audit*, *Measures for the Audit Supervision and Management of Overseas Enterprises*, and *Internal Audit Workflow*. In 2025, the Company revised and improved the "Financial Audit Management Measures" and other policies to empower the improvement of audit quality and efficiency through institutional construction.

In 2025, focusing on the core objectives of strategic development and risk prevention and control, the Company coordinated various audit projects and special work, achieving audit coverage of all business areas, key links, and key subjects, efficiently completing the annual audit plan, and actively responding to a number of sudden and special tasks.

- Audit work covers key areas such as financial compliance, operational performance, economic responsibility, scientific research projects, and bidding and procurement. We have completed cross-business unit and cross-regional (including overseas subsidiaries) audit tasks, effectively exerting the audit functions of "supervision, service, and value-added", and providing a solid guarantee for the Company's compliant operation, quality improvement, and efficiency enhancement. The Company efficiently completed the audit tasks assigned by superior units, promoting the effective implementation of audit rectification and systematic governance.
- Relying on the construction of digital and intelligent audit transformation, the Company has timely developed 5 early warning indicators and dashboards in the first phase, such as dual identity early warning for suppliers and customers and total customer credit limit early warning, realizing in-process monitoring of risky businesses. Through the intelligent and cost-effective Zhuzhou Institute platform, we realized the digital and intelligent management and control of the rectification progress of problems identified in the 2024 audit.
- Combining special audits and regular audits, the Company continuously optimizes and improves the internal control management system, steadily promotes measures such as the resolution of major risks and the collection of historical accounts receivable, converts audit supervision efficiency into corporate governance efficiency, effectively prevents asset loss and potential risks, and builds a "firewall" for the Company to move forward steadily in a complex environment.

Key Performance

In 2025, the Company has

Audited **26** relevant units and issued **31** audit reports

Completed **5** planned annual audit projects: including the economic responsibility audit of the former general managers of **7** companies such as the International Business Division and the Green Energy Business Division, a special audit of real estate leasing business involving **29** subsidiaries in **36** cities, and the operational indicator audit of **12** business units

Completed special audits of operating income and expenditure for **5** scientific research projects and self-evaluations for **5** investment projects

Key Performance

- Efficiently coordinated and completed the strategic emerging industry audit carried out by CRRC, involving a special audit of product lines (covering four major fields of sensors, automotive, new energy, and semiconductors)
- Saved the Company over **RMB 100 million in capital expenditure** through engineering project audits

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Case: Conducting Follow-up Audits with Closed-loop Management to Consolidate the Effectiveness of Audit Rectification

In 2025, the Company completed the rectification and closed-loop inspection of 159 problems in five special audits conducted in 2024, including the special audit of agent procurement management, special audit of dealer management, special risk audit of customer credit limits in strategic emerging industries, economic responsibility audit, and full-coverage audit, involving 21 audited units. After audit confirmation, 141 items have been rectified and closed, with a rectification completion rate of 89%.

The Company conducted a systematic inspection of the long-term rectification effects of 818 closed problems raised since the 2019 audits by CRRC and CRRC Zhuzhou Institute or 2020 audit by Times Electric, verifying the authenticity, effectiveness, and sustainability of the rectification measures, promoting the transformation of audit results into governance efficiency, and achieving the audit goal of "treating existing issues and preventing potential issues". The inspection involved 37 units and put forward more than 30 optimization suggestions.



Case: Strengthening Supervision over Cadres' Performance of Duties and Conducting Special Economic Responsibility Audits

In 2025, the Company conducted economic responsibility audits on 7 of its domestic and foreign units, achieving full coverage of the leaders of important domestic and foreign business units. The audit focused on the core responsibilities of leading cadres during their tenure, such as operational decision-making, financial revenue and expenditure, asset control, and compliant operation, objectively evaluated their performance, identified more than 30 problems in total, and put forward constructive suggestions. This initiative not only promoted the standardization of cadres' performance of duties and the implementation of responsibilities but also provided an important basis for the Company's cadre assessment, appointment, and removal. Among them, the first economic responsibility audit of overseas subsidiaries comprehensively reviewed their internal control status, effectively standardized overseas business operations, and helped reduce overseas operational risks.

In 2025, the Company strengthened the exchange of audit experience with external units and organized professional learning and training for internal employees. Including but not limited to: sharing and exchanging experience in audit digitalization construction with more than 40 units in Zhuzhou City; organizing department employees to participate in training in audit, accounting and finance, digital and intelligent technology and other fields through the combination of "inviting in" and "sending out", as well as online and offline learning, with an average training time of more than 40 hours per person.

Two papers were published in *Internal Auditing in China* and one paper won **the second prize of Hunan Provincial Audit Research Paper.**

Two cases were recommended to participate in the CRRC "Ruijian Cup" Lean Audit Risk Control Management Competition and won awards **one digital and intelligent technology application practice case was recommended by the Hunan Internal Audit Association to the China Internal Audit Association and one project participated in the review of Hunan Provincial Annual Excellent Audit Projects**

Internal Control

The Company strictly adheres to laws and regulations such as the *Company Law of the People's Republic of China* and the *Guidelines on the Bylaws of Listed Companies*, as well as the regulatory requirements of the China Securities Regulatory Commission (CSRC), the Shanghai Stock Exchange (SSE) and The Stock Exchange of Hong Kong Limited (HKEX). It fully implements internal systems including the *Management Measures for Internal Control Work*, the *Internal Control Application Manual*, and the *Post-Evaluation Management Measures for Major Fixed Asset Investment Projects*, so as to continuously improve the Company's internal control system.

In 2025, the Company takes penetrating supervision as the main line, focuses on its core responsibilities and main businesses, and promotes the top-down penetration of management and control across all levels, all chains, all processes, and all elements. This enables internal control management to support the high-quality development of the industry and empower businesses to enhance value.

- The Company conducts annual internal control evaluation and carries out self-inspection and evaluation of internal control effectiveness from multiple dimensions. The scope of the annual internal control evaluation covers functional departments, industrial units, and domestic and overseas subsidiaries, with a focus on key business units and key business areas. In accordance with the internal control defect identification standards, 10 general defects were identified during the annual reporting period, and no major or significant defects were found. The rectification of defects was implemented and tracked before December to ensure that all internal control defects are rectified and closed within the year.
- The Company conducts annual internal control audits to ensure compliance with the capital market's requirements for the Company's internal control management. In 2025, the internal control audit focused on Times Electric, Times Semiconductor, Yixing Semiconductor, National Converter Center, CRRC Electric Drive, SMD Shanghai, Baoji Times, etc. The business areas involved include R&D, procurement, production, sales, after-sales service, finance, engineering projects, information technology, government subsidies, pending litigation, etc.
- The Company implements the spirit of the Central Eight-Point Regulation, conducts audits on expenses related to the Central Eight-Point Regulation, and earnestly performs its audit supervision responsibilities. The Company adopted the form of self-inspection by business units combined with random inspections of some key units (such as Ningbo Times and Ningbo Electric), and identified a total of 4 problems. Rectification plans and schemes have been formulated, and the rectification has been organized and completed.
- Combined with the closed-loop audit of problems, the "Three Re" work (re-review, re-rectification, and re-evaluation) is carried out to promote the rectification of problems identified in internal and external supervision of the Company to achieve practical and long-term results.
- The Company reviews, formulates, and revises audit risk control systems to ensure they meet the needs of audit risk control management. In 2025, the 27 systems of the Audit and Risk Control Department were reviewed to determine the annual revision plan for audit risk control systems and division of labor arrangements. During the year, 1 new system was added, and 13 systems were revised.

To further strengthen the internal control awareness of all employees, improve the level of internal control, and enhance risk prevention capabilities, the Company organized special training on internal control. It publicized and trained on common internal control problems of listed companies (such as corporate governance, R&D and production, sales management, procurement management, financial management, and system management) and internal control improvement paths, so as to ensure the implementation of effective internal control management and promote the standardized and effective operation of the internal control system.

Adhere to the Leadership of Party Building

Times Electric has thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China and previous plenary sessions of the Party, as well as the spirit of the National Work Conference on Party Building in State-owned Enterprises. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, it has systematically embedded the core leadership role of the Party into the corporate governance framework, and effectively transformed its unique political and organizational advantages into key driving forces for improving governance efficiency and driving sustainable development, laying a solid foundation for the comprehensive practice of environmental, social and governance (ESG) strategies. The Company's Party organizations are well-established, with a 100% coverage rate of Party organizations at all levels.

Party building lays a solid theoretical foundation

The Company continues to strengthen ideological and political construction. Through systematic and multi-level theoretical study of Party building, the Company deeply understands the national strategic deployment on scientific and technological self-reliance and self-improvement, manufacturing power, and new quality productive forces, ensuring that the development of the Company resonates with the national strategy. In 2025, the Company carried out 8 sessions of study by the Theoretical Study Center Group of the Party Committee, 67 "First Topic" studies, 1 reading class, 1 secretary training class, and 1 Ideological and Political Festival.

Party building strengthens compliance and internal control

Guided by improving governance capabilities, the Company's Party Committee has deeply integrated discipline construction and compliance management into the Company's operations. Through the systematic conduct of integrity education for employees, 331 diversified learning activities were organized throughout the year, including thematic Party day seminars, typical case warnings, online knowledge tests, and special Party lectures, continuously strengthening the sense of discipline and compliance awareness of managers at all levels and personnel in key positions. On this basis, the Company focuses on promoting the application of learning and combining investigation with rectification. It organizes leadership teams at all levels and personnel in key positions to conduct in-depth investigation and rectification of problems around the performance of duties, process standardization, and risk prevention and control, thus forming a closed-loop management mechanism of "education - investigation - rectification - improvement".

Party building improves the level of scientific decision-making

The Company makes constant efforts to optimize its governance system. It dynamically revises the *Management Measures for Major Decisions, Major Cadres, Major Project Arrangements and Large Amounts of Funds ("Three Majors and One Large")* and the list of matters covering all business units and legal entities, and simultaneously formulates the *Rules of Procedure for Party Committee Meetings* and the list of pre-research matters for newly established legal entities, comprehensively promoting the institutionalization, standardization, and proceduralization of governance work. Moreover, it strictly implements the preliminary procedures for decision-making by the Party Committee. The implementation of the "Three Majors and One Large" is regularly assessed every quarter to ensure that governance requirements are thoroughly and consistently implemented, effectively improving the scientific nature of the Company's overall decision-making and the stability of operations.

Party building promotes trade union building and leads league building

The Company continues to build the "Flying Flag" Party building brand, deepens the promotion of trade union building and leadership of league building through Party building, carries out activities such as labor competitions and skill contests, promotes the creation of "Youth Model Unit Awards", and activates the role of young people as a new force.



Case: Special Party Lecture on "Setting Benchmarks, Being Models and Setting Examples" and the Second Ideological and Political Festival of Times Electric

In October 2025, the Party Committee of Times Electric organized a special Party lecture on "Setting Benchmarks, Being Models and Setting Examples" and the Second Ideological and Political Festival of Times Electric. This Ideological and Political Festival includes three major sessions: the online quiz "Remembering the Earnest Entrustment", the special Party lecture "Understanding the Great Power of Thought", and the all-staff initiative "Uniting Forces for Overcoming Challenges". With rich content and innovative forms, it presented a unique "red feast" with both "practical content" and "warmth" to all employees, making ideological and political education "vibrant". More than 600 Party members of the Company participated in this activity.



Special Party Lecture on "Setting Benchmarks, Being Models and Setting Examples" and the Second Ideological and Political Festival of Times Electric



Case: 2025 Training Course for Secretaries of Grassroots Party Organizations - "Setting Benchmarks, Being Models and Setting Examples"

In November 2025, the Party Committee of Times Electric successfully held the 2025 Training Course for Secretaries of Grassroots Party Organizations in Shaoshan, Hunan. Focusing on strengthening the ideals and beliefs of the trainees and improving their comprehensive abilities, the training innovatively adopts various modes such as special teaching, on-site teaching, and outward bound training, emphasizing both the depth and height of theoretical teaching and the breadth and effectiveness of practical application. More than 60 secretaries of grassroots Party organizations of the Company participated in a four-day intensive study and in-depth exchange.



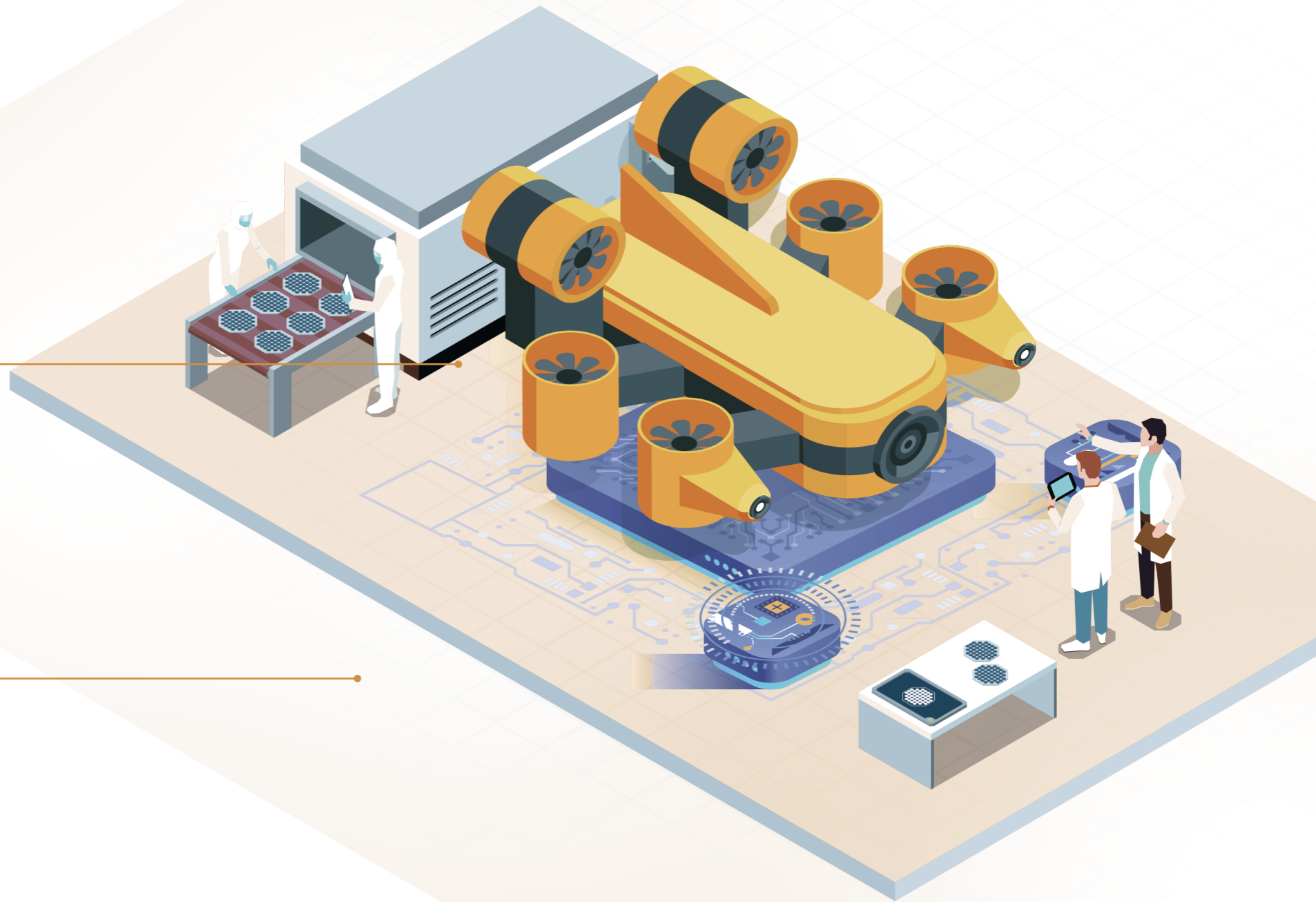
2025 Training Course for Secretaries of Grassroots Party Organizations - "Setting Benchmarks, Being Models and Setting Examples"

Harmony and Win-Win Walking Together with Responsibility

Major sustainable development issues covered in this chapter :

- Product quality and safety
- R&D innovation
- Information security and privacy protection
- Clean technology R&D
- Intellectual property protection
- Quality service
- Industry collaboration
- Supply chain management

SDGs to which this chapter responds :



Adhering to Innovative R&D

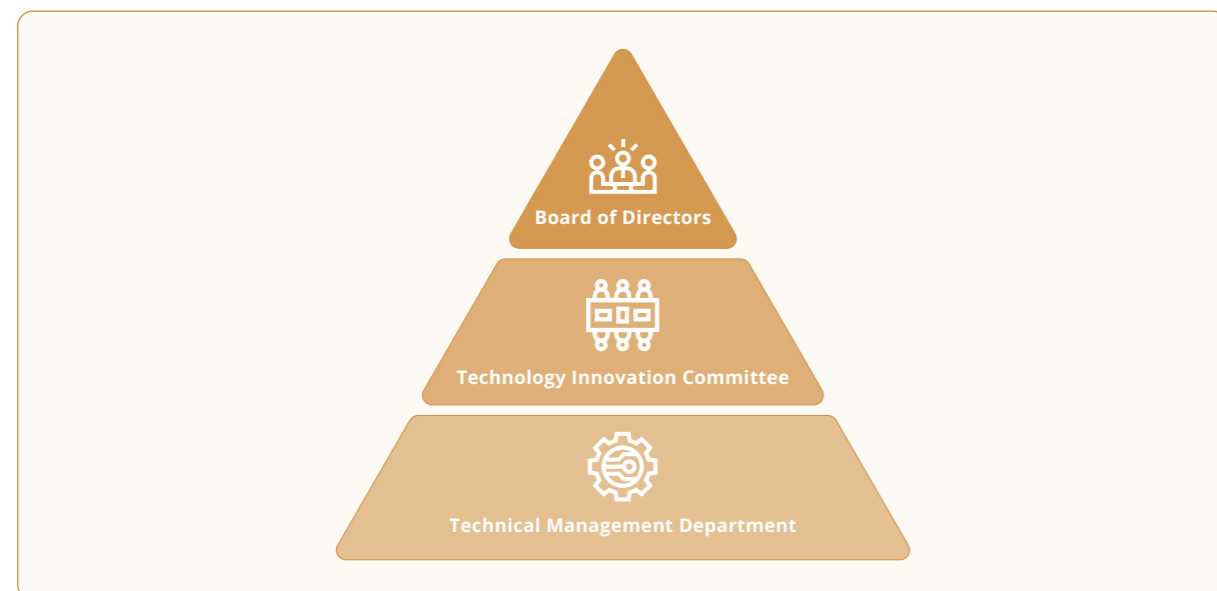
Times Electric has always placed products as its core, actively responded to the national "dual carbon" strategy, and relied on a systematic intellectual property management and protection mechanism to continuously promote the R&D and achievement transformation of green products and advanced processes. The Company integrates scientific and technological ethics into the entire technology R&D and product commercialization process, upholds ethical standards in key fields such as rail transit and new energy, and ensures that innovation activities are responsible and sustainable. By continuously improving product quality and technological connotation, the Company is committed to promoting the green and safe development of the industry and shaping a brand image of technological leadership and excellent quality.

Innovative R&D Management

Governance

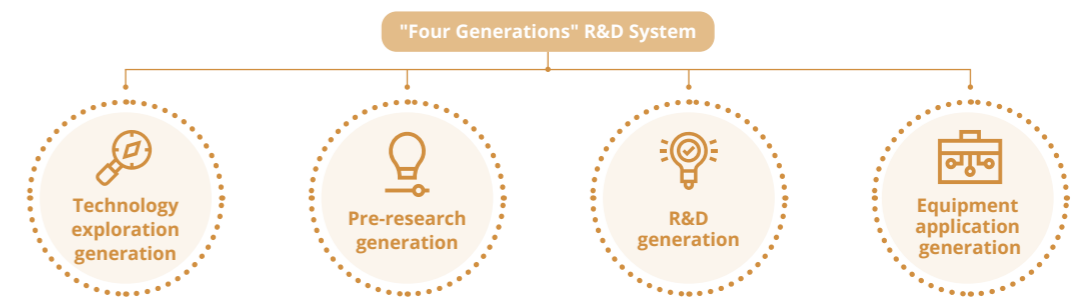
Times Electric has formulated systems such as the *Scientific Research Project Management Measures*, *Major Scientific Research Project Assessment and Reward Measures*, and *Scientific Research Project Grading Management Measures* to enhance technical research and product development capabilities and ensure the standardized management of scientific research project applications and new product development.

The Company has established a Science and Technology Innovation Committee led by the Board of Directors, serving as the core decision-making support body for implementing the innovation-driven development strategy. The Committee is responsible for systematically studying the Company's long-term development strategy, major scientific and technological innovation projects, and sustainable development plans, and providing scientific suggestions for relevant decisions of the Board of Directors. In daily operations, the Secretary of the Board of Directors is responsible for overall coordination, the Board Office provides administrative support, and the Technology Management Department serves as the counterpart execution and service department of the Committee. The Department specifically undertakes the functions of organizing and reporting medium and long-term scientific and technological strategies, annual scientific research plans, and major project progress, and is responsible for executing or supervising the implementation of the Committee's resolutions and providing regular implementation updates, thus forming a complete closed-loop management system from strategic decision-making to execution.



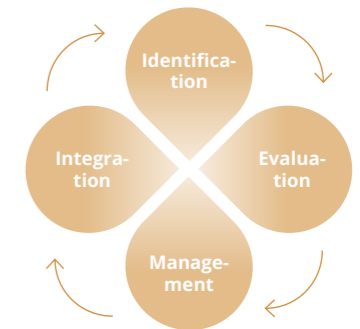
Strategy

Times Electric remains unwavering in driving high-quality development through innovation, steadily advances the "Four Generations" R&D system, and actively explores new growth drivers in strategic emerging industries while maintaining the stable development of core rail transit businesses. The Company conducts cutting-edge technology research around key directions such as cross-platform maintenance, ultra-high-speed transportation, transportation-energy integration, next-generation semiconductors, artificial intelligence+, new energy power generation, new power systems, marine technology, and new industrialization, comprehensively tackles key core technologies in the fields of transportation and energy, and strengthens high-level scientific and technological self-reliance and self-resilience.



Risks and opportunities

The Company has built a risk management system for innovation covering the entire process of "identification - evaluation - management - integration". It identifies risks and opportunities through expert seminars and supply chain analysis, evaluates and ranks them using the "probability-impact matrix", formulates response measures, and includes them in the ledger for dynamic tracking. At the same time, the Company deeply integrates the process into business management, with the Technology Committee providing decision support. It has introduced management systems such as CMMI and IPD, established an R&D model that links cutting-edge technology with industry applications, and extended risk control throughout the entire life cycle from design and procurement through production to service, thus, achieving organic integration with strategy and operations and promoting continuous improvement and high-quality development.



Focusing on the innovation-driven development strategy, Times Electric has systematically identified the key risks and opportunities faced in the innovation process:

Technical Risks	Technical Opportunities
<p>Technology iteration risk: The rapid update of technology leads to the risk of being replaced or becoming obsolete.</p>	<p>Accelerated domestic substitution of power semiconductors: Presents a window of market opportunity for domestically developed technologies.</p>
<p>New product expansion falling short of expectations: There are uncertainties in market acceptance, production capacity ramp-up, supply chain support, etc.</p>	<p>"Dual Carbon" policy drive: Demand for new energy equipment, energy-saving technology, and other fields continues to grow.</p>
<p>Geopolitical impacts on overseas markets: Factors such as trade barriers, policy changes, and international relations can complicate market expansion.</p>	<p>New growth opportunities in overseas markets: Business expansion through technology exports and market partnerships.</p>
<p>Intensified market competition: May lead to a decline in market share and narrowing of profit margins.</p>	<p>Stable market space for rail transit equipment: Stock renewal and new projects provide sustained demand.</p>

Metrics and Targets

Times Electric continuously enhances its overall capabilities through technological innovation, R&D investment and the commercialization of scientific and technological achievements, and has been recognized as a national "High-Tech Enterprise".

Indicator	Unit	2025
R&D Investment	RMB 100 million	31.77
R&D investment as a percentage of main operating income	%	11.07
Number of R&D personnel	Persons	4,560
Proportion of R&D personnel to total employees	%	42.43

Product R&D Investment of Times Electric

Research objectives



Intellectual Property Protection

The Company has systematically strengthened intellectual property management, issued and implemented the *Intellectual Property Management Measures*, and integrated the concept of high-quality development throughout the entire process of intellectual property creation, protection, management, and application. By conducting a comprehensive investigation of patent assets, consolidating the management foundation, and promoting the systematization and standardization of intellectual property work, the Company provides robust support for its innovative development and for building its core competitiveness.

Key Performance

the Company filed a total of **530** patent applications with **404** granted **3,858** accumulated valid patents

the Company filed **430** invention patent applications with **306** granted **2,647** accumulated valid invention patents

Training on Intellectual Property Protection

The Company has established a systematic intellectual property and innovation management training system, and carried out hierarchical and classified empowerment activities around the entire life cycle of scientific research projects. Annual special intellectual property training is organized for intellectual property engineers, key project leaders, and relevant personnel, covering patent search and risk analysis methods, patent layout planning, and key points of report preparation. At the same time, a series of innovation-driven training sessions are irregularly carried out for all scientific and technological management personnel, including the promotion of scientific research project approval and conclusion processes, project fund management specifications, and scientific research project naming rules, so as to comprehensively improve the standardization and professionalization of scientific research management.

Promoting Industry Development

Times Electric remains steadfast in driving industry progress and has achieved remarkable results in standardization construction. In 2025, the Company gave full play to its technological advantages and led/participated in the formulation of 21 international, national, industry, and group standards, fully demonstrating its outstanding strength in technological innovation and industry leadership.



Case: Times Electric Deepens Industry-University-Research Collaborative Innovation

Times Electric systematically promotes technological R&D and achievement transformation in key fields by building a deep integration network of industry, university, and research covering domestic and foreign countries. Domestically, the Company cooperates closely with top universities and scientific research institutes to carry out joint research focusing on cutting-edge directions such as electrified highways, new power systems, high-voltage cascade energy storage, artificial intelligence, and carbon accounting. At the international level, the Company continues to deepen long-term partnerships with well-known universities such as the University of Cambridge in the UK, the University of Sheffield, Ruhr-Universität Bochum in Germany and KTH Royal Institute of Technology in Sweden, strengthens the two-way interaction between scientific research innovation and achievement application, jointly carries out technological research and industrial breakthroughs, and promotes knowledge sharing and high-level talent training.

Science and Technology Ethics

The Company strictly adheres to national laws and regulations related to science and technology ethics, and integrates ethical governance into the entire process of R&D, production, and application. In the R&D phase, the Company has established a science and technology ethics review mechanism to conduct strict evaluations of cutting-edge research involving human life and health, ecological environment, and public order. It implements the principle of "safety paramount, life first" in core businesses such as rail transit and new energy to ensure that product design meets the highest safety and ethical standards. In the development and application phases, the Company implements full-life-cycle quality management and ethical risk control covering from raw material procurement to product delivery, and has established a traceable and accountable closed-loop mechanism. During the reporting period, Times Electric identified no breaches of science and technology ethics within its operating scope.

Publicity and training on science and technology ethics

The Company continues to cultivate an innovative culture that values ethics, openness, and transparency, deeply embeds concepts such as data security, privacy protection, integrity, and fairness into technical activities and employee behaviors, systematically enhances the awareness of science and technology ethics among all employees, and provides a solid guarantee for responsible innovation and sustainable development.

Internal employee training

The Company conducts science and technology ethics training for all full-time employees from time to time, focusing on key positions such as technology R&D, product design, and data management, as well as management personnel. The training content revolves around core topics such as science and technology ethics principles, data and privacy protection, algorithmic fairness, artificial intelligence ethics, cybersecurity, intellectual property rights, and antitrust compliance, and case teaching is carried out in combination with industry and business scenarios. New employees are required to receive basic induction training, personnel in key positions must participate in special training at least once a year, and each subsidiary irregularly organizes various forms of learning such as offline/online lectures and seminars.

Training for external stakeholders

It is mainly targeted at external groups involved in technical cooperation, data sharing, and product use such as partners, customers, and suppliers. The training focuses on practical content such as data privacy, algorithmic fairness, AI ethics, cybersecurity, and intellectual property rights. Each subsidiary organizes regular training at least once a year, and provides special guidance to new partners in the early stage of cooperation. Supplementary training is conducted when there are major technological or product updates, mostly in the form of online meetings.

Quality Products and Services

Product safety and quality are the core carriers for Times Electric to fulfill its core responsibilities to customers, society, and the environment. Times Electric has always adhered to the quality policy of "excellent quality, lean innovation, continuous improvement, and customer satisfaction" and the safety policy of "complying with safety standards, improving safety systems, manufacturing reliable products, and ensuring driving safety". It fully embeds quality and safety management into the entire process of enterprise strategic planning, daily operations, and governance framework, builds a full-life-cycle quality and safety control system, and puts ESG principles into practice through concrete actions.

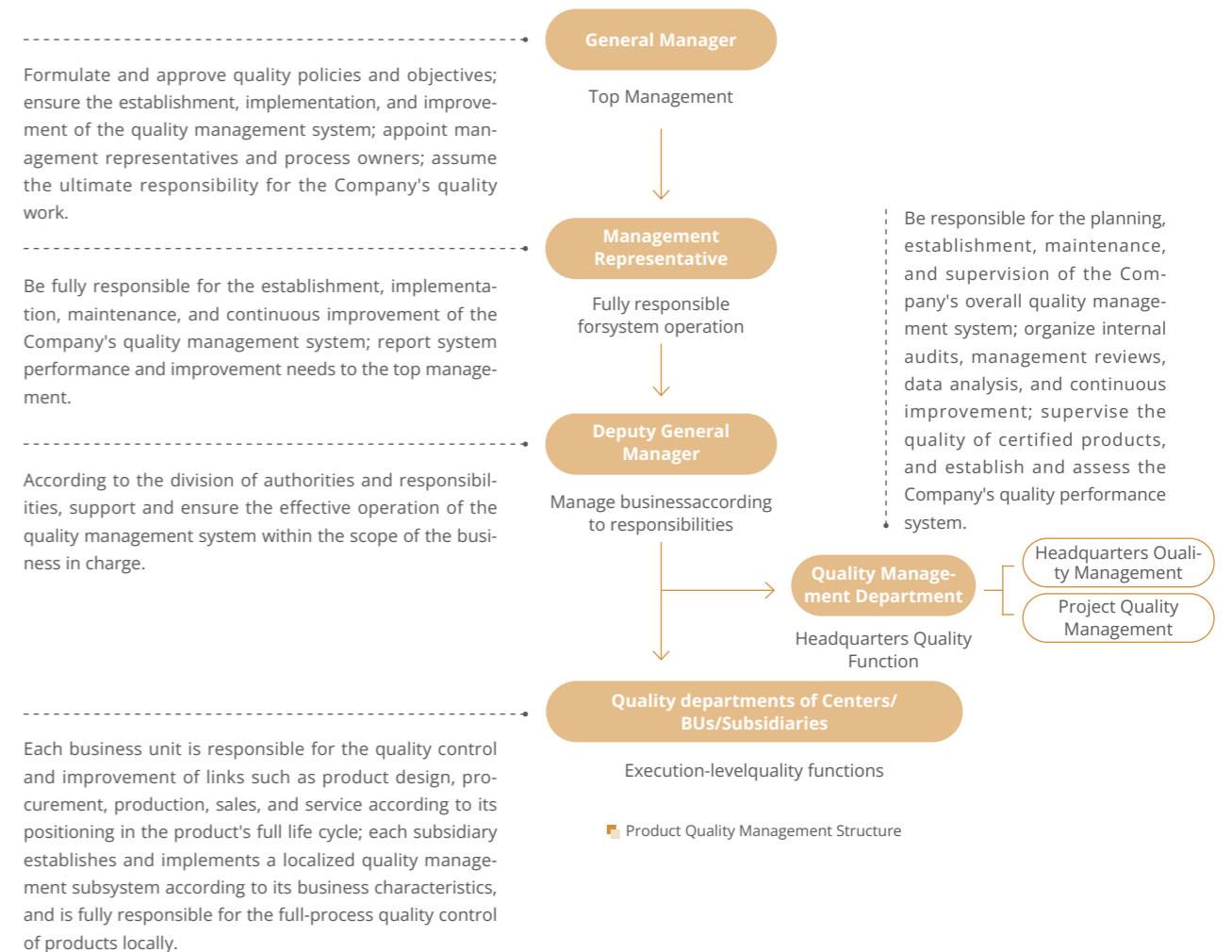
Governance

Times Electric has established a product quality and safety governance system with clear authorities and responsibilities covering the entire process, ensuring effective connection and closed-loop management from strategic decision-making to front-line execution.

Governance framework and responsibilities

Times Electric has built a systematic management structure, relying on the full-process control and closed-loop improvement mechanism to achieve full-chain prevention and control of quality and safety risks. As the top management, The General Manager, as the Company's top executive, bears ultimate responsibility for quality.

The Quality Management Department, which is accountable for the collective system management, Department is responsible for coordinating the construction, implementation, supervision, and continuous optimization of the quality and safety management system. In 2025, the Company revised its standard *Quality Manual*, further systematically improved the product quality governance system, clarified the quality and safety responsibilities and authorities of each department and position, built a responsibility chain from strategic decision-making to front-line execution, and promoted the layer-by-layer implementation of quality and safety responsibilities with clear accountability to individuals.



Institutional system and compliance foundation

Times Electric has formulated and continuously iterated core internal systems such as the *Times Electric's Management Measures for Dual Prevention Mechanism of Product Quality and Safety* and the *Times Electric's Management Measures for Quality and Safety*, built a quality and safety management system with risk prevention as the core and full-life-cycle coverage, and clarified the quality control standards and operating specifications for each link.

The relevant systems clearly define the quality control requirements for all links from design and R&D, procurement, production and manufacturing, inspection and testing to after-sales service, and are strictly aligned with national laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Railway Law of the People's Republic of China*, and the *Regulation on the Administration of Railway Safety*. Also, they are in alignment with the CRRC series quality management standards. These are all aimed to ensure that the quality and safety management work is fully compliant, with clear authorities and responsibilities and standardized processes.

Supervision and reporting mechanism

Times Electric has built a multi-level and information-based quality and safety supervision and reporting mechanism, relying on a digital platform to achieve real-time monitoring, rapid response, and full-process traceability of quality and safety status.

In accordance with the *Fault Emergency Management Process of Times Electric* and the *Hierarchical Management Process for Problems in Maintenance Service Center of Times Electric*, the Company has an immediate reporting mechanism for major quality faults and safety incidents, strictly implements the requirements of three-level notification and CRRC's quick report and express report, ensuring that quality and safety information is promptly and accurately transmitted to the Quality Management Department and the Company's leadership at the first time to provide information support for rapid disposal.

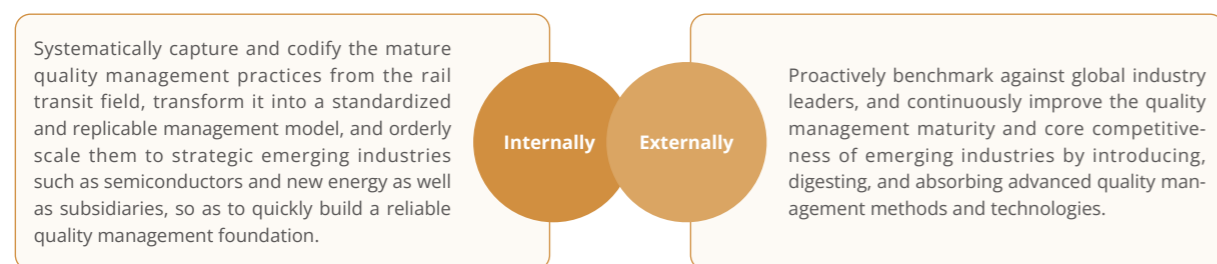
At the same time, the Company regularly conducts special inspections on the timeliness and accuracy of quality problem notifications to ensure that the entire process of information flow is controllable and traceable, thereby reinforcing oversight.

Strategy

Times Electric regards quality and safety as the lifeline of its sustainable development and deeply integrates them into the Company's overall strategy. We not only promote the continuous improvement of quality performance through clear strategic goals and systematic action plans, but also regard the cultivation of quality culture as the foundation for achieving long-term excellence, and are committed to internalizing the concept of "quality first, safety first" into the conscious actions of all employees.

Strategic positioning and development path

Centering on the strategic goal of "becoming "an industry benchmark and a completely reliable and the preferred choice of customers", Times Electric has established a quality development path of "cultivating both internal and external capabilities, walking on two legs".



Quality management system

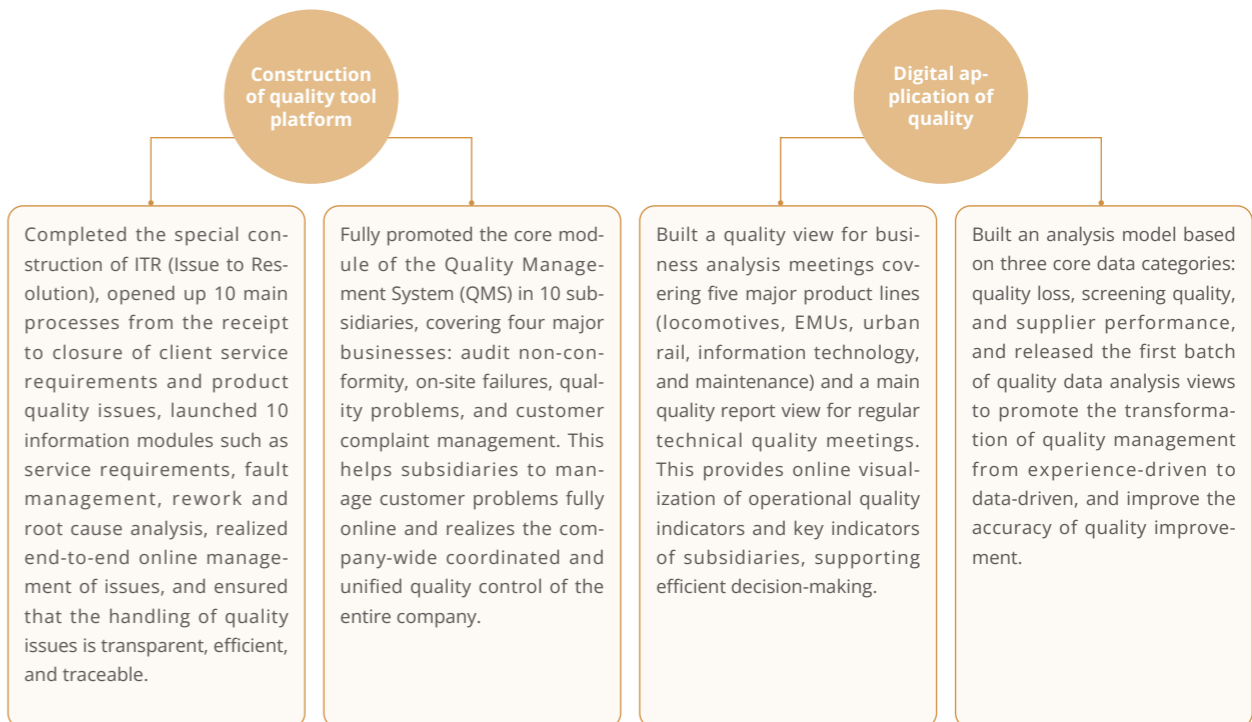
In 2025, Times Electric obtained the ISO 9001 quality management system certification and successfully upgraded its IRIS certification to the 04-version standard, achieving the "double certification" of quality management. During the reporting period, the certification coverage rate for all production subsidiaries reached 100%.

Performance appraisal and closed-loop management

To ensure the implementation of the strategy, Times Electric deeply integrates quality and safety goals into the annual business plan and departmental performance appraisal. By formulating special task nodes and relying on business analysis meetings and regular technical quality meetings for dynamic tracking and review, a closed-loop management of "strategic planning - execution promotion - feedback optimization" is promoted to promote the continuous deepening of quality management work.

Digital transformation support

Digital transformation is an important technical support for the implementation of quality strategy and cultural solidification. In 2025, Times Electric focuses on two major directions: the construction of quality tool platforms and the application of digital scenarios, driving the upgrading of quality control with data and improving the efficiency and accuracy of quality management.



Special actions and cultural cultivation

Guided by the principle of "strengthening the foundation through hard investment and promoting improvement through soft management", Times Electric combines quality culture cultivation with the implementation of special actions. The Company builds a quality improvement system led by culture, supported by actions, and guaranteed by assessment, promoting the internalization of the concept of "quality first and safety first" into the conscious actions of all employees.



The Company continuously carries out quality concept promotion, "quality red line awareness" education, and quality and safety warning activities for all employees. Relying on mechanisms such as the "Lighthouse Training", it built a hierarchical and classified training system, deeply integrating quality and safety awareness into organizational behaviors and employees' professional habits, and laying a solid ideological foundation for quality improvement.



In 2025, the Company planned and implemented the "Cornerstone Action for Quality and Safety Assurance", building four core pillars: establishing a "Quality Warning and Safety Day" to solidify the reflection and improvement mechanism; setting up a regular "Eight-Prevention" inspection mechanism to eradicate potential hazards; constructing a forward-looking reliability verification system to enhance product risk resistance; strengthening change reporting and penetrating assessment of safety components to achieve precise control of key risks. This series of measures forms a full-process closed loop from pre-event prevention, strict in-process control to post-event improvement, systematically consolidating the fundamentals of quality and safety.



Case: Implementation of Quality and Safety Special Projects and Closed-Loop Risk Management

In 2025, Times Electric systematically planned 253 special quality and safety tasks, establishing a closed-loop management system covering the entire process of project approval, execution, and verification. Taking the "Special Project for Inspection and Maintenance of EMU Aluminum Rivet Structure Products" as an example, the team accurately identified potential corrosion and loosening hazards through in-depth risk analysis, and formulated a systematic rectification plan combining standard optimization, process refinement, and preventive maintenance.

A total of 249 special tasks were completed throughout the year, eliminating potential driving safety hazards from the source and fully demonstrating prevention-first, targeted approach to risk prevention and control.



Case: "Lighthouse Program" Special Training - Systematic Empowerment of Quality Talents

To support the implementation of the quality strategy and the "Cornerstone Action", Times Electric continues to promote the "Lighthouse Program" quality talent training project, focusing on the quality backbone group. The Company builds a practical curriculum system covering six modules, including quality and safety red lines, statistical process control (SPC), simplification, and quality cost management. Internal experts teach to ensure that the content is in line with business needs, achieving the talent leading effect of "lighting up one point to illuminate a wide area" and providing core talent support for quality improvement.



Lighthouse Training - Quality and Safety Warning Education



Lighthouse Training - Quality Management Statistical Method Training



Lighthouse Training - Inspector Skill Assessment Framework



Training Cornerstone Action - Quality Warning and Safety Day Activities

Risk Management

Times Electric has established a systematic and hierarchical quality and safety risk and opportunity management mechanism, covering system processes and comprehensive business scenarios, with complete emergency response, product recall, and customer communication processes to achieve preventable and controllable risks and accurate capture of opportunities, minimize the negative impact of quality and safety on stakeholders, and enhance the resilience of its sustainable development.

Risk and opportunity management mechanism

As the centralized management department, the Quality Management Department coordinates and organizes the risk and opportunity assessment throughout the entire process of the quality management system and supervises the effectiveness of response measures. Each business department assumes the main responsibility for risk identification, opportunity exploration, and formulation and implementation of control measures in its own field, forming a risk prevention and control and opportunity capture network with top-down linkage, full-staff participation, and closed-loop management.

In terms of opportunity management, the Company combines the formulation of business plans and development strategies to systematically identify positive opportunities in fields such as market, technology, and policy, transforming them into specific business goals and action measures to promote the continuous innovation and upgrading of quality management.

Risk and opportunity identification

In accordance with the *Risk and Opportunity Response Management Measures of Times Electric*, the Quality Management Department organizes various departments to identify risks and opportunities in all business links through process turtle diagrams, and summarizes and forms the *Quality Management System Process Risk and Opportunity Assessment and Analysis Table of Times Electric*, which is included in the input of the annual management review to achieve dynamic update and optimization.



Assessment and countermeasures

The identified risks are scientifically graded according to the probability of occurrence and potential impact, with clear response priorities. Differentiated strategies such as avoidance, reduction, transfer, and acceptance are adopted. Risks are controlled within an acceptable range through a combination of measures including system revision, process optimization, special task execution, training and promotion, and technical support.



Dynamic monitoring and closed-loop management

Relying on the information platform, dynamic monitoring of risk status is implemented, and risk changes are tracked in combination with regular management reviews, forming a full-process closed-loop management of identification-assessment-response-monitoring-review.



Case: Driving Front-Line Risk Closed-Loop Management with Task Lists

To strengthen the safety risk control of product on-site application, the Maintenance Service Center of Times Electric simultaneously promoted the "Quality and Safety Special Work" and the "Quality and Safety Cornerstone Action Special Work" in 2025, setting up 124 specific tasks. These tasks include 4 hidden danger inspections, 20 capability improvement projects, 43 "Eight-Prevention" business inspections, 18 document sorting and self-inspections, and 10 learning training and awareness enhancement projects, covering all business and support departments of the center.

By transforming risk control requirements into executable and inspectable task lists, the transformation from passive response to active prevention is achieved. This effectively rectifies on-site hidden dangers, improves the quality and safety awareness of all employees, and builds a solid grass-roots risk prevention and control barrier.

Emergency and recall mechanism

To effectively fulfill product responsibilities, safeguard users' rights and interests, and protect public safety, Times Electric has established a systematic and comprehensive defect prevention and active recall management mechanism. The *Company's Non-conformity Management Measures* and *Product Quality Problem Management Measures* stipulate recall activities and emergency response procedures. When recall conditions are triggered, the Company immediately initiates a standardized emergency response process and simultaneously promotes risk control and information notification: physical isolation and status identification are implemented for similar products in production and inventory to block the spread of risks; technical investigations are conducted quickly, and the investigation conclusions and recall decisions are formally synchronized to affected customers and relevant certification bodies; in consultation with customers based on the nature of defects, corrective measures such as repair, replacement, and recovery are efficiently implemented to completely eliminate product risks.

Key Performance

During the reporting period, Times Electric had

- 0 major safety and quality liability accidents
- 0 product recalls

With a rapid response, transparent process, and responsible attitude, Times Electric effectively fulfills its responsibilities for products, fully reflecting the effectiveness of the quality management system and its social responsibility.

Customer communication and complaint management

Times Electric regards customer communication and complaint management as an important front-end input for quality and safety risk and opportunity management. In accordance with the *Customer Complaint Management Process of Times Electric*, the Company realizes the full-process closed-loop management of complaints from reception, classification, investigation, processing, to feedback.

Through continuous monitoring and analysis of complaint data, the Company proactively identifies potential defects, systemic risks, and improvement opportunities in products and services. It transforms customer feedback into specific actions for design optimization, quality improvement, and risk prevention, which not only enhances customer-oriented continuous improvement capabilities but also consolidates customer trust and brand resilience. For more practices on customer rights protection, please refer to the Section "Protection of Customer Rights and Interests" of this report.

Metrics and Targets

Times Electric has established and continuously tracked key quality and safety performance indicators. Through systematic measures such as the promotion of special tasks, the upgrading of management system certification, and the in-depth application of digital tools, it ensures the effective achievement of goals and transparent performance. During the reporting period, the Company has achieved significant improvements in product reliability, service response efficiency, and customer satisfaction, and all established quality and safety goals have been successfully completed.

Key Indicator	Unit	2025	
Business scope covered by quality management system certification	%	100	
Number of major liability accidents	Nr.	0	
Number of general Class C liability accidents	Nr.	0	
Pass rate of product sampling	%	100	
Number of product recalls	Nr.	0	
Product quality and safety training	Number of sessions	Session	50
	Total training duration	Hours	194
	Number of participants	Person-times	9,368
	Employee coverage	%	90.6



Case: Dual Recognition of Quality Awards and Customer Reputation

In 2025, the Company's quality practices have received dual recognition from external authoritative institutions and the market. Throughout the year, it has won a total of 24 national, industry-level, and provincial-level quality awards, confirming the advancement, effectiveness, and consistency of its quality management system.

At the same time, with reliable product quality and excellent service capabilities, the Company has received many letters of thanks from important customers and partners, forming a good market reputation and further strengthening brand influence and market competitiveness.

Protection of Customer Rights and Interests

Times Electric has always regarded the protection of customer rights and interests as one of its core responsibilities. By improving the customer service system, optimizing service processes, and enhancing service quality, the Company is committed to providing customers with comprehensive and multi-level safety guarantees and quality service experiences.

Product Complaint Management

To standardize the customer opinion response mechanism and improve the level of service quality management, Times Electric issued the *Customer Complaint Management Process*. This process clarifies the definition, types (penalty, complaint, grievance), and three-level classification standards (A, B, C) of customer complaints, and systematically builds a full-process closed-loop management framework from complaint reception, information verification, task assignment, cause analysis, customer communication, responsibility determination, to assessment. The process clearly stipulates the responsible roles and processing time limits for each link, aiming to achieve the standardization, efficiency, and traceability of complaint handling, and continuously improve customer satisfaction and the Company's quality management efficiency.

Key Performance

In 2025, Times Electric

- received a total of 2 formal customer complaints related to product or service quality
- All complaints have been responded to, processed, and confirmed through customer communication, with a **100%** customer complaint resolution rate

Customer Satisfaction Survey

To gain a more comprehensive insight into customer needs and systematically optimize the service system, the Company further deepened its customer satisfaction survey this year, upgrading it from multiple dimensions such as survey objects, coverage areas, and survey methods, aiming to obtain more authentic and three-dimensional customer feedback. Based on the company's annual sales volume, inventory of insured products, etc., this survey accurately selected 60 key customer targets, distributed a total of 618 questionnaires, and collected 522 valid questionnaires. The final customer satisfaction evaluation score was 95.5 points, exceeding the preset target value of 87 points and successfully completing the annual target.

In response to various opinions and suggestions put forward by customers in the survey, the Company has incorporated them into the subsequent key improvement plan and established a continuous tracking and closed-loop management mechanism to ensure that each feedback is implemented and promote the continuous improvement of customer satisfaction and service quality.

Information Security and Privacy Protection

Governance

The Company strictly complies with laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China*, and *Personal Information Protection Law of the People's Republic of China*. It has formulated internal system documents including the *Data Security Management Measures*, *Data Security Classification and Grading Management Measures*, *Data Backup and Recovery Management Measures*, *Cybersecurity Management Measures*, *Information System Full Lifecycle Security Management Measures*, and *Document Encryption and Decryption Management Measures*. It continuously improves the data management system and standard system, and standardizes internal data management activities. In accordance with the rules and requirements of the management measures, the Company classifies, grades and labels its data. For customer privacy data marked as SL3 level, strict authority management and dynamic desensitization are implemented during application.

The Company attaches great importance to information security work and has established a systematic and comprehensive information security management system with clear authorities and responsibilities. The Company has established a Leading Group for Cybersecurity and Information Technology Work, with the Party Secretary and General Manager personally serving as the group leader to comprehensively coordinate and deploy cybersecurity and informatization construction; the leader in charge of cybersecurity and informatization serves as the deputy group leader to specifically promote the implementation of relevant work.

Strategy

With the core concept of "credible environment, attainable compliance, and controllable risks", the Company formulates an information security strategy with corporate characteristics around the three major systems of information security management, technology, and operation. It gives full play to the advantage of "security as a service" to ensure the safe and orderly development of information technology.

Risk Management

To continuously strengthen information security protection, the Company has established a regular, multi-layered audit and assessment mechanism. Each year, it conducts systematic checks of information systems and data security through internal control audits, special risk assessments, third-party IT audits, routine cybersecurity inspections, and other measures. The Company has promptly pushed for the remediation of all identified risks, ensuring their treatment through a closed-loop process.

In 2025, Times Electric



found a total of 39 risks through routine cybersecurity inspections. All risks were assigned to their respective responsible persons through the remediation process and have been retested and treated through a closed-loop process.



carried out manual inspections for subsidiaries in other locations through special supervision and inspection of cybersecurity, and identified 9 vulnerability risks. These risks were placed under special oversight of discipline inspection and supervision organs; following organized remediation and follow-up supervision, all have been managed in a closed loop.

Information Security Protection Measures

Regarding document security management, the Company has comprehensively strengthened control on the approval mechanism for data transfers between internal and external networks, requiring approval before any internal materials are transmitted to external networks. The approval requirement applies to all employees, including executives. Meanwhile, files on all employees' terminal computers are mandatorily encrypted, irrespective of connection to internal or external networks, thereby ensuring data security at every stage.

In 2025, Times Electric made constant efforts to optimize cybersecurity:



The 6 threat models and 3 automated treatment scripts were added.



Throughout the year, 1,805,000 risk alerts were identified. Security devices prevented 441,000 external attacks, while the Security Operations Center (including automated strategies) handled 1,112,000 risks, achieving an overall risk treatment rate of 86.4%.

Information Security Training

In 2025, the Company held 2 information security training and awareness campaigns for all employees, continuously enhancing staff-wide information security awareness. One was a staff-wide confidentiality and information security training session in June; the other was Cybersecurity Awareness Week in October. Together, they systematically strengthened employees' prevention capabilities and compliance awareness. A total of 13,009 employees participated in these campaigns, achieving 100% training coverage. In addition, the Company delivered an outstanding performance at the Hunan Emergency Response Drill for Data Security in the Field of Industry and Information Technology. It was recognized as an "Outstanding Participant".



■ Cybersecurity Awareness Week



■ "Outstanding Participant"

Metrics and Targets

Key Performance

- Recorded "zero" major cybersecurity or data security incidents
- Recorded no substantiated complaints involving violations of customer privacy

Building a Green Supply Chain

The security, stability, and sustainability of the supply chain are key foundations for ensuring the Company's business continuity and enhancing its core competitiveness. Upholding the concept of "building a world-class, AI-driven, win-win eco-friendly supply chain", Times Electric embeds ESG requirements throughout suppliers' Life Cycle Management (LCM). Through a systematized governance framework, clear strategic guidance, end-to-end risk and opportunity management, and quantitative indicator assessment, the Company partners with value-chain stakeholders to build a transparent, efficient, resilient, and responsible green supply chain ecosystem, thereby reinforcing the foundation for the industrial chain's sustainable development.

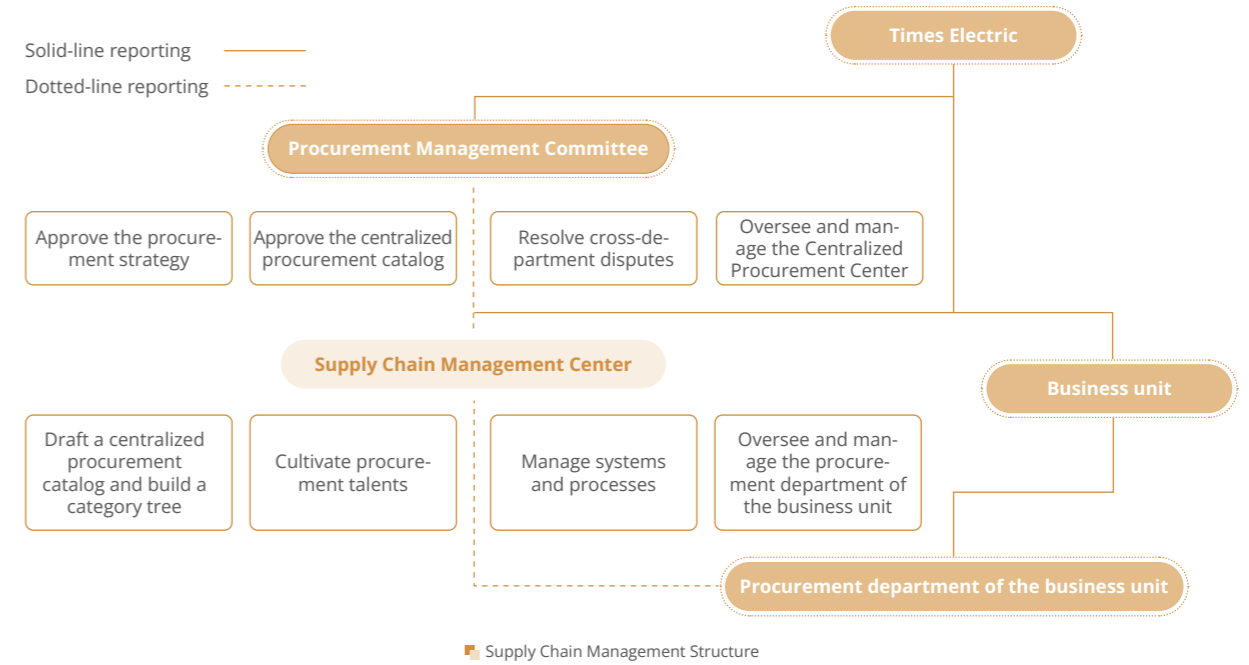
Governance

Times Electric has established and perfected an ESG governance system across its supply chain, clarifying responsibilities at every level, improving systems and processes, and reinforcing oversight mechanisms to create a closed-loop management system covering the entire supplier lifecycle—from entry and collaboration to review, monitoring, and exit. Digital tools are deployed to enhance governance effectiveness and ensure the effective implementation of ESG requirements.

Governance framework and responsibilities

Times Electric employs a hybrid centralized procurement management structure and has built a management system for decision-making, management, and execution levels to ensure centralized management for supply chain governance and flexible collaboration among businesses. The Procurement Committee, the decision-making and supervisory body, approves procurement strategies, coordinates to resolve major disputes, and oversees the operation of the Supply Chain Management Center. The Supply Chain Management Center, the central management department, takes the lead in the development of systems and processes, cultivation of professional talents, and guidance and supervision of procurement activities for business units.

Procurement departments of business units adopt a dual reporting system. Dotted-line reporting is to the Supply Chain Management Center, which has the right to propose appointment, removal, and performance assessment for that role. Solid-line reporting is to the leader of the respective business unit, who holds final authority over personnel and performance decisions. This structure effectively balances standardized control with market responsiveness and ensures operational responsiveness.



Supply Chain Management Structure

Management of Systems and Processes

Times Electric, in strict accordance with relevant national and international laws and regulations, based on its business characteristics, has established a full set of supply chain management systems, including the *Supplier Entry Management Process*, *Supplier Performance Evaluation Process*, *Supplier Classification Management Process*, and *Supplier Exit Process*. These systems cover the entire process, including supplier entry, classification, performance evaluation, review, and exit, with an emphasis placed on supplier selection based on "qualification + capability + compliance" and management standards. The Supplier Relationship Management (SRM) system enables digital control over the entire process to ensure that the procurement process is transparent and traceable and that the operating specifications are auditable.

In terms of ESG and green compliance, Times Electric requires all suppliers to sign a *Supplier Code of Conduct* that clarifies suppliers' core responsibilities on environmental protection, labor rights and interests, business ethics, and more; standardizes supplier behavior; and prevents corruption and unfair competition.

Additionally, a "three lines of defense" supervision system has been put in place to guarantee the legality and compliance of procurement activities. Responsible entities for processes and systems have regularly, or ad hoc, reviewed, optimized, and iterated relevant systems, continuously driving improvement of supply chain management business.



"Three Lines of Defense" in the Supply Chain Supervision System

Supervision and reporting mechanism

Times Electric has put in place a regular reporting and supervision mechanism for supply chain information. The SRM system has been used to monitor supplier delivery, quality, and other key indicators in real time; furthermore, on-site supplier audits and performance evaluations have been conducted regularly. A special supervision mechanism within the Company has been established to cooperate with higher-level inspections, patrols, and internal audits to ensure effective execution and continuous optimization of supply chain management systems.

Supply Chain LCM

Times Electric achieved digital and traceable supplier management via the SRM system, strictly implementing Entry review, classified performance evaluation, dynamic supervision, and exit mechanisms. Environmental, health and safety (EHS) and social responsibility assessments were incorporated during the Entry phase; during cooperation, performance evaluations were used for positive incentives and corrective support; violations resulted in a "single-vote veto" and blacklisting, continuously cleansing the supply chain ecosystem.

Entry Management: Rigorous Screening, Source Control

- ◉ The Company conducts supplier audits and certification in accordance with the *New Supplier Development Process* and the *New Supplier Entry Process*. New suppliers must pass a comprehensive on-site assessment covering commercial, technical, and quality aspects. Assessment content not only includes traditional elements like qualifications, cost, and delivery, but also explicitly covers the construction of a green supply chain, EHS systems, and the performance of the Company's social responsibilities.
- ◉ All new manufacturers must pass on-site EHS certification, and existing suppliers are subject to periodic re-review. The Company also conducts written due diligence. Suppliers shall complete a qualification questionnaire and sign six major entry agreements, including the *Supplier Code of Conduct*.

Audit and Performance Management: Dynamic Evaluation, Classified Empowerment

- ◉ The Company implements dynamic audits and classified performance management for ongoing supplier partners. Each year, suppliers are classified into strategic, leverage-type, general, and bottleneck categories according to multi-dimensional evaluation results to differentiate management strategies.
- ◉ Using the SRM system, the Company conducts periodic (annual/biannual/quarterly) quantitative performance evaluations on goods quality, delivery, service, cost, integrity, and the like; results are released online and used as management bases.
- ◉ Performance evaluation results are directly linked to incentive measures: Outstanding suppliers will be allocated a larger share of orders and given priority for new business. Good suppliers will engage in more in-depth communication to drive continuous improvement. Acceptable suppliers will receive development support. However, if they fail to show improvement for two consecutive years, their share may be reduced, or they may even be removed from the supplier list.
- ◉ The Company also links performance to financial incentives: Underperforming suppliers may face extended payment cycles, while leading suppliers may receive shorter payment cycles, thus forming a closed loop of positive and negative incentives.
- ◉ Integrity and compliance are enforced through a "single-vote veto"; any violation discovered leads to immediate termination of cooperation.

Supervision and Exit Management: Closed-loop Control, Purifying the Ecosystem

- ◉ The Company has established a systematic supervision and exit mechanism to safeguard supply chain health. For supplier misconduct, the Company has formulated the *Management Measures for Supplier Misconduct and Blacklist* and the *Management Measures for Supplier Quality Performance and Claims*, which define criteria, procedures, and integrity requirements for blacklisting.
- ◉ Suppliers involved in major economic losses, quality incidents, illegal operations, commercial bribery, and other serious misconduct are blacklisted and subject to the exit procedure once identified by CRRC Group or the Company, and are continuously controlled through a systematic blacklist database.
- ◉ During process supervision, the Company enforces a warning system of "red and yellow cards" for product quality issues, accompanied by graded disposal measures such as quality claims, supply suspension, and order reduction.
- ◉ This supervision and elimination mechanism, featuring a clear system, a controlled process, and punishment for breach of trust, effectively maintains a fair competitive environment, ensures supply chain compliance and product reliability, and overall enhances the supply chain's risk resilience and management level.

Strategy

Based on a sound governance framework, Times Electric has set a strategic objective of "building a world-class, AI-driven, win-win eco-friendly supply chain", centering on green transformation, risk prevention and control, and shared growth through collaboration. By advancing green supply chain integration, comprehensively preventing and mitigating risks, and deepening collaboration and empowerment internally and with external partners, the Company has comprehensively strengthened supply chain resilience and sustainable competitiveness, thus seizing strategic opportunities in the low-carbon transition, and driving mutually beneficial development across the value chain.

Green Supply Chain Integration

By systematically integrating environmental protection and social responsibility requirements into its supplier management system, Times Electric is committed to building a sustainable collaborative ecosystem across the value chain.

Integrated into the Entire Process: Building a Sustainable Supply Chain

- ◉ On the one hand, the Company systematically integrates ESG requirements into the entire process of the supply chain. It continuously refines green procurement standards and systems, and defines key indicators such as material environmental protection, pollution prevention, and energy saving and emission reduction. It conducts integrated evaluations of suppliers' EHS performance, human rights, and labor protection using the *Supplier Comprehensive Capability Assessment Report*, and the evaluation results serve as a core basis for supplier entry and continuing cooperation. On the other hand, the Company encourages all suppliers to sign the *Supplier Code of Conduct*, which includes ESG clauses, guiding suppliers' shift toward green and compliant operations.

Optimizing Operations: Green Logistics and Packaging Carbon Reduction

- ◉ At the operations level, Times Electric actively pursues green logistics and packaging optimization measures, including circular pickup, transport route optimization, vehicle loading efficiency improvement, and packaging lightweight and substitution with eco-friendly materials, systematically reducing the supply chain's carbon footprint. These practices are advanced, recorded, and continuously optimized under the full leadership of Times Electric's Manufacturing Center.

Deepening Manufacturing: Collaborative R&D to Reduce Carbon at the Source

- ◉ Times Electric proactively engages in suppliers' R&D and manufacturing, collaborates with suppliers to optimize raw materials and processes, and promotes eco-friendly alternative materials to reduce ecological impact at the source.

Strengthening Capabilities: Empowering Suppliers' Sustainable Development

- ◉ Times Electric conveys sustainable development requirements and best industry practices to suppliers through regular training, technical exchanges, and joint capacity building, to help suppliers integrate green management into their operation systems and cascade green management down to their downstream suppliers.

In December 2023, Times Electric was awarded as a "National Green Supply Chain Management Demonstration Enterprise" by the Ministry of Industry and Information Technology (MIIT) (certification valid for three years) for its systematic construction and strong performance in green supply chain management. The Company works closely with upstream and downstream partners to expand the "Green Alliance", jointly building an efficient, low-carbon, and responsible sustainable supply chain ecosystem.



Risk Prevention and Control and Business Continuity

To ensure supply chain resilience, Times Electric has established a forward-looking risk management mechanism that covers both internal and external risks. On the external front, the Company uses a combination of strategies, including multi-source supply, strategic stockpiling, domestic substitution, and price locking, to proactively address changes in the international trade environment, volatility in bulk material prices, and other external risks. On the internal front, it embeds integrity and compliance requirements deeply into procurement processes and continuously intensifies related education and training to consolidate its compliance foundation. Through quarterly special meetings on risks across the supply chain, the Company dynamically reviews the risk landscape and adjusts response strategies to ensure timely and effective risk prevention and control.

Strengthen Internal Control and Prevention Lines Prevent Integrity and Compliance Risks

- ◉ The Company has developed and implemented a targeted integrity risk management plan centered on the principle of "deterrence, prevention, and self-discipline", embedding anti-bribery and anti-corruption requirements into key supply chain nodes. During the entry phase, all suppliers must sign the *Supplier Code of Conduct*, which explicitly prohibits any form of corruption or bribery and the provision of improper benefits to the Company's personnel.
- ◉ The Company has also compiled and widely promoted a cultural leaflet titled *Transparent Procurement, Joint Integrity Protection*. It conducts ongoing integrity education during routine business interactions to systematically reinforce the supply chain's integrity and compliance lines.

Respond to External Risks Strengthen Supply Chain Resilience

- ◉ Faced with external risks such as international trade frictions and commodity price volatility, the Company has put in place a systematic mechanism to identify, assess, and respond to risks. In 2025, the Company used a combination of strategies, including multi-source supply layout, strategic safe stockpiling, long-term price locking, and foreign-exchange hedging management. By further replacing key components with domestic ones, it effectively solved the risk of "supply chain disruptions" and enhanced its autonomy and controllability.
- ◉ Through quarterly special meetings on risks across the supply chain, the Company dynamically monitors the risk landscape and evaluates the effectiveness of response to ensure that strategies are timely and effective and safeguard long-term supply chain stability and business continuity.

Collaborative Development with Suppliers

By steadfastly regarding suppliers as important strategic partners, Times Electric continually strengthens overall supply chain competitiveness and collaboration efficiency via joint capability building, technical collaboration, and shared ecosystem initiatives. The Company has established regular mechanisms for communication, feedback, and synergic improvement. Focusing on quality, cost, delivery, technology, and other aspects, it conducts multi-level, multi-form empowerment activities, such as targeted support, on-site audits, and annual exchange conferences, to promote mutual growth with suppliers.

The Company strictly adheres to principles of equality and integrity in cooperation, with particular attention to safeguarding the rights and interests of small and medium-sized enterprise (SME) suppliers. Times Electric has established a standardized payment process and an internal control mechanism, strictly enforces contractual payment terms, and makes full efforts to safeguard suppliers' cash flow and operational stability. During supplier entry and evaluation, it does not treat suppliers differently based on scale, ensuring fair competition. Additionally, it assists SMEs through technical empowerment, management support, and other means to help build an open, inclusive, and sustainable supply chain ecosystem.

During the reporting period, Times Electric made payments to all SME suppliers on time as agreed, with no overdue payments.

Case: A Targeted Support Program for QCD to Improve Suppliers' Overall Performance

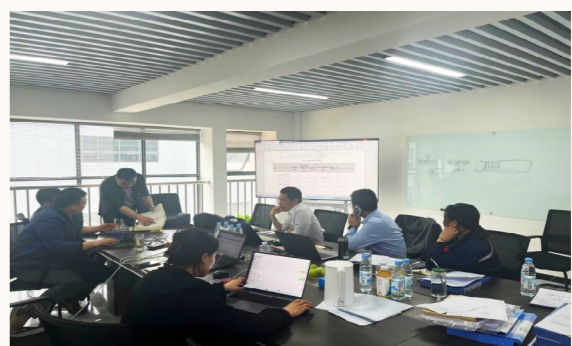
To address suppliers' weaknesses in quality, cost, and delivery, Times Electric systematically carried out a targeted support program. In 2025, with Xiangyang Motor as a pilot, the Company developed a year-long support plan focused on Xiangyang Motor's planning management, process management, quality management, production management, and other aspects. Through regular exchanges and on-site benchmarking, the Company stimulated comprehensive improvement in Xiangyang Motor's management capabilities. Under this targeted support, Xiangyang Motor's on-time delivery rate improved by 4%, substantially improving key supply chain performance.



Targeted Support in Xiangyang Motor Quality

Case: Improvement Through Audits to Deepen Synergy Between Process and Quality

Times Electric turned on-site supplier audits into opportunities to enhance capabilities. In April 2025, the Company organized a targeted support program for epoxy component processes and quality while carrying out a supplier's annual process audit. By publicizing process requirements, guiding on-site control, analyzing typical quality cases, etc., the Company helped the supplier strengthen feedback on trial production issues, early communication over drawings, and quality risk prevention. All rectification items identified during the audit were rectified, driving capability enhancement in key processes and improving quality consistency.



Supplier On-site Audit and Quality Improvement

Case: The Annual Exchange with Partners to Co-build a Supply Chain Value Ecosystem

In May 2025, Times Electric successfully hosted its annual partner exchange conference in Zhuzhou, Hunan, themed "Open Collaboration, Resilient Chain Coexistence, Ecological Win-Win". Nearly 260 domestic and overseas supplier representatives were invited to attend the conference, where they engaged in in-depth exchanges on topics including technology trends, quality management, and new energy business. By sharing practical experience, presenting awards, etc., strategic mutual trust between the Company and its suppliers was deepened, and the foundation for long-term collaboration was reinforced at the conference.



Annual Partner Exchange Conference for 2025

Through the event, a shared commitment to co-creation, sharing, and mutual benefit was further consolidated, a solid foundation for Times Electric to accelerate the establishment and improvement of an open, sustainable supply chain value network was laid, and a key step was taken toward industry chain collaboration and ecological win-win.

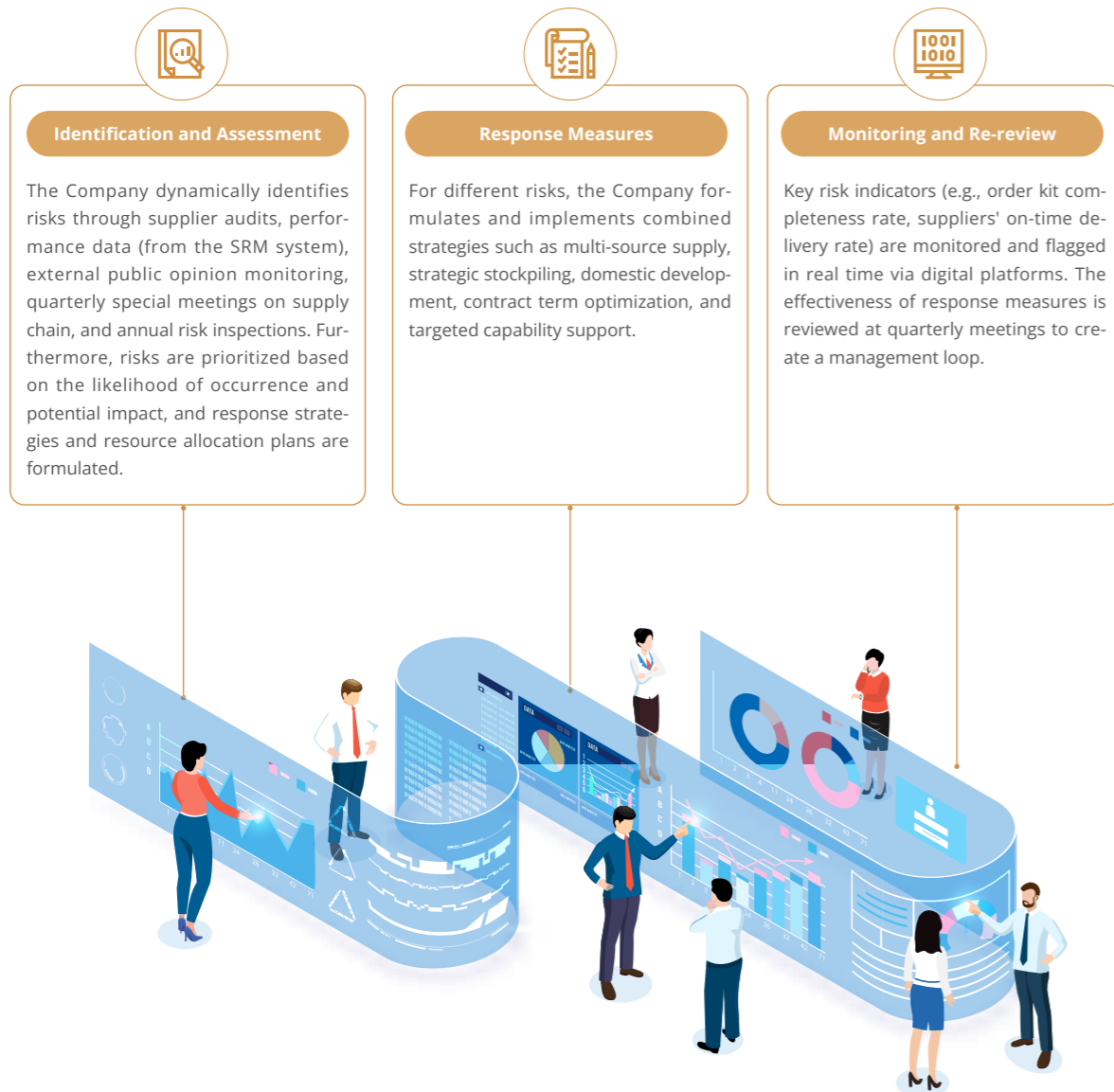
Risk Management

Times Electric systematically integrates ESG factors and operational continuity requirements into the entire process of supply chain management. By establishing a regular management mechanism for risk identification, assessment, response, and monitoring, the Company continuously strengthens supply chain resilience and proactively seizes strategic opportunities from the green transition and technological innovation.

The Company makes deep use of cutting-edge technologies such as big data and Robotic Process Automation (RPA) to build an intelligent risk control system that enables real-time risk sensing, intelligent analysis, and automatic prevention and control across the supply chain. Compliance management is fully embedded in the entire procurement process, and thus, it becomes the central driving force and regulatory foundation that ensures efficient, safe, and stable business operations.

Management Processes and Methods

Times Electric has established a management system covering the lifecycle of risks across the supply chain to ensure the supply chain's resilience and security.



Risk Identification and Management

Times Electric's Supply Chain Management Center has built and implemented a systematic management mechanism for risks across the supply chain. A *Risk Responsibility Matrix* has been established to clarify hierarchical responsibilities for leaders in charge, department heads, and position supervisors, creating a risk control system that is people-accountable and implemented stepwise.

The Company sets an annual risk management work plan covering the entire chain to track execution quarterly. Through regular evaluation and dynamic optimization, potential risks are identified promptly and addressed precisely, continuously improving the stability and controllability of the supply chain to safeguard business continuity and strategic objectives.

In 2025, the Company identified the following core risks across the supply chain and prioritized their management:

- Operational Continuity Risks**
 - Through a "demand forecast-capacity matching" mechanism, rolling stockpiling, strategic safety inventory, and supplier delivery performance agreements, the Company precisely controlled the risk arising from undercapacity during peak demand for long-cycle materials such as outsourced framework, and the supply interruption risk caused by international situations, energy constraints, or supplier business issues.
- Cost and Market Risks**
 - To counter the pressure of climbing costs due to bulk raw material price volatility, exchange rate fluctuations, and trade barriers, the Company negotiated with suppliers for a fixed price, shifted procurement to alternative currencies, accelerated replacement with domestic components to reduce reliance on single import sources, used digital tools to track market dynamics, and implemented additional measures for risk hedging.
- Quality and Compliance Risks**
 - To address quality consistency challenges in the replacement of key components with domestic ones, as well as operational and reputational risks from suppliers' noncompliance with ESG, the Company strengthened quality control in new material development, conducted on-site supplier audits, gave thorough quality support, and enforced restricted screening through the *Supplier Code of Conduct* and the blacklist management system to prevent risk spread.

Key Performance

During the reporting period, Times Electric

- completed **13** rounds of strategic stockpiling planning for imported materials, placed orders through the system, and achieved an overall material arrival rate of **83%**
- Times Electric has entered into performance agreements with **30** key suppliers and recorded an annual overall fulfillment rate of **90%** for these agreements
- Times Electric reached an annual production order kit completeness rate of **87%** through refined scheduling and dynamic synergy

Opportunity Capture and Value Creation

While controlling risks, Times Electric proactively converted challenges into opportunities for supply chain upgrades. Through shifts toward autonomy, greenization, and ecology, the Company has built distinctive competitive advantages and generated shared value across the value chain.

Opportunities for Creating an Automated Supply Chain

- Taking changes in the international trade environment as an impetus, the Company accelerates the replacement of key materials with domestic ones to improve technological self-reliance and the controllability of supply chain safety, break monopolies of foreign brands, and achieve both cost effectiveness and supply stability.

Green Transition and Market Opportunities

- Aligned with the global low-carbon transition, the Company embeds eco-friendly criteria across the supplier management process to drive emissions reductions by coordinating upstream and downstream functions. This approach both addresses regulatory and customer expectations and creates a green supply chain as a distinctive competitive advantage, thereby enhancing brand value and market access.

Ecological Synergy and Innovation Opportunities

- With suppliers as innovation partners, the Company cultivates a synergic innovation ecosystem through supplier conferences, technical and quality exchanges, and targeted support programs to improve overall supply chain effectiveness and jointly capture growth opportunities in emerging markets such as new energy vehicles and photovoltaics, achieving mutually beneficial growth across the value chain.



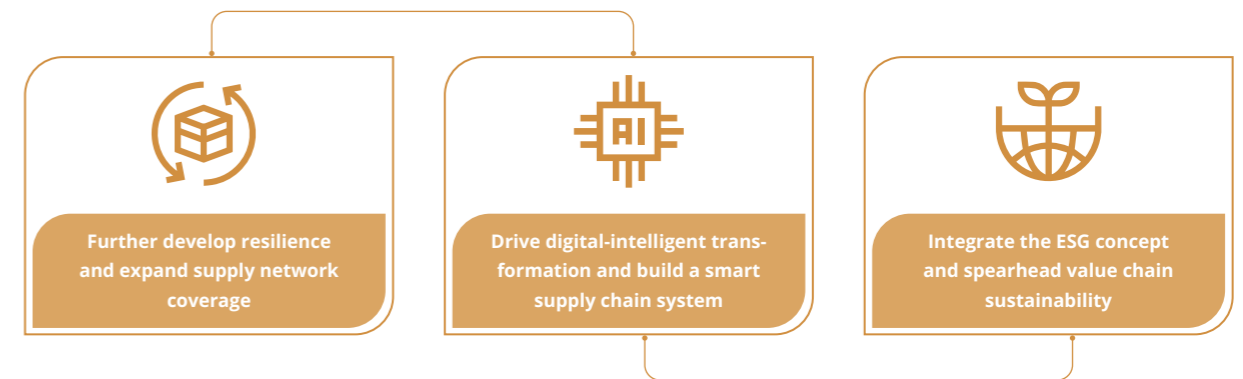
Case: Development of Domestic Capacitors to Replace Imported Ones to Overcome Supply Bottlenecks

To enhance the self-reliance and controllability of the supply chain, Times Electric partnered with best-in-class suppliers in China to start a domestic substitution project for two types of critical imported capacitors. Samples were developed and validated in 2023, and a stable supply in small batches was achieved in 2024-2025. The project successfully ended the exclusive supply of foreign brands, shortened the capacitor delivery cycle by more than 40%, and reduced per-unit cost by over 20%, achieving both supply security and simultaneous gains in cost effectiveness and technological self-reliance.

Metrics and Targets

Times Electric has established a data-driven ESG management system spanning the supply chain, leveraging digital platforms for real-time monitoring and dynamic alerts on key indicators. Together with a quarterly review mechanism that assesses progress against objectives, the system promotes continuous improvement of closed-loop management. In 2025, the Company achieved phased achievements in ESG management across the supply chain: 100% of domestic suppliers signed the "Supplier Code of Conduct", the Company delivered 104 ESG-related training sessions over the year, and all indicators met expectations.

Times Electric has set clear long-term development objectives: to systematically strengthen supply chain resilience by continuously improving delivery strategies, as well as expanding category long-lists and multi-source reserves; to further deepen the digital transformation of the full chain and build a smart supply chain system with intelligent warning and coordinated response; to embed ESG requirements more deeply into the entire process of supplier management to stimulate green transformation and improved sustainability across the value chain.



By closely aligning short-term objectives with long-term strategy, Times Electric is building a more resilient, intelligent, and responsible supply chain ecosystem to underpin the Company's sustainable development strategy.

Indicator	Unit	2025
Total active suppliers	Unit	1,180
Total number of domestic active suppliers	Unit	1,129
Total number of overseas active suppliers	Unit	51
Percentage of active suppliers that signed the "Supplier Code of Conduct"	%	95.7
Percentage of active suppliers that signed agreements including environmental and labor clauses	%	95.7
Total new suppliers	Unit	166
Actual number of integrity training sessions conducted	Session	3
Number of key suppliers participating in integrity training	Unit	310
Percentage of key suppliers participating in integrity training	%	100
Actual number of supplier ESG training sessions conducted	Session	104
Total duration of supplier ESG training	Hour	208

Advancing Green Development for a Sustainable Future

Major sustainable development issues covered in this chapter :

- Energy-saving and carbon reduction
- Emissions management
- Climate change response
- Utilization of resources and energy
- Biodiversity

SDGs to which this chapter responds :



Climate Change Response

Times Electric actively integrates the national "Carbon Peaking and Carbon Neutrality" strategy into its core development agenda and is steadily advancing efforts to reach peak carbon emissions and attain carbon neutrality. These efforts are viewed as important actions to address climate change. Also, the Company continuously improves top-level design for "Carbon Peaking and Carbon Neutrality", strengthens energy management and energy-saving measures, and actively supports national sustainable development and the achievement of "Carbon Peaking and Carbon Neutrality" goals.

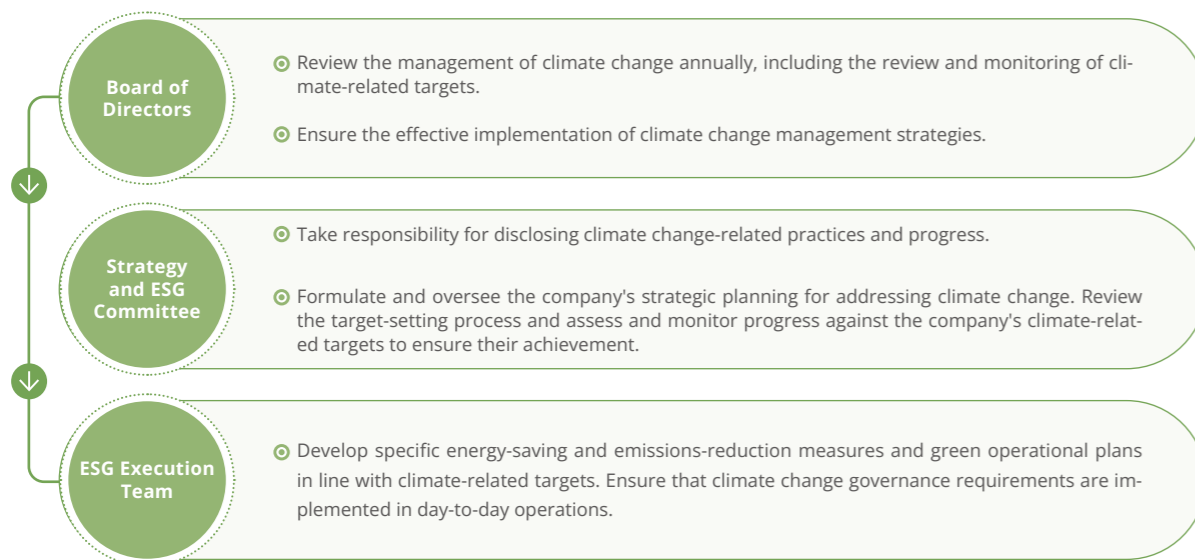
Governance

The supervisory capability of the Board of Directors is continuously enhanced. Climate-related risks and opportunities are included in the annual routine agenda, and systematic oversight is enabled through mechanisms such as special reports to the Sustainability Committee. Furthermore, the members of the Board of Directors are dynamically assessed for their relevant skills each year to ensure that their supervisory capability matches the needs of advancing the Company's climate strategy, thereby effectively guaranteeing professional oversight of responses to climate-related risks and opportunities.

When overseeing corporate strategies, material transactions and risk management, the Board of Directors and its committees incorporate climate-related risks and opportunities as core considerations at the strategic level, material transaction level and risk decision-making level. The Company has fully incorporated climate-related considerations into the Company's overall performance appraisal system, and has established an incentive-and-accountability mechanism linked to executive compensation. The Company, based on its sustainable development strategic objectives, selects key ESG performance indicators and systematically integrates them into appraisal programs at all levels, ensuring that ESG initiatives are advanced in coordination with business operations, with clear accountabilities assigned.

The Company has built a top-down "Carbon Peaking and Carbon Neutrality" management system. The Board of Directors, at the highest decision-making level, develops the Company's overall sustainable development strategy, which integrates climate change into long-term corporate planning to ensure alignment between low-carbon transition and business development. Meanwhile, the Board oversees the setting of climate-related objectives and periodically reviews progress toward them. Under the Board's guidance, the Strategy and ESG Committee spearheads the research and planning of climate change response strategies while maintaining regular disclosure of climate-related practices. At the operational level, executive teams implement specific measures encompassing energy conservation and emission reduction, renewable energy utilization, and green manufacturing, in accordance with the deployment of the Strategy Committee, to ensure the achievement of carbon reduction goals.

Management monitors, manages, and supervises the governance processes, monitoring measures, and monitoring procedures for climate-related risks and opportunities, and reports progress on management of climate change risks and opportunities to the Strategy and ESG Committee.



Strategy

Times Electric fully recognizes the risks and opportunities posed by climate change and places green, low-carbon development at the core of its sustainable development strategy. Based on the *CRRC Zhuzhou Institute's Operational Carbon Neutrality Pathway Plan* and the *Times Electric's Energy and Carbon Peaking and Carbon Neutrality Plan during the '15th Five-Year' Plan*, the Company clarifies its strategic direction for climate governance and thoroughly integrates the carbon neutrality goal into its business development strategy. It is building a multidimensional system centered on "management + digital", including carbon emissions management, digital management of carbon peaking and carbon neutrality, green supply chain management, and an energy management system. The Company will systematically advance the construction of a green supply chain, the cultivation of eco-friendly suppliers, the construction of green factories and green buildings, and the development of green, low-carbon products to ultimately achieve carbon neutrality across its operational value chain.

Risk Management

Times Electric attaches high importance to risks and opportunities concerning climate change. It has made efforts to continuously strengthen the assessment of and response to climate change risks and advance the construction of a climate change risk management system. Also, it has developed response measures to constantly improve corporate climate resilience. Furthermore, the Company has integrated climate risks into its comprehensive risk management framework, offering a scientific basis for formulating and adjusting climate strategies, as well as determining implementation plans and targets.

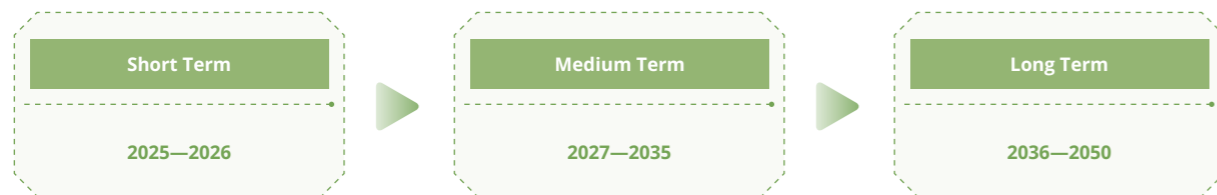
Times Electric has formulated a management strategy for climate change risks and opportunities, under which it systematically identifies risks to effectively address climate-related risks and opportunities. For physical risk analysis, the Company has adopted the SSP2-4.5 and SSP5-8.5 scenarios as defined by the Intergovernmental Panel on Climate Change (IPCC).

Physical Risks		
Scenario	SSP2-4.5 scenario as defined by IPCC	SSP5-8.5 scenario as defined by IPCC
Scenario Description	Global progress toward Sustainable Development Goals (SDGs) is slow. Social, economic, and technological trends show no significant departure from historical patterns. Although progress has been made in some regions in the world, environmental systems continue to degrade. The intensity of resource and energy consumption is generally declining.	CO2 emissions will double by 2075, widening the gap between economic growth and social sustainability. Conversely, investment will go to technologies adapting to climate change and border control. This scenario is regarded as an extreme case.
Estimated Temperature by the End of the Century	2°C	4°C
Reporting Period	5 years	
Reason for selection	A scenario is selected in strict accordance with relevant frameworks, guides, and criteria. It covers reasonable assumptions and balances them with facts and practical challenges, helping the Company to analyze actual scenarios.	
Analysis Boundary	The analysis boundary covers Times Electric and its subsidiaries, focusing solely on the Company's own production and operations.	

For transition risk analysis, we have conducted assessments based on the IEA-Sustainable Development Scenario and the IEA-Stated Policies Scenario.

Transition Risks		
Scenario	IEA-Sustainable Development Scenario	IEA-Stated Policies Scenario
Scenario Description	Aligned with the United Nations Sustainable Development Goals (SDGs) and the <i>Paris Agreement</i> , this scenario assumes that by 2030, countries will have access to affordable, reliable, and sustainable modern energy services, significantly reduce air pollution, and take effective actions to address climate change.	Based on a detailed assessment of current specific policies and those announced by governments worldwide, the potential development trajectory of the energy system in the absence of additional policy implementation is explored.
Estimated Temperature by the End of the Century	1.6°C	2.6°C
Reporting Period	5 years	
Reason for selection	A scenario is selected in strict accordance with relevant frameworks, guides, and criteria. It covers reasonable assumptions and balances them with facts and practical challenges, helping the Company to analyze actual scenarios.	
Analysis Boundary	The analysis boundary covers Times Electric and its subsidiaries.	

Based on the above scenarios, we have comprehensively identified the Company's potential physical and transition risks in the short, medium, and long terms.



The Company's time period division is highly aligned with the strategic planning and resource allocation plans. Also, we identified and assessed significant impacts of climate change and disclosed countermeasures against relevant impacts qualitatively and quantitatively. Furthermore, we forecast future trends of climate change based on the impacts of sustainable development risks and opportunities for the current period on the business model and stakeholders to ensure strategy implementation and risk controllability.

Times Electric proactively addressed climate risks by identifying potential impacts on its operations, conducting in-depth analyses of climate change-induced risks and opportunities, We continue to carry out the relevant work from the previous reporting period on an ongoing basis, and continue to refine the transformation plan and mitigation measures based on the relevant analysis results.

In terms of current financial impact, the Company has taken out relevant insurance coverage. In the event of asset losses arising from acute climate-related events such as strong winds, heavy rain or typhoons, the Company is eligible to receive corresponding insurance compensation. During the reporting period, the Company did not incur any material financial impact attributable to climate-related risks.

Regarding potential future financial impact, the Company recognises that both acute and long-term physical risks associated with climate change may pose potential implications for future project operations. A qualitative assessment of current climate-related risks and opportunities has been conducted. However, given the long-term nature, inherent uncertainty and high complexity of the pathways through which climate risks manifest, the Company has not yet been able to reliably quantify the financial impacts that these risks may entail over specific future time horizons.

Accordingly, the following disclosure has been prepared using information that could be obtained without unreasonable effort and in accordance with methodologies commensurate with the Company's current capabilities, in response to the relevant reporting requirements.

Risk Type	Risk Level	Anticipated Time of Occurrence	Potential Effects on Business Model and Value Chain	Potential Financial Impacts
Acute Risks				
Extreme Precipitation	High	Short, medium, and long terms	<ul style="list-style-type: none"> > Flooding or damage to factories and warehouses, leading to production stoppages. > Heavy rainfall may disrupt raw material supply and logistics transportation, affecting production progress. 	<ul style="list-style-type: none"> > Product production and operations > Supply chain > Asset loss > Increase in operating costs
Drought	High	Short, medium, and long terms	<ul style="list-style-type: none"> > Drought may lead to shortages of water for production, affecting operational progress. > Drought may disrupt the supply of water-dependent raw materials, threatening supply chain stability. 	<ul style="list-style-type: none"> > Product production and operations > Supply chain > Increase in operating costs
Extreme Heat	Medium	Short, medium, and long terms	<ul style="list-style-type: none"> > High temperatures may overload power systems, reduce transmission efficiency, and affect the operation of production equipment. > High temperatures in the workplace increase the risk of heatstroke for employees, affecting both work efficiency and health. 	<ul style="list-style-type: none"> > Product production and operations > Increase in operating costs and insurance costs
Chronic Risks				
Water Scarcity	Medium	Short, medium, and long terms	<ul style="list-style-type: none"> > Water scarcity and rising water prices may limit production capacity and lead to increased operating costs, affecting profitability. 	<ul style="list-style-type: none"> > Product production and operations > Increase in operating costs and a decrease in operating income

Physical Risk List

Physical Risk Business address, Response Plans and Mitigation Measures

- Extreme Precipitation**
 - Optimize infrastructure: Install drainage systems in critical facilities and waterlogged areas, and regularly clean stormwater pipes to ensure smooth drainage.
 - Improve emergency management: Develop contingency plans for extreme precipitation and business continuity plans to enhance the ability to respond to unforeseen situations.
 - Strengthen monitoring and warning: Closely monitor weather changes, promptly receive warning information, and quickly activate the emergency response mechanism.
- Drought**
 - Optimize water resources management: Implement a scientific and organized water usage plan and supply scheme, prioritizing the provision of water for critical production processes and essential domestic use.
 - Diversify supply sources: Develop diversified raw material supply channels to reduce dependence on a single supplier.
- Extreme Heat**
 - Optimize energy structure: Actively develop new energy sources, install photovoltaic solar panels for solar power generation, to achieve energy self-sufficiency and reduce dependence on traditional power grids.
 - Ensure worker safety: Provide adequate heat prevention and cooling supplies for workers, and arrange work schedules reasonably to avoid excessive exposure to high temperatures.
- Water Scarcity**
 - Water resource recycling: Strengthen the construction of reclaimed water systems to improve the recycling rate of water resources and reduce dependence on freshwater sources.
 - Enhance water conservation awareness: Strengthen education and publicity efforts to encourage employees to conserve water.

Risk Type	Risk Level	Anticipated Time of Occurrence	Potential Effects on Business Model and Value Chain	Potential Financial Impacts
Regulatory Risk	High	Medium and long terms	<ul style="list-style-type: none"> With the continuous update and tightening of global carbon reduction policies, the Company may face stricter carbon emission limits and will need to increase investments in emission reduction to comply with new regulations. The implementation of carbon taxes or the rise in carbon pricing may increase the Company's operational costs. 	<ul style="list-style-type: none"> Product R&D Product production and operations increase in operating costs
Technical Risks	High	Short term	<ul style="list-style-type: none"> The high development costs associated with energy transition may exert pressure on the Company's short-term financial performance. 	<ul style="list-style-type: none"> Product R&D increase in operating costs
Market Risk	High	Short, medium, and long terms	<ul style="list-style-type: none"> The emergence of substitutes and shifts in competitive trends may impact the Company's existing business model, necessitating timely strategic adjustments to respond to market changes. 	<ul style="list-style-type: none"> Product R&D Product production and operations increase in operating costs
Reputation Risk	Medium	Long term	<ul style="list-style-type: none"> If the Company fails to promptly respond to customer demand for low-carbon products and services, it may face the risk of losing market share. 	<ul style="list-style-type: none"> Product production and operations Supply chain increase in operating costs and a decrease in operating income

List of Transition Risks

Transition Business address, Response Plans and Mitigation Measures

- Regulatory Risk**
 - Actively participate in the policy-making process, stay informed about policy developments, and ensure the Company's strategy aligns with policy directions.
 - Optimize production processes and adopt low-carbon technologies, reducing carbon emissions and enhancing energy utilization efficiency.
- Technical Risks**
 - Explore new business models, such as extending the new energy technology industry chain, to create new revenue streams.
 - Optimize the energy management system, thus reducing operational costs and enhancing resource utilization efficiency.
- Market Risk**
 - Closely monitor industry developments, conduct in-depth analysis of market trends, continuously optimize product portfolios and business models, and actively expand diversified business operations.
- Reputation Risk**
 - Issue sustainability reports and engage in stakeholder communication to comprehensively showcase the Company's specific initiatives and achievements in environmental protection and low-carbon transition, further enhancing transparency and credibility.

Opportunity Type	Potential Effects on Business Model and Value Chain	Business address, Response Plans and Mitigation Measures
Market Opportunities	<ul style="list-style-type: none"> The rapidly growing demand for environmental protection infrastructure in developing countries presents new market expansion opportunities for the Company. With global demand for clean energy on the rise, the Company has significant market opportunities to develop new energy technologies and products. 	<ul style="list-style-type: none"> Establish a localized operational team to develop deeper cooperation with local governments, enterprises, and communities, thereby responding quickly to market demands. Expand into global markets and actively participate in international clean energy projects, thus enhancing brand influence and expanding market share.
Technical Opportunities	<ul style="list-style-type: none"> The rapid advancements in clean energy technologies, such as photovoltaics and wind power, provide strong technical support for the Company to drive energy transition and equipment upgrades. 	<ul style="list-style-type: none"> Establish deep partnerships with scientific research institutions to jointly advance the commercialization of cutting-edge technologies, with a focus on the innovation and R&D of low-carbon technologies and eco-friendly materials. Position in the clean energy technology sector, continuously enhancing core competitiveness in the green energy market through technological innovation and resource integration.

List of Transition Opportunities

Greenhouse Gas Emissions Reduction Measures

The Company made efforts to implement multiple emission reduction initiatives to constantly work toward meeting its carbon peaking and carbon neutrality commitments. It executed the *Carbon-Energy Indicators and Energy Management Work Plan* by incorporating Carbon Emission Indicators into Times performance appraisal system and regularly monitoring the progress on the carbon peaking and carbon neutrality work. By implementing innovative initiatives such as monitoring and digital management of carbon emissions, calculating and certifying product carbon footprints, and driving the green transformation of rail transport equipment and improvement of clean energy equipment, the Company has continuously improved its refined management of carbon emissions, achieving synergy between carbon emission reductions and green development.

Emission Reduction Measures Within the Supply Chain Scope 3

Emission Reduction by Suppliers

- The Company, in strict accordance with the *Green and Low-Carbon Evaluation Guide Toward Suppliers*, developed a carbon emissions management list covering the TOP 30 core suppliers (their major carbon emissions included). It promoted the integration of carbon emission, carbon footprint, and carbon certification requirements into supplier entry and technical specifications, and set carbon emission requirements for core suppliers, which elicited active responses.

In response to national "Carbon Peaking and Carbon Neutrality" goals and the Company's green procurement requirements, one core supplier utilized the plant rooftop resources to build a distributed PV power station with an installed capacity of nearly 5.9MW and an average annual power generation capacity of up to 6,000,000kWh, creating a replicable "PV empowerment across the supply chain" model that acts as a practical exemplar for reducing carbon emissions across the supply chain.

Green Design

- The Company favored recycled aluminum, low-carbon steel, and other eco-friendly materials, and has optimized packaging thickness and structural design. As a result, the carbon footprint per product category has been reduced, and total packaging waste at product end-of-life has fallen.

Green Logistics

- The Company carried out multiple rounds of commercial negotiations with overseas suppliers to optimize shipping strategies. By the integrated transport and centralized dispatch of materials, the transport frequency and freight distance were significantly reduced. Throughout 2025, a total reduction of 12,190,000 km in international freight distances lowered transport-related carbon emissions by about 29,433 tonnes.

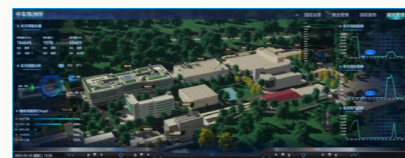
Monitoring and Digital Management of Carbon Emissions

The Company has built three digital platforms, i.e., Smart Park, Energy Dispatch, and Carbon Control. Besides, the OA system has been fully rolled out to interconnect with data. With CRRC ZhuzhouInstitute's Headquarters Park as the master platform and Times Electric and other subsidiaries as sub-platforms, the Smart Park connects upward to management systems and government platforms and downward to equipment monitoring systems for multidimensional data analysis and coordinated regulation of energy consumption. Under the plan, the Company will ensure that parks and units with annual electricity consumption exceeding one million kWh are fully covered by these platforms during the "15th Five-Year" Plan period, systematically advancing digital carbon-energy management and implementation of emission reduction targets.



Case: Smart Park Project

The Smart Park is built on a "1+1+4" architecture that features one unified IoT foundation, one digital and intelligent command center, and one closed loop integrating security, fire control, energy consumption, and other businesses, thus transparently controlling all elements of the Park, ensuring data connectivity, and effectively enhancing operational efficiency and low-carbon management capability. As a critical data hub, the Smart Park Platform supplies real-time energy consumption data to internally developed park energy dispatch, one-stop carbon control, and cost control platforms that respectively support load forecasting and PV-storage-charge dispatch, carbon emission and carbon footprint management, and cost-driver analysis.



Smart Park - Energy Consumption Management

Carbon accounting

The Company systematically organized GHG inventory and verification, precisely quantifying GHG emissions from its operations and value chain segments. It conducted planned carbon footprint accounting for representative products, laying a foundation for its operational carbon neutrality by 2035 and value chain carbon neutrality by 2050.

In 2025, Times Electric:

- completed its CFV for Scopes 1, 2, 3²
- calculated carbon footprints for 3 product types. Carbon footprint accounting for a cumulative total of 12 product types has been completed
- purchased renewable energy and renewable energy certificates amounting to 150,415 MWh, penetrating nearly 35% of total electricity

Metrics and Targets

In line with international initiatives such as the *Paris Agreement*, and to implement the national strategy of "Carbon Peaking by 2030 and Carbon Neutrality by 2060" as well as CRRC's climate strategy of "Green Transformation by 2035 and Carbon Neutrality by 2050", the Company has set its operational carbon neutrality targets, planned emission reduction roadmaps, and established operational carbon reduction targets and strategic plans. The Company plans to achieve operational carbon neutrality (Scope 1 and Scope 2 greenhouse gas emissions) within its business operations by 2035, and to achieve carbon neutrality across the full value chain (Scope 1, Scope 2 and Scope 3 greenhouse gas emissions) by 2050.

Indicator	Unit	2025
Total emissions		
Market-based	tCO2e	12,389,192.85
Position-based	tCO2e	12,446,951.31
Scope 1 direct emissions	tCO2e	32,821.43
Scope 2 indirect energy emissions		
Market-based	tCO2e	170,163.96
Position-based	tCO2e	227,922.41
Scope 3 other indirect emissions ³		
Category 1 purchased goods and services	tCO2e	481,466.21
Category 2 capital goods	tCO2e	98,090.98
Category 3 fuel and energy-related activities(not included in Scope 1 and Scope 2)	tCO2e	23,102.00
Category 4 upstream transport and distribution	tCO2e	18,885.72
Category 5 waste generated in operations	tCO2e	2,884.32
Category 6 business travel	tCO2e	25,953.74
Category 7 employee commuting	tCO2e	2,768.94
Category 11 use of sold products	tCO2e	11,532,201.42
Category 12 disposal of end-of-life products sold	tCO2e	854.14
Financial indicator for climate-related transition		
Total value of assets susceptible to climate-related transition risks	RMB 100 million	720.84
Percentage of assets susceptible to climate-related transition risks to total value	%	100
Total value of assets susceptible to climate-related physical risks	RMB 100 million	56.95
Percentage of assets susceptible to climate-related physical risks to total value	%	7.9
Total value of assets susceptible to climate-related opportunities	RMB 100 million	720.84
Percentage of assets susceptible to climate-related opportunities to total value	%	100
Amount of capital expenditure, financing, or investment for climate-related risks and opportunities	RMB 100 million	31.77

³ Climate-related Indicators³

During the reporting period, the Company's accounting standards, methods, and assumptions did not change substantially. For details of the measurement methods, please refer to the Appendices: Greenhouse Gas Verification Statement.

* 2. The Scope 3 greenhouse gas inventory has been calculated in accordance with ISO 14061-4:2018, covering categories 1-7 and 11-12. Please refer to the Appendices: Greenhouse Gas Verification Statement for the scope of the calculation.

3. By now, the Company has not fixed a carbon price in decision-making; however, in the future, it will explore the feasibility of a fixed carbon price.

Environmental Compliance Management

Governance

In strict accordance with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise*, the *Law of the People's Republic of China on Environmental Impact Assessment*, and the *Environmental Protection Tax Law of the People's Republic of China*, the Company has established and improved 32 environmental management system documents such as the *Environmental Factors and Hazard Sources Management Measures*, the *EHS Inspection Management Measures*, and the *EHS Performance Evaluation Rules*. Also, it has built its overall environmental management framework based on the ISO 14001 Environmental Management Systems and has regularly implemented the environmental management requirements under ISO 14001. Additionally, the Company's Operations Management Department organizes at least one dedicated environmental inspection each month to ensure the proper operation of wastewater and exhaust gas treatment facilities and compliance with eco-friendly discharge standards.

For subsidiaries listed in the List of Enterprises Subject to Legal Disclosure of Environmental Information, the Company has publicly and promptly disclosed their environmental information through official channels. The Company periodically entrusts third-party agencies to monitor pollutant emissions in strict accordance with pollutant discharge permit requirements and obtains valid testing reports to ensure no impact on employees, residents in local communities, or other groups.

The Company has established an HSE Management Committee to review and decide on major matters regarding energy conservation and ecological environmental protection. The Company's General Manager has overall responsibility for energy conservation and ecological environmental protection, and his remuneration is linked to the company's environmental performance. These activities are centrally managed by the Operations, Safety Technology and Environmental Protection Department and subject to coordinated oversight by other departments. In addition, subsidiaries cascade ecological and environmental protection targets into actionable measures and organize related activities.

In 2025, Times Electric:

-  Audited the EHS system (internally and externally), with no serious non-conformities identified during the year.
-  Ensured that all of its production units have been certified to the ISO 14001 Environmental Management Systems and have audited environmental impacts (internally and externally) within the year in accordance with ISO 14001 Environmental Management System requirements. As of the end of the reporting period, 100% of the manufacturing subsidiaries have been certified to the ISO 14001 Environmental Management Systems.
-  The Company was recognized by the MIIT as an "Excellence-Level Smart Factory".
-  The Company and its subsidiaries have obtained 3 provincial green factory awards and 2 national green factory awards by now. CRRC Electric Drive was recognized as a "Zero-Carbon Factory".

Factory	ISO 14001 Certification	Whether an Environmental Audit was Conducted or Not in 2025
ZHUZHOU CRRC TIMES ELECTRIC CO., LTD.	Yes	Yes
Zhuzhou Times Electronic Technology Co., Ltd.	Yes	Yes
Hunan CRRC Times Communication Signal Co., Ltd.	Yes	Yes
Hunan CRRC Times Electric Drive Technology Co., Ltd.	Yes	Yes
Hunan CRRC Times Semiconductor Co., Ltd.	Yes	Yes
Ningbo CRRC Times Transducer Technology Co., Ltd.	Yes	Yes
Zhuzhou National Engineering Research Center of Converters Co., Ltd.	Yes	Yes
Chongqing CRRC Times Electric Technology Co., Ltd.	Yes	Yes



ISO 14001 Environmental Management Systems Certification

Strategy

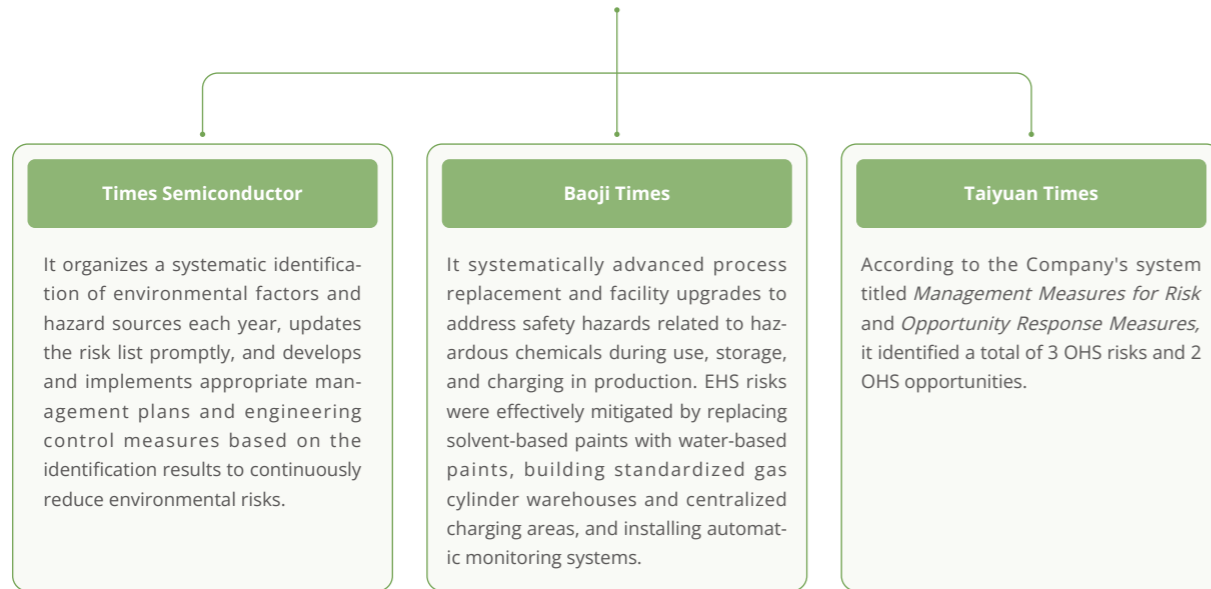
Remaining unwavering in the sustainable development strategy, the Company integrates energy conservation and ecological and environmental protection into its medium and long-term development plans and annual business plans. At the beginning of each year, it organizes a company-wide assessment of environmental factors and adopts reasonable control measures against significant environmental factors. Furthermore, it requires each subsidiary to formulate its own environmental strategy in line with Times Electric's requirements.

The Company keeps track of global industry changes, assesses risks and opportunities from external environmental changes and industry development as a whole, analyzes various environmental risks, studies potential impacts of these risks on the Company itself according to their nature and characteristics, and actively formulates countermeasures to strengthen its resilience and response capacity under a changing global landscape.

Risk Identification and Management

The Company regularly conducts internal and external supervision and audits of environmental management systems and promptly rectifies issues identified during audits to achieve continuous improvement and proactively prevent recurrence of similar issues. By further monitoring and identifying environmental risks, the Company enhances its response to environmental protection emergencies in an attempt to reduce possible negative impacts on the ecosystem and biodiversity from production and operation activities, and effectively avoid and mitigate environmental risks. For identified risk points, the Company develops response plans and preventive actions to prevent and reduce environmental emergencies to the greatest degree. During the reporting period, the Company mapped environmental risks across all subsidiary levels and proposed solutions.

Environmental Risk Identification and Response of Subsidiaries



Contingency Plans

The Company makes constant efforts to strengthen its capacity for environmental risk assessment and prevention and improve its contingency plans for environmental emergencies. It regularly organizes practical emergency response drills involving multiple departments for key risk areas such as hazardous waste leaks and chemical spills. In 2025, the Company organized 412 emergency response drills, covering 17,941 participants, with a 100% coverage rate for emergency response drills related to important environmental factors. These drills simulate real-world scenarios, test emergency plans, and optimize response procedures, continuously enhancing risk prevention awareness and emergency response capabilities to further strengthen the Company's environmental safety defenses.

The Company puts the *Contingency Plan for Environmental Emergencies* into service. It categorizes emergencies by level and requires subsidiaries to prepare and file comprehensive and specialized contingency plans, on-site treatment plans, and other environmental emergencies according to scale and risk level. Regular emergency response drills are conducted to ensure a rapid and effective response to environmental emergencies.



Case: Environmental Emergency Response Drills by a Subsidiary

In 2025, Times Semiconductor developed 10 specialized contingency plans and 13 on-site treatment plans. These contingency plans specify a three-level response mechanism, concrete treatment measures, personnel contact information, and the like. They are revised and refined annually in light of the fact.

During the reporting period, the Company organized 54 emergency response drills, including 16 drills targeted to chemical spillage. Drills covered key areas such as production workshops, warehousing areas, and chemical use sites, with more than 3,680 employees participating in these drills.

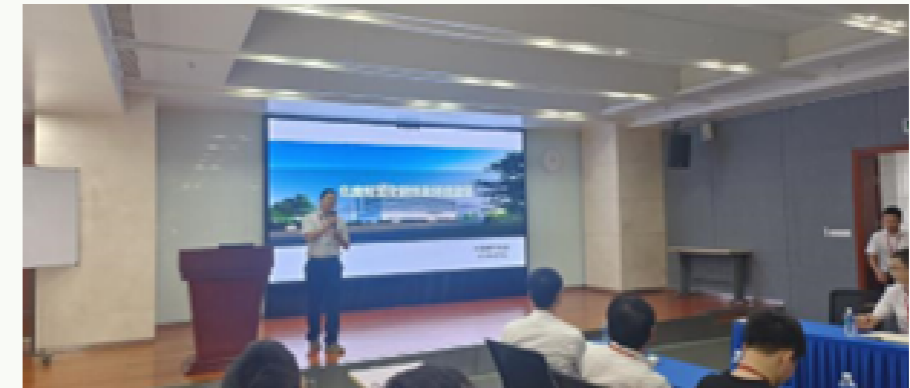
Environmental Protection Training

Times Electric has established the *EHS Training Management Measures* to standardize training and education within its EHS management system. It regularly conducts environmental protection training to enhance employees' environmental awareness. The Company delivers environment-related education and training online and offline, continuously enhancing the development of its environmental management capacity and staff-wide environmental awareness.



Case: Hazardous Chemical Management Training by Times Electric

The Company organized specialized training for hazardous chemicals' safety management and emergency personnel on "Hazard Awareness of Hazardous Chemicals". The training focused on physicochemical properties and health/environmental hazards of hazardous chemicals. Through case analyses and on-site drills, participants mastered rapid identification methods such as GHS labels and Safety Data Sheets (SDS), and studied principles for selecting personal protective equipment (PPE) for emergency response.



Hazardous Chemical Management Training

Metrics and Targets

In 2025, the Company invested a total of RMB 28,449,000 in environmental protection, advancing green retrofits at multiple production bases and improving environmental protection management and sustainability.

Key Performance

During the reporting period, Times Electric

- did not experience any environmental emergencies and was not subject to administrative penalties due to environmental issues.
- did not experience any major non-conformities identified in the supervisory audit of the environmental management system.

Pollutant Emissions

To effectively prevent and control environmental pollution, the Company has formulated and rigorously enforced the *Environmental Factors and Hazard Sources Management Measures of Zhuzhou CRRC Times Electric Co., Ltd.*, the *Environmental Protection Management Measures of Zhuzhou CRRC Times Electric Co., Ltd.*, and the *EHS Management Measures for Hazardous Chemicals*, which delineate preventive measures against water pollution, air pollution, noise pollution, solid waste pollution, and radioactive pollution. The Company is committed to reducing pollutant emissions at the source through various initiatives, including upgrading environmental protection equipment and optimizing production processes. Combined with meticulous pollutant management, Times Electric ensures that all emission indicators consistently surpass national standards, striving to minimize environmental impact during production and endeavoring to achieve sustainable low-carbon development goals.

Solid Waste Disposal

Governance

The Company strictly abides by laws, regulations, and industry standards such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, the *Action Plan for the Comprehensive Management of Solid Waste*, the *Standard for Pollution Control on Hazardous Waste Storage*, the *Technical Specification for Setting Identification Signs of Hazardous Waste* and the *National Directory of Hazardous Wastes*, and has formulated internal systems including the *Environmental Factors and Hazard Sources Management Measures*, the *Environmental Protection Management Measures*, and the *EHS Management Measures for Hazardous Chemicals*. The Operations, Safety Technology, and Environmental Protection Department is designated as the centralized management department for solid waste, responsible for formulating pollution prevention and control systems, work plans and objectives, organizing technical exchange and promotion, and guiding and inspecting the implementation of prevention and control work by subsidiaries, with other departments performing their corresponding duties in accordance with their division of responsibilities.

The Company classifies solid waste into general solid waste and hazardous waste based on their characteristics, manages them by category, and standardizes the disposal process. It establishes objective management and implements improvement measures in areas such as system development, source reduction, categorized storage, resource utilization, harmless disposal, and science popularization.

Hazardous Waste Management

The Company has formulated the *Hazardous Waste Management Rules*, implemented the hazardous waste management plan and management ledger, and specified 21 subcategories of hazardous waste under 9 major categories, including waste organic solvents, waste hydrofluoric acid, and waste mixed acid. All generated hazardous waste has been handed over to qualified suppliers in the province for harmless disposal through incineration and physical and chemical methods.

General Solid Waste Management

In accordance with the *Guidelines for the Management of General Industrial Solid Waste and Domestic Waste*, the Company has implemented classified management, recycling, and efficient recovery of general solid waste in line with the principles of "reduction, resource recovery, and harmless treatment", and standardized its storage, transfer, and disposal in accordance with the law. For domestic waste, qualified disposal entities were entrusted to transport general solid waste to landfills for treatment or for recycling and reuse.

Strategy

During strategy formulation and major decision-making, the Company employs specific methods to address the impacts, risks, and opportunities related to waste disposal, such as identifying the types of solid and hazardous waste generated during production, developing detailed management plans, and strictly managing waste in accordance with relevant national laws, regulations, and the Company's *Management Measures for the Prevention and Control of Environmental Pollution by Solid Wastes*.

Risk Identification and Response

The risks and opportunities related to waste identified by the Company include:

Risk Identification

- Employees face the risk of chemical exposure and health damage during the disposal of hazardous waste.
- The waste recycling rate needs to be further improved.

Response Measures

- Occupational health monitoring files for employees in relevant positions were established and maintained. These employees were equipped with special protective equipment, and mandatory and practical safety operation training and annual re-training for hazardous waste handling were implemented.
- The Company promoted the secondary utilization of waste through methods such as waste auctions.



Case: Subsidiary Carried out Resource Recovery of Waste

Times Semiconductor conducted classified management and targeted treatment of industrial sludge, waste packaging materials, and other waste generated in the production process. Among them, industrial sludge was used as raw material for the production of environmentally friendly bricks and cement after standardized disposal, realizing a closed-loop recycling. In 2025, 2,260.82 tons of sludge were recycled for environmental protection purposes. Various packaging materials and packed items were effectively promoted for secondary circulation and value regeneration through public auctions.

Metrics and Targets

Waste Emission Reduction Targets



With 2025 as the baseline year, by 2030 within the company's business operations, hazardous waste generation per RMB million of operating income will decrease by

5-10%

With 2025 as the baseline year, by 2030 within the company's business operations, general waste generation per RMB million of operating income will decrease by

5-10%

Indicator	Unit	2025
Total waste discharge	Tons	5,594.64
Total hazardous waste discharge	Tons	3,052.31
Hazardous waste discharge intensity	Ton per RMB million of output value	0.106
Total non-hazardous waste	Tons	2,542.33
Non-hazardous waste discharge intensity	Ton per RMB million of output value	0.089
Total recyclable waste	Tons	667.33
Proportion of recyclable waste ⁴	%	26.24

* 4. This equals the total recyclable waste divided by the total non-hazardous waste.

Exhaust Gas Emission Reduction

The Company strictly abides by laws, regulations, and standards such as the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Integrated Emission Standards of Air Pollutants*, and the *Standard for Fugitive Emission of Volatile Organic Compounds*. The Operations, Safety Technology, and Environmental Protection Department is designated as the centralized management department for air pollution prevention and control, responsible for formulating pollution prevention and control systems and guiding and inspecting the implementation of prevention and control work by subsidiaries, with other departments performing their corresponding duties in accordance with their division of responsibilities.

The Company has conducted all-round control of exhaust gas emissions by promoting raw and auxiliary materials with low volatile organic compounds, standardizing operating procedures, and formulating monitoring plans. Through equipment upgrades, process optimization, and supporting exhaust gas treatment facilities, measures such as cartridge collector dust removal and cyclone collector dust removal were adopted for smoke and dust removal, effectively improving the efficiency of exhaust gas treatment.



Case: Exhaust Gas Treatment Project of Times Semiconductor

In 2025, Times Semiconductor carried out systematic treatment of exhaust gas at its IGBT production base. Aiming at the acidic, alkaline, and organic exhaust gases generated during chip manufacturing, the subsidiary Times Semiconductor was equipped with dedicated treatment facilities, including alkali/acid washing towers, as well as combined processes such as zeolite rotors, incinerators, and activated carbon adsorption.

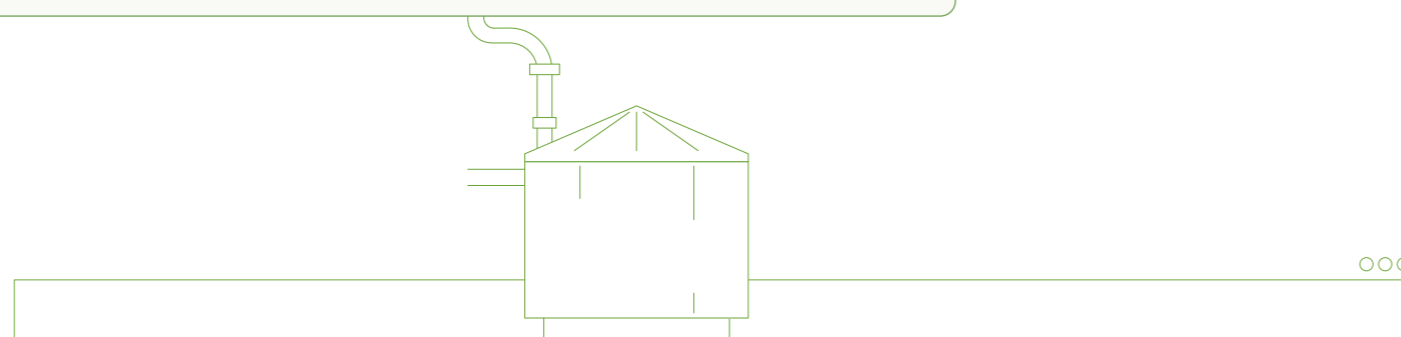
Through continuous technological transformation and equipment upgrading, the effect of exhaust gas treatment at the base was remarkable. Especially in the treatment of organic exhaust gas, the emission value of non-methane hydrocarbons (NMHC) has dropped by more than 70% after the transformation.



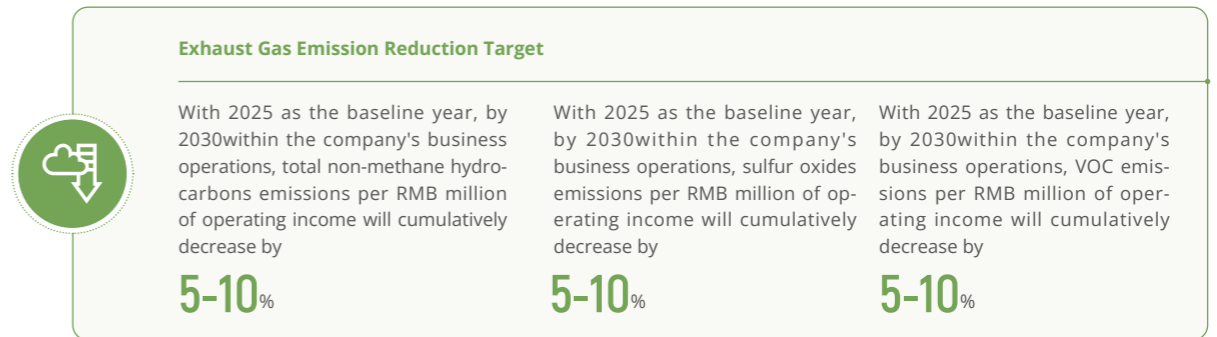
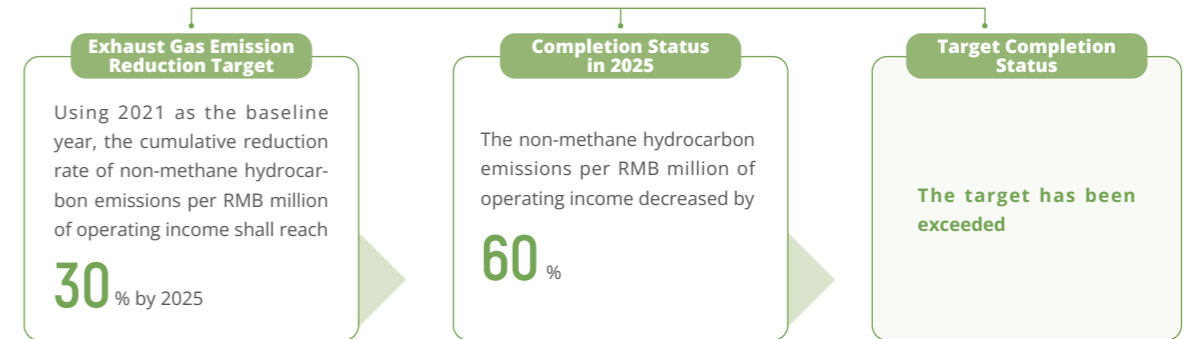
Case: Exhaust Gas Treatment Project of Taiyuan Times

Taiyuan Times has carried out systematic treatment of exhaust gas generated in sandblasting and painting processes:

- ① A two-stage dust removal system consisting of a cyclone dust collector and a cartridge dust collector was adopted for sandblasting dust removal. The cyclone dust collector was used as a pre-treatment device to separate large particle dust from the dust-laden airflow first, and the subsequent cartridge dust collector efficiently filtered fine particulate matter to ensure the particulate matter emission concentration remains stably compliant with standards.
- ② For the paint mist and organic exhaust gas generated during the painting process, preliminary interception was carried out through the primary filter cotton installed at the exhaust inlet of the spray booth. Then, the exhaust gas was directed through the air duct to the flat activated carbon adsorption layer for deep purification, achieving effective removal of paint mist and volatile organic compounds. The Company regularly replaces the filter cotton to ensure effective adsorption of exhaust gas.

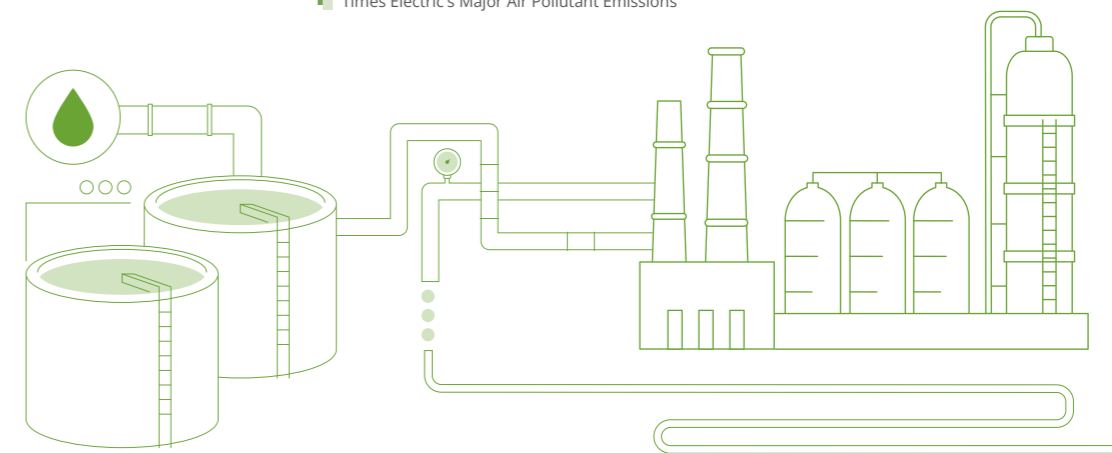


Exhaust Gas Emission Reduction Target and Completion Status



Indicator	Unit	2025
Total exhaust gas emissions	m ³	4,539,695,840
Sulfur oxide (SOX)	Tons	0.463
Nitrogen oxide (NOx)	Tons	40.573
Volatile organic compound (VOCs)	Tons	17.609
Particulate matter (PM)	Tons	6.02
Non-methane hydrocarbon	Tons	14.519

Times Electric's Major Air Pollutant Emissions



Wastewater Management

The Company strictly abides by laws, regulations, and standards such as the *Water Pollution Prevention and Control Law of the People's Republic of China* and the *Integrated Wastewater Discharge Standard*. The Operations Management Department is designated as the centralized management department for water pollution prevention and control, responsible for formulating pollution prevention and control systems and guiding and inspecting the implementation of prevention and control work by subsidiaries, with other departments performing their corresponding duties in accordance with their division of responsibilities.

In accordance with the *Wastewater Treatment System Operation Management Measures*, the Company has standardized the wastewater discharge management requirements, such as the design of drainage and sewage discharge facilities, wastewater treatment equipment, and water pollutant discharge methods. Aiming at different types of wastewater, the Company has employed different wastewater treatment processes to ensure the compliance and up-to-standard discharge of wastewater and effectively reduced the impact of production on the surrounding environment. The IGBT Park wastewater treatment system was equipped with online monitoring devices that transmit real-time data to the environmental protection department via network connectivity. Additionally, the Plant Services Department employed an internal wastewater terminal monitoring system for continuous oversight, and the Company engaged third-party agencies to conduct monthly manual monitoring to ensure full compliance with regulatory requirements for all wastewater discharges.

Fluoride-containing Wastewater Treatment System

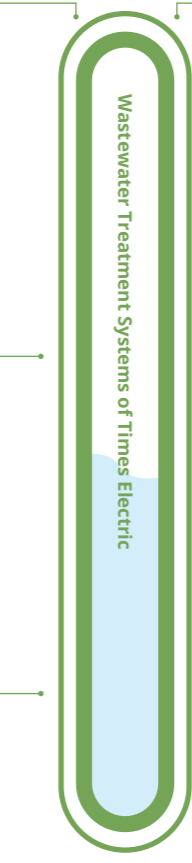
This system employs the chemical coagulation and precipitation method. Calcium chloride is added to adjust the pH value to generate calcium fluoride precipitation, and then flocculants (PAC, PAM) are added to form flocs, and mud-water separation is realized in the inclined plate sedimentation tank. The treated clear water is further treated in the acid-alkali wastewater system.

Organic wastewater treatment system

This system utilizes the combined process of "air flotation + UASB anaerobic + anoxic + aerobic + MBR membrane". Complex organic matter is degraded step by step through physical and biological treatment units, and high-efficiency solid-liquid separation is realized by using MBR membrane, and the final effluent is recycled to the intermediate water tank for reuse.

Acid-alkali wastewater treatment system

This system employs the automatic chemical neutralization method. After the wastewater is mixed in the buffer tank, acid or alkali is automatically added in the coarse and fine adjustment tanks for neutralization reaction based on online monitoring to ensure stable compliant discharge of effluent, with unqualified water returned for secondary treatment.



Ammonia-containing wastewater treatment system

This system uses a two-stage air stripping combined with a one-stage pickling absorption process. Alkali is added in the stripping tower to release free ammonia, and the gaseous ammonia reacts with acid added in the absorption tower to generate ammonium sulfate waste liquid, realizing the resource recovery and harmless treatment of ammonia.

Back grinding wastewater treatment system

This system utilizes the coagulation and precipitation process. After pH adjustment, coagulant (PAC) and flocculant (PAM) are added in turn to form large particle flocs, which are then separated in the inclined plate sedimentation tank. The supernatant enters the reuse system, and the concentrated water is further treated in the neutralization system.

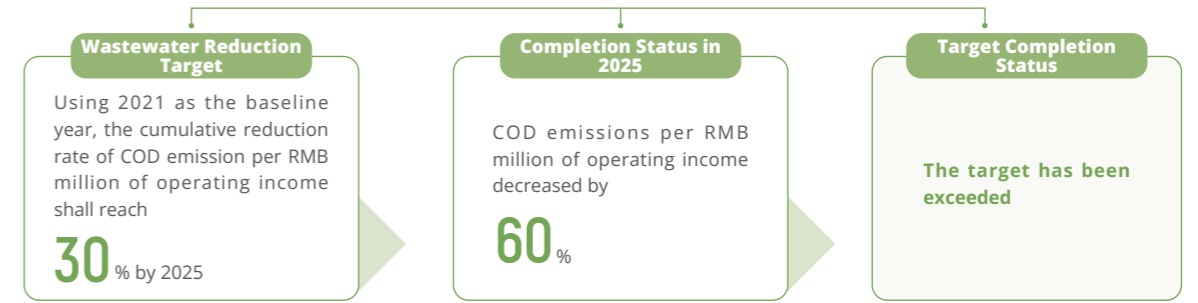
Cyanide-containing wastewater treatment system

This system utilizes the mature and reliable alkaline chlorination method. The pH of the wastewater is adjusted in the buffer tank first, and then sodium hypochlorite (NaClO) is added for oxidative cyanide destruction to completely decompose cyanide and ensure the safety of effluent.

Electroless plating wastewater treatment system

This system uses the combined advanced treatment process of "ultrafiltration + reverse osmosis + ion exchange". After the heavy metal-containing wastewater is pretreated by coagulation and precipitation, the supernatant is treated by membrane technology and resin adsorption, and the produced water can meet Class III of the *Environmental Quality Standard for Surface Water* and be recycled to the cooling circulation system.

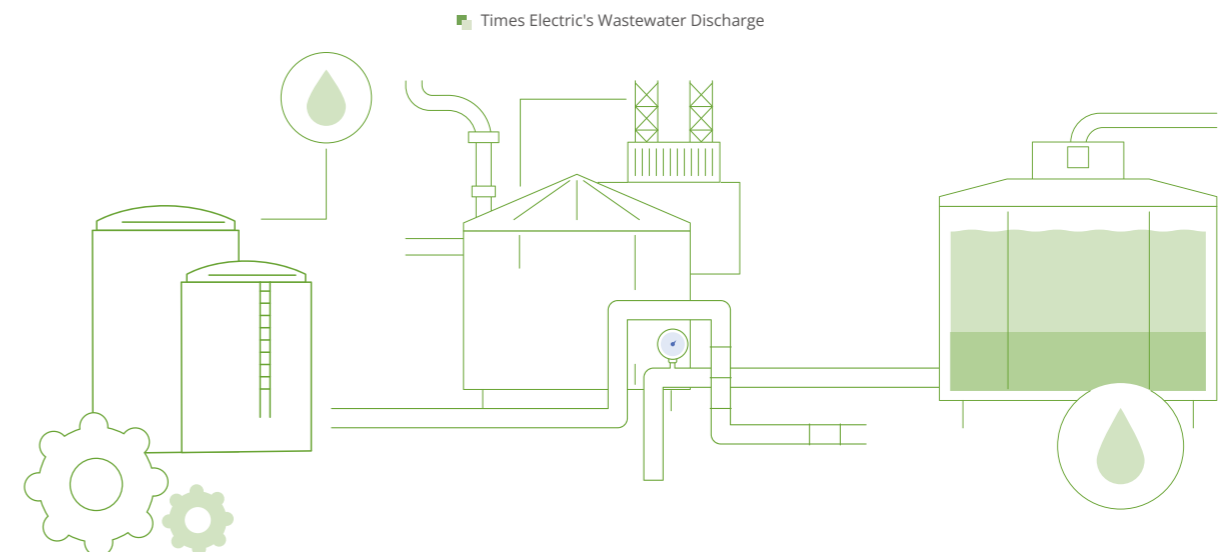
Wastewater Reduction Target and Completion Status



Wastewater Reduction Target

With 2025 as the baseline year, by 2030 within the company's business operations, COD emissions per RMB million of operating income will cumulatively decrease by **5-10%**

Indicator	Unit	2025
Total wastewater discharge	Tons	3,230,340
Industrial wastewater	Tons	2,919,427
Domestic wastewater	Tons	310,913
Ammonia nitrogen (NH3-N)	Tons	6.9534
Chemical oxygen demand (COD)	Tons	36.851
Suspended solids	Tons	17.347



Energy Management

The Company strictly complies with relevant laws and regulations, including the *Renewable Energy Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China*, and the *Measures for the Supervision and Administration of Energy Conservation and Ecological and Environmental Protection by Central Enterprises*. It has compiled and distributed the *Energy Management Manual*, the *Energy Management Measures*, and the *Key Points for the Management of Energy Conservation and Ecological and Environmental Protection*; formulated special energy efficiency improvement plans; optimized both the product structure and energy consumption structure; improved the overall energy utilization efficiency and the proportion of green energy; and continuously promoted energy efficiency management. All subsidiaries have continuously improved the energy management system, and taken multiple measures to achieve the Company's goal of reducing comprehensive energy consumption through smart energy management, energy-saving technological transformation, and energy recycling. As of the end of the reporting period, Times Electric has obtained ISO 50001 Energy Management System certification.



In terms of management principles, Times Electric has adhered to green and low-carbon development, integrating energy-saving and carbon reduction into its corporate strategy to build a green, low-carbon, and circular economic development system. The Company has established clear energy management objectives, including implementing waste heat recovery, reclaimed water reuse, and heat pump heating measures, promoting integrated energy solutions combining solar power, energy storage, charging, cooling, and heating technologies, ensuring Grade 2 or higher energy efficiency ratings for all major energy-consuming equipment, minimizing the use of primary energy sources such as natural gas and fuels. By advancing these initiatives, Times Electric has actively enforced energy-saving and consumption-reduction policies, contributing to corporate sustainability and the advancement of ecological civilization.

Times Electric's Energy Conservation and Consumption Reduction Measures		Results
Energy Structure Optimization	The construction of an integrated energy solution combining "solar power, energy storage, charging, cooling, and heating" technologies in the park was promoted, with a supporting energy dispatching platform to realize multi-energy complementarity.	The proportion of renewable energy accommodation was increased, alleviating the intermittency of photovoltaic power, achieving peak shaving and valley filling, and improving the overall energy efficiency of the park.
	Direct supply or cross-provincial trading of green electricity was carried out by strategically investing in holding or controlling wind and solar power stations.	The proportion of green electricity used by the enterprise was significantly increased, resulting in a reduction in power carbon emissions.
	The electrification substitution of energy-using equipment (such as electric annealing furnaces and electric forklifts) was promoted, and the terminal electrification rate was improved.	The dependence on fossil energy was reduced and the energy efficiency was improved.
	Under the premise of maintaining the combustion chamber temperature, the gas ratio was optimally adjusted to reduce the combustion temperature and thus decrease natural gas consumption.	Natural gas consumption was reduced by 8%, with an annual reduction of 81,000 cubic meters, reducing carbon dioxide emissions by about 160 tons and saving costs of about RMB 316,000.

Times Electric's Energy Conservation and Consumption Reduction Measures		Results
Energy Conservation in Building HVAC	The lighting circuits were appropriately modified by defining normally open and normally closed switches and integrating time controllers and occupancy sensors. The lights were illuminated as needed based on usage requirements.	The total lighting time and electricity consumption were reduced. Cost savings of about RMB 173,000 were achieved in 2025.
	Green building technologies such as high-efficiency envelope structures, Low-E glass, and external sunshades were utilized.	The thermal insulation performance of envelope structures was improved, thereby reducing the cooling and heating load of buildings.
	The COP of water chillers was improved and energy consumption was reduced by balancing medium and low temperature loads.	The COP was expected to increase by 0.2. Cost savings of about RMB 648,000 were achieved in 2025.
	Intelligent control of air conditioning terminals was implemented, and on-demand energy supply was realized through sensor linkage, and remote centralized control.	Energy waste was eliminated, with the operational energy efficiency of the system improved and the labor management costs reduced.
Energy-saving and Carbon Reduction in Process	A general inspection was carried out on the main exhaust duct system of the packaging line, and air leakage in the duct system was detected; the general exhaust demand matrix for the packaging line was completed, the valve opening of low-demand equipment was reduced to lower the exhaust air volume, and the exhaust pressure for key equipment was increased.	The operational efficiency of the pipe network was significantly improved, and energy consumption was greatly reduced. Cost savings of about RMB 21,000 were achieved in 2025.
	The air balance of the exhaust system was adjusted according to the exhaust parameter requirements of the blower, and a spare arsenic exhaust blower was added to improve the stability of the arsenic exhaust system.	The stability of the exhaust system was improved and the energy consumption was reduced. Cost savings of about RMB 18,100 were achieved in 2025.
	The acid exhaust pipeline was transformed to reduce the energy consumption of the exhaust pipeline and improve the system stability.	The stability of the acid exhaust system was improved and the energy consumption was reduced. Cost savings of about RMB 500,000 were achieved in 2025.
	The number of FFUs turned on in the film pasting and dicing room and PT auxiliary equipment area was optimized. The fresh air volume was adjusted, with the fresh air volume in the film pasting and dicing room reduced by about 1,000 cubic meters per hour, thus saving the cooling capacity by about 30KW (electricity 10KWh per hour).	Cost savings of about RMB 120,000 were achieved in 2025.
Financial Support for Energy Conservation	Chemical and mechanical cleaning of the chiller unit was conducted, and the cooling tower packing was replaced to improve system efficiency. Frequency conversion transformation was carried out on some chillers, and the chilled water outlet temperature was adjusted.	The operational efficiency of the refrigeration system was improved, with cost savings of about RMB 207,000 achieved in 2025.
	The load of the nitrogen generator was reduced within a controllable range according to the actual nitrogen demand of the factory to save electric energy.	Nitrogen discharge to the atmosphere was reduced and energy utilization efficiency was improved. Cost savings of about RMB 1,527,000 were achieved in 2025.
Financial Support for Energy Conservation	Old and high-energy-consuming equipment (such as lithium bromide units) was eliminated by using national funds, such as for "major national strategies and security capacity building in key areas" and "large-scale equipment renewals and trade-in of consumer goods".	The cost of equipment renewal and transformation was reduced, and the phase-out of high-carbon equipment was accelerated.
	A company-level special fund for energy conservation and carbon reduction (RMB 2 million per year) was set up for carbon consulting, technology piloting, electricity-hydrogen substitution transformation, and other projects.	The piloting of zero-carbon technologies and system certification was promoted systematically, with a continuous improvement mechanism established.



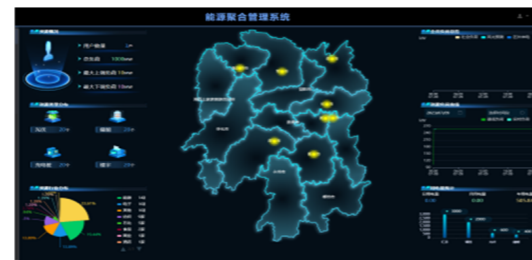
Case: Energy Conservation Optimization Project of Times Semiconductor

In view of the particular characteristics of the industry, Times Semiconductor hired a top expert team to conduct an energy-saving assessment and visited leading industry enterprises for exchange and learning. Based on professional recommendations, the subsidiary systematically implemented a series of specialized technical improvements, including on-site nitrogen generation to replace liquid nitrogen supply, ice chiller group control, clean room parameter optimization, process exhaust balancing, and waste heat recovery. While improving the quality of raw materials and system stability, it also greatly reduced the nitrogen use cost, ultimately achieving an annual energy cost saving of about RMB 42 million.



Energy-Saving Technological Transformation of On-Site Nitrogen Generation

The Company has actively practiced the concept of green operation and independently developed the "All-Dimensional Smart Energy Management System". Based on the edge-cloud collaborative high-reliability architecture and algorithm, the system integrates core functions such as real-time monitoring, intelligent dispatching, energy consumption analysis, power trading, and optical storage management, realizing digital monitoring and optimal dispatching of energy flow in multiple scenarios such as industrial parks and manufacturing plants. By building a cloud-edge collaborative intelligent control system, the Company has effectively improved energy efficiency, significantly reduced comprehensive energy consumption, carbon emissions, and operational labor costs, thereby driving the achievement of energy conservation and carbon reduction goals through technological innovation.



Energy Aggregation Management System

Key Performance

During the reporting period, Times Electric's

- cumulative installed capacity of rooftop PV equipment was **23.45 MW**
- with an annual electricity generation of approximately **23,000,000 kWh**

Taking into account the sales revenue growth target of Times Electric and the requirements of CRRC's carbon peaking and carbon neutrality action plan, the Company plans to gradually increase the proportion of green electricity procurement and progressively restrict and phase out the use of natural gas starting from 2026.

Indicator	Unit	2025
Natural gas	10,000 cubic meters	422
Purchased electricity	10,000 kilowatt-hour	42,956
Comprehensive energy consumption	Ton of standard coal	60,644
Comprehensive energy consumption per RMB 10,000 of output value	Ton of standard coal per RMB 10,000 of output value	0.021

Times Electric's Energy Consumption

Water Resources Management

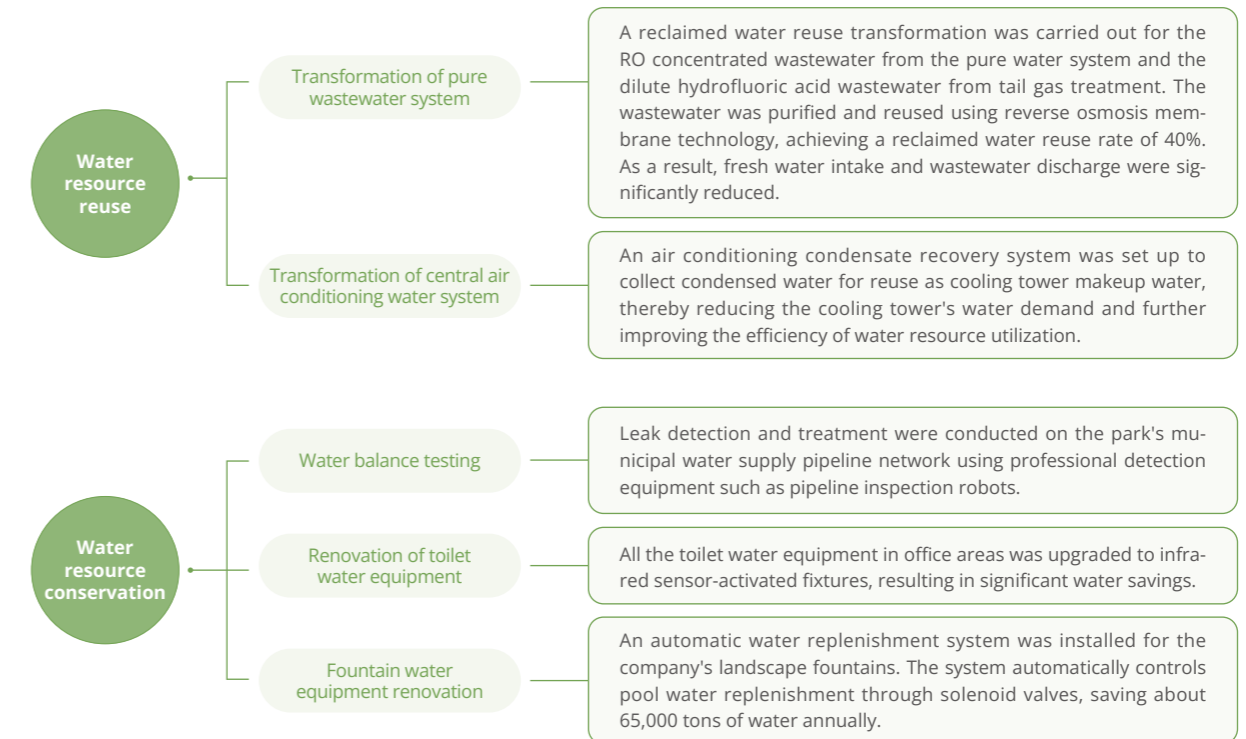
Times Electric strictly abides by the requirements of laws and regulations such as the *Water Law of the People's Republic of China* and the *Circular Economy Promotion Law of the People's Republic of China*, employs circulating water equipment, and carries out measures such as the reuse of recycled water to promote the recycling and efficient utilization of water resources, to improve water use efficiency, and to reduce water resource consumption. All water intake sources within the operation scope of Times Electric are from municipal water supply, and no water intake shortage has been found after evaluation.

In accordance with national standards, the Company regards water resources as energy-consuming materials, includes them in energy management, manages them according to the *Times Electric Energy Management Measures*, and issues annual performance targets for reclaimed water reuse. At the same time, the Company has established centralized cost management for water and electricity, and strictly controls water usage costs. In 2025, the Company was awarded the title of Water-Saving Enterprise in Hunan Province.

To systematically improve water resource utilization efficiency, Times Electric focuses on implementing targeted water-saving improvements in different stages of water use. The Company conducts water balance testing and pipe network leakage repair. Meanwhile, for the pure wastewater system with a large volume, it has implemented a reclaimed water reuse project, using reverse osmosis technology to purify RO brine and dilute hydrofluoric acid wastewater into raw water for recycling. In the central air conditioning water system, water quality is maintained through chemical water treatment and condensate is recycled to supplement the cooling tower, significantly reducing sewage discharge and make-up water. In addition, the Company has also promoted automatic sprinkler systems in greening irrigation and fully deployed infrared induction sanitary ware in office areas, taking multiple measures to realize refined control and conservation of water use.



The Honorary Title of "Water-Saving Enterprise in Hunan Province"



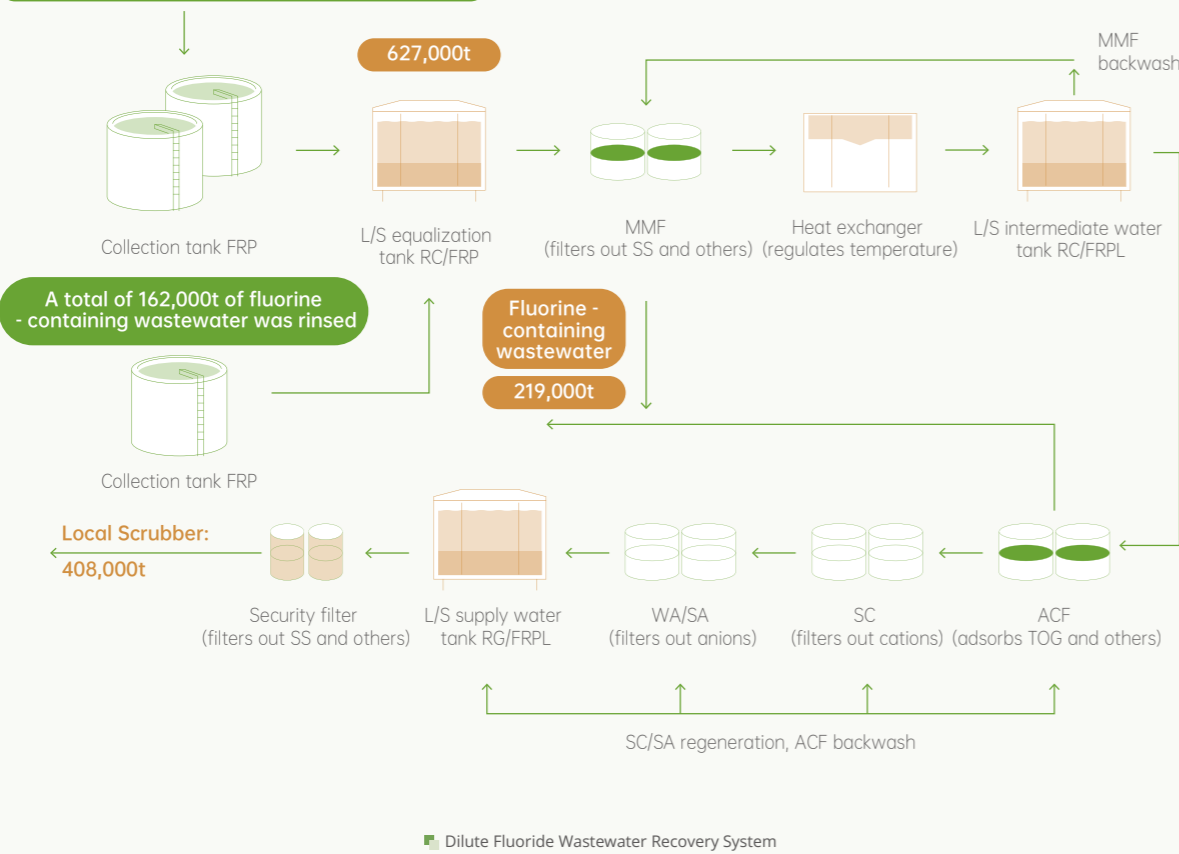
Times Electric's Water-Saving Measures



Case: Upgrading Project of Dilute Fluoride Wastewater Reuse System of Times Electric

The Company also built a dilute fluoride wastewater reuse system to further optimize wastewater treatment and recycling. The water produced by the fluoride-containing wastewater reuse system is reused in scrubbers and cooling towers, reducing IGBT Park's annual electricity consumption by 342,000 kWh, saving 240,000 m³ of tap water, and cutting 48,000 Nm³ of natural gas use. This brings economic benefits of approximately RMB 1.47 million, reduces the operation time of both pure water and wastewater systems, extends their service life, and lowers the frequency of replacing consumables such as RO membranes and activated carbon, thereby reducing overall system operating costs.

Local scrubber drained 465,000t of wastewater



Dilute Fluoride Wastewater Recovery System

Circular Economy

Times Electric strictly abides by the requirements of laws and regulations such as the *Circular Economy Promotion Law of the People's Republic of China*, and actively practices the "6R1D" strategy with moderate packaging as the core. By implementing the concepts of rational design, pre-reduction, recyclable turnover, reusability, material recycling, energy recovery and utilization, and degradable disposal, the Company has comprehensively optimized the packaging process and reduced resource waste and environmental impact.

In actual operation, Times Electric organically integrates packaging design elements such as lightweighting and miniaturization with the development of eco-friendly, green packaging materials to build an integrated "green system" that covers material selection, packaging design, packaging transportation, packaging recycling, and material reuse.



Case: Times Electric's Application of Circular Packaging

Since 2018, the Company has systematically promoted the application of circular packaging, employed metal tooling and plastic boxes and other recyclable packaging carriers in batches, and gradually replaced the traditional disposable wooden packaging, thereby reducing wood consumption by about 82 tons every year.

In the continuous innovation of circular packaging, the Company has developed and promoted intelligent turnover boxes made of bamboo-plastic composite materials. Bamboo fiber is integrated into traditional plastics in this material, which effectively reduces the cost while improving the strength. Compared with disposable wooden boxes, the intelligent turnover box achieved a 33% reduction in comprehensive usage costs and saved 64 tons of wood annually, significantly enhancing both economic and environmental benefits.



Metal Tooling Box



Intelligent Turnover Box



Indicator	Unit	2025
Municipal water consumption	10,000 cubic meters	417.82
Water consumption intensity	Cubic meters/RMB 10,000 of output value	1.45

Times Electric's Water Consumption



Case: Times Electric's Application of Packaging Lightweight

Taking into account its own product structure, Times Electric actively promotes the design and application of lightweight packaging. For large and heavy products, the Company simplified the structure on the basis of the original all-wood packaging, and optimized the "plywood + solid wood" assembly structure to a pure solid wood lattice box. Under the premise of ensuring the protective performance, this design reduced the packaging cost by 13.5% and reduced wood consumption by about 19 tons every year.

For the packaging of small and lightweight products, the Company standardized specifications and substituted materials, changing the original wooden packaging to a composite structure made of heavy-duty corrugated paper and wood. The paper-wood composite packaging offers good compressive strength and cushioning performance, and the corrugated paper is a 100% recyclable, environmentally friendly material, further enhancing the packaging's recyclability. Compared with traditional wooden cases, the new packaging achieved a 29.18% reduction in packaging costs and saved approximately 38 tons of wood annually.



Wooden packaging

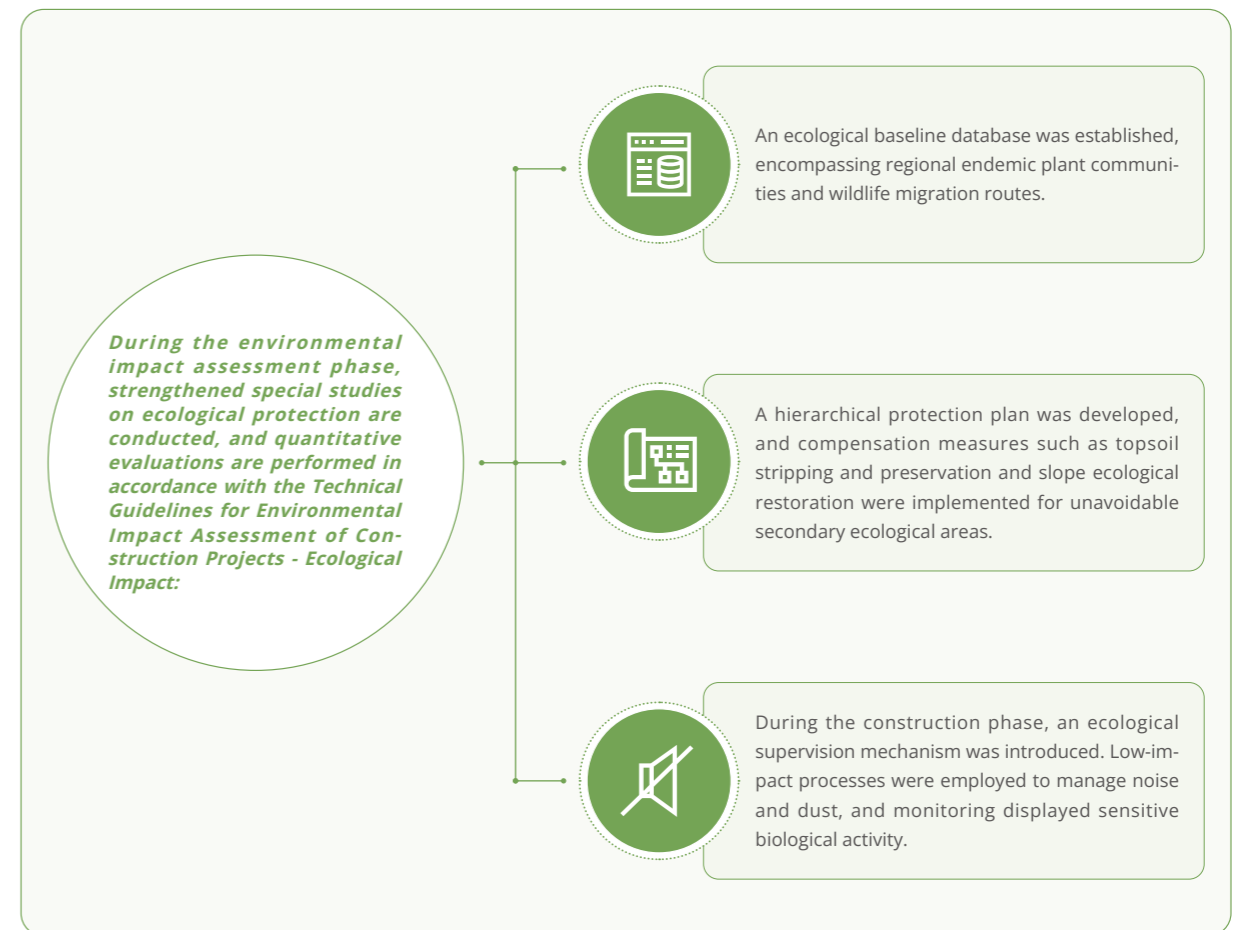


Carton packaging

Ecological and Environmental Protection

Times Electric is committed to building a sustainable ecological environment and actively practices the concept of green development. The Company has established the *Greenery Management Measures* to regulate greenery management and promote ecological and environmental protection. In accordance with the *Urban Landscaping Management Regulations* and the *Urban Landscaping Maintenance Standards*, the Company protects biodiversity and enhances the quality of the natural environment and ecological space by maintaining trees, flowers, and plants, contributing to the preservation and restoration of biodiversity. Additionally, the Company has actively participated in green energy projects, such as the construction of photovoltaic power plants, and promotes ecological restoration, contributing to the harmonious coexistence of the ecological environment.

Following the guidance of the *Technical Guidelines for Environmental Impact Assessment of Construction Projects - Ecological Impact*, the Company has formulated strict ecological protection measures. When initiating new projects, the Company strictly adheres to the national *Three Lines and One List* (ecological protection red line, environmental quality lower limit, resource utilization upper limit, and ecological environment access list) control system, embedding ecological protection deeply into the entire lifecycle management of projects. Ecological protection red line overlay analysis was carried out during the initial planning phase. Over the past three years, 100% of all new projects have successfully avoided the ecological protection red line areas, without causing damage to wildlife habitats and natural habitats.



Indicator	Unit	2025
Total packaging consumables used	Tons	5,927.21
Plastic	Tons	56.82
Paper	Tons	87.98
Metal	Tons	160.54
Glass	Tons	0
Others	Tons	5,621.87

Scope: CRRC Operations Centre

Work in Joint Efforts to Create a Valuable Future



Major sustainable development issues covered in this chapter :

- Employee diversity and equality
- Employee training and development
- Employees' rights & interests and well-being
- Occupational health and safety
- Social welfare
- Driving local economic development

SDGs to which this chapter responds :



► Safeguarding Employees' Rights and Interests

Smooth Communication Channel

Joint Efforts to Support Talent Growth

Building a Safety Assurance System

Participating in Public Welfare Activities

Support for Rural Revitalization

The "Belt and Road" and Overseas Localization Strategy

Times Electric has always implemented the concept of "putting value creators first and sharing success with every employee". With the protection of rights and interests as the cornerstone, we build a diverse, equal, and inclusive environment. With growth incentives as the engine, we provide a comprehensive compensation and benefits system and career development channels. With health care as the link, we safeguard employees' safety and well-being. The ultimate goal is to fully stimulate the potential of talents and drive the value co-creation and common growth of employees and the enterprise.

Safeguarding Employees' Rights and Interests

Times Electric firmly safeguards the legitimate rights and interests of employees, continuously improves the employment management system, abides by the equal and fair recruitment criteria, resolutely puts an end to all forms of discrimination and harassment, and is committed to creating a diverse, equal, and inclusive working atmosphere.

Compliant Employment

At the governance level, Times Electric strictly adheres to the Ten Principles of the United Nations Global Compact, the core conventions of the International Labor Organization, the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and other international conventions, and abides by national laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors*, and the *Law of the People's Republic of China on Safeguarding the Rights and Interests of Women*, and earnestly performs the *Collective Labor Contract* signed by the Company and the labor union. In addition, the Company has formulated a series of internal systems, including the *Measures for the Management of Professional Managers' Performance of Duties and Business Expenses*, the *Internal Retirement Management Regulations*, and the *Standby Employee Management Regulations*, jointly building a systematic and complete labor employment system.

In 2025, the Company updated the *Recruitment Management Measures* and revised the *Measures for Handling Employee Violations of Discipline*, further standardizing the recruitment process and the definition of labor discipline, eliminating discriminatory clauses, and promoting the continuous improvement and standardized operation of the employment management and rights and interests protection system.

At the strategic level, Times Electric incorporated equality, diversity, and inclusion into the core workplace values through the whole process of recruitment, employment, and promotion, clearly prohibited any discriminatory clauses based on nationality, race, gender, religious belief, cultural background, physical and mental status, and other factors, and ensured fairness and transparency in all links. The Company resolutely opposes any form of employment discrimination, strictly abides by international labor standards, strictly prohibits child labor, puts an end to forced or compulsory labor, resolutely resists any form of workplace harassment, and provides a safe and respected working environment for all employees.

Times Electric strictly follows the principle of "distribution according to work and equal pay for equal work", and relying on systems such as the *Wage Payment Management Measures* and the *Employee Performance Management Measures*, systematically builds and implements a scientific compensation and benefits system. The Company pays social insurance and housing provident fund for all employees in accordance with the law, and provides a diversified and multi-level enterprise supplementary welfare system. In terms of leave management, the Company fully implements the national *Regulations on Paid Annual Leave for Employees* and relevant implementation measures, and effectively safeguards the employees' legitimate right to paid annual leave. For more comprehensive compensation and benefits policies, please refer to the Section "Compensation and Benefits" of the Report.

Times Electric has established a systematic mechanism for managing employee-related risks and opportunities, integrating risk identification, assessment, prioritization, and dynamic optimization into strategic planning, performance evaluation, and daily operations. For key aspects such as employment compliance, harmonious labor relations, and compensation and benefits, the Company regularly conducts risk assessments and promptly optimizes measures to realize integrated management and control of risks and opportunities. The company fulfills its duty to protect the legitimate rights and interests of its employees, takes their reasonable concerns seriously, works to minimize and prevent labor disputes, and safeguarding employees' rights and interests as well as the stable operation of the enterprise.

By the end of the reporting period, the total number of on-the-job employees of the Company was 10,746, including 10,127 domestic employees and 619 overseas employees, with domestic employees accounting for about 94%. During the reporting period, the turnover rate of domestic employees of the Company was 3.88%, and the personnel structure remained stable.



Employee Structure Chart of Times Electric

Key Performance

During the reporting period, Times Electric's

- labor contract signing rate for employees was **100%**
- cases related to child labor, forced labor, or harassment were reported **0**
- From 2023 to 2025, there have been no large-scale redundancies (involving more than 1,000 employees), nor any staff strikes or work stoppages within the operation scope of Times Electric

* 5. entities included in Times Electric's consolidated financial statements, including its overseas branches

Diversity and Inclusion

On 27 June 2025, the Board of Directors approved the Employee Diversity Policy, setting out guidelines and commitments to promote diversity and inclusion among all employees (including senior management).

At the strategic level, Times Electric implements the concept of diversity and inclusion in employment, proactively builds a fair employment platform, continuously creates equal job opportunities for people from different regions, ethnicities, cultural backgrounds, and persons with disabilities, supports the Company's internationalization strategy and inclusive social development, and has established a diversified talent structure through global talent recruitment, dedicated support, and the empowerment of women.

At the management level, Times Electric proactively introduces outstanding global talent, strengthens efforts in local overseas recruitment, and promotes the internationalization of its workforce structure; every year, in accordance with the requirements of CRRC Group and CRRC Zhuzhou Institute, it formulates and implements special recruitment plans for veterans and persons with disabilities, accurately matches positions with personnel needs, and effectively guarantees equal employment opportunities; it highly values the career development of female employees, supports their participation in business practices to enhance social influence, builds platforms for experience sharing and career development, provides systematic resources, and stimulates the creative value of female employees.

Key Performance

In 2025⁶

◦ **72** new female employees were recruited ◦ female employees accounted for **7**% of the management level

◦ The Company had a total of **450** ethnic minority employees

Smooth Communication Channel

Adhering to the people-oriented concept, with safeguarding employees' right to know, right to participate, right to express right to supervise as the core, Times Electric has built an employee communication system with improved governance, clear strategy, efficient management and quantification of indicators. This system intends to deepen democratic management, strengthen employee care, and enhance employees' sense of belonging and cohesion, thereby laying a solid foundation for the sustainable development of the Company from the talent and cultural dimensions.

Democratic Communication

Times Electric strictly abides by relevant laws and regulations such as the *Trade Union Law of the People's Republic of China*, earnestly respects employees' rights to free association and collective bargaining, continuously improves the democratic management system with the staff congress as the basic form, establishes a communication mechanism integrating staff congress, factory affairs disclosure, collective consultation and grassroots complaint platform, clarifies the responsibilities and processes of each link, and regularly conducts employee satisfaction surveys to ensure the standardized implementation of democratic management.

Diversified Forms of Communication

Through institutionalized democratic management mechanisms and diversified communication platforms, Times Electric collects and responds to employees' opinions, promotes the transformation of employees' wisdom into momentum for management optimization and business improvement, and builds harmonious and stable labor relations.

Democratic Management Measures and Practices of Times Electric in 2025

Staff congress

◦ During the reporting period, the staff congress system was strictly implemented, the annual democratic evaluation of more than 160 cadres of the Company was completed, and over 40 proposals from staff representatives were collected. These proposals covered various aspects, such as enterprise development, management improvement, and employee welfare, of which 12 were awarded as excellent proposals at the level of CRRC Zhuzhou Institute.

Factory affairs disclosure

◦ Important information, such as major production and operation matters of the Company and the integrity of cadres, was disclosed in a timely manner through forms such as Party committee meetings, decision-making committees and internal documents. Employees' right to know was safeguarded.

Democratic supervision and deliberation

◦ Systems closely related to employees' rights and interests, such as the *Measures for Handling Employee Violations of Discipline* and the *Performance Appraisal Management Measures for Financial Personnel*, were deliberated upon by staff representatives. In 2025, more than 20 opinions and suggestions from representatives were collected and adopted, in fulfillment of the duties of democratic management, supervision, and decision-making.

Collective consultation system

◦ The Company and the labor union signed the *Collective Contract* and the *Special Collective Contract for the Protection of the Rights and Interests of Female Workers and Employees*, covering important matters such as compensation and benefits, labor protection, occupational health and safety, and special rights and interests of female employees, realizing 100% coverage of employees. By 2025, the company had completed the signing of the Collective Agreement.

◦ Before major operational changes, democratic procedures were performed. Resettlement and diversion plans were formulated, and employees' opinions were solicited to ensure that compliance with procedures was maintained and records were completed.

Grassroots complaint and improvement platform

◦ A diversified and ongoing grassroots communication and improvement platform was established by combining offline contact stations with online platforms to ensure smooth channels for employees to voice their daily concerns and feedback. For specific contents, please refer to the section "Employee Feedback and Complaint Mechanism" in this section.

Key Performance

In 2025

◦ the labor union membership rate of the Company's employees remained

100%

◦ the collective contract signing rate was

100%

Employee Satisfaction Survey

Times Electric conducts regular surveys on organizational climate, covering employee satisfaction, the working environment, employee engagement, and beyond. In 2025, the survey covered 23 business units, with 7,483 participants and a questionnaire recovery rate of 80%, receiving positive attention from the majority of employees. A total of more than 2,000 opinions and suggestions were put forward by employees in this survey. The Company views employee feedback as valuable input and a critical basis for management improvement.

The Company systematically collected and thoroughly analyzed employees' feedback on working environment, team atmosphere, and management mechanisms, conducted a special analysis of the survey data, and produced a report. On this basis, each business unit will promote targeted management improvement initiatives, and the relevant measures will be specifically incorporated into the work plan for 2026.

Employee Feedback and Complaint Mechanism

In accordance with the Management Measures for Public Opinion Communication, Times Electric has established a closed-loop management process of submission-processing-feedback, clarifying both online and offline dual-channel complaint collection methods, hierarchical processing authority, and feedback time limits. This ensures that each appeal is accurately transmitted to the responsible department, is fully documented, and is implemented in a closed-loop manner, effectively safeguarding the timely response to employees' requests.

Opinion Submission

- ① **Online:** Employees may submit opinions through the public opinion communication information platform.
- ② **Offline:** Opinions are mainly collected through forms such as employee forums, democratic life meetings, and online discussion sessions.

Opinion Processing

- ③ **Department-level opinions:** Opinions at the department level are reviewed by the Party organization of the department and forwarded to the responsible department for processing and reply. The results are then summarized and submitted to the Party organization. Where the department fails to process, the opinion is submitted to the Party and Mass Work Department for coordination.
- ④ **Company-level opinions:** Opinions at the Company level are reviewed by the Party and Mass Work Department and assigned to the relevant functional departments for processing. The results are reported to the Secretary of the Company's Party Committee for confirmation. If the functional department cannot process the opinion directly, the Party and Mass Work Department shall coordinate with the corresponding business unit for follow-up.

Opinion Feedback

- ⑤ **After the reply content is confirmed by the head of the Party organization of the relevant department or the Secretary of the Company's Party Committee, it will be provided to the author. The author may conduct a satisfaction evaluation on the processing result. The whole process will be recorded in the Public Opinion Communication Information Platform to achieve closed-loop management.**

Case: Building a Three-Dimensional Communication Network to Stimulate the Vitality of All Employees for Improvement

In 2025, Times Electric created a dual-wheel driven democratic management model of "Complaint Express Train" and "Improvement Booster".

The labor union of Times Electric Manufacturing Center launched the "I Want to Talk with You" online micro-platform, integrating leadership reception days, fixed contact points, and mentor-apprentice seminars. This initiative aims to build a comprehensive and multi-level communication network, ensuring that the needs of employees in all positions are promptly addressed.

The CRRC Electric Drive Labor Union of Times Electric organized a "Quality Improvement Proposal Campaign", having collected 586 proposals throughout the year, with 531 deemed effective and 340 implemented. These activities not only resolved practical issues but also strengthened employees' sense of ownership, effectively fostering mutual empowerment between democratic management and business development.

Care for Employees

Times Electric strategically focuses on precision, universal benefits, and specialization to construct an all-round employee care system covering physical health, mental health, and living security. By improving governance mechanisms, optimizing service measures, and quantifying input indicators, the Company ensures employee well-being, achieves work-life balance, and enhances organizational cohesion.

Targeted Assistance and Comprehensive Care

The Company is committed to building a regularized and systematic employee care system, continuously exploring diverse and personalized care models. In 2025, Times Electric notably invested resources in implementing a range of targeted assistance and care initiatives, fully integrating employee care policies into daily management practices.

Care and assistance

The Company continued its efforts in the "Six Deliveries and Three Concerns" mechanism by implementing measures such as "delivering warmth in winter, coolness in summer, and assistance in difficult times", establishing assistance files based on visits and investigations, and performing assistance work covering daily assistance, Golden Autumn Education Assistance, and major illness assistance, among others.



Delivering Coolness in Summer

Physical care

In 2025, Times Electric partnered with medical resources and organized multiple sessions of health examination report interpretation, health management lectures, and one-on-one consultations in different regions, benefiting over 400 employees. These activities enhanced employee medical examinations and promoted the general extension of health management from "examination" to "prevention".



Free Health Consultations and One-on-One Physical Examination Counseling



Mental health care

Times Electric's EAP project, "Benben Energy Station", focuses on upgrading mental health services. Centered around four aspects—solidifying foundational support, innovating service carriers, deepening cultural integration, and empowering organizational networks—it builds a full-cycle, multi-level employee mental health care system to strengthen the psychological health defense line for employees.

In 2025, Times Electric conducted psychological training, lectures, and workshops covered all employees and effectively improved their psychological resilience.

- Regarding foundational support, a 7x24-hour professional psychological counseling hotline has been stably operating for eight years, providing confidential, one-on-one psychological support to employees and their families. The monthly on-site counseling service entered its second year of operation, and in May 2025, the newly upgraded "Benben Energy Space" was launched, enhancing the offline counseling experience with a warm, private, and professional environment.
- In terms of service delivery, relying on the "Flying Flag" official WeChat account, weekly mental health science articles have been continuously published for four years. In May, the third "Benben Energy Week" was successfully held, featuring varied and interactive formats such as an AI poster design competition and a "Happiness Mind Classroom" special course series to strengthen engagement and communication. Throughout the year, six customized mental health lectures and group counseling activities were carried out across various business units, achieving precise and targeted service delivery.
- In terms of cultural integration, leveraging the Company's third Employee Club Carnival orientation event in July, a dedicated "Youth Towards the Sun, Setting Sail from the Heart" mental wellness area was created. This event has been held for three consecutive years and has become a fixed ritual for conveying organizational care. This time, nearly 1,000 new and existing employees were served, and more than 500 customized energy packs were distributed, showcasing the Company's vibrant and inclusive culture.
- In organizational empowerment, six sessions of the "Connect with Heart, Empower through Action" management training program were conducted throughout the year to enhance the management's practical communication skills. Additionally, core EAP team members participated in specialized external training to continuously strengthen the project operation team's professional abilities, providing a solid foundation for ongoing service quality improvement.



Efficient Communication Skills Training Series for Managers



Benben Energy Station-Dedicated Mental Wellness Zone



Specialized Training on Stress Management for Mental Wellness



Psychological Counseling Room

Promoting Work-Life Balance

Times Electric embraces a healthy and balanced approach to work and life. Centered around the flagship initiatives of "Happy Family Club" and "Trend Circle", the Company has established an inclusive and distinctive cultural and sports service system. Through regular recreational activities, family engagement programs, and childcare support services, it enriches employees' spiritual and cultural lives, addresses their personal concerns, and fosters a warm and cohesive organizational atmosphere.

During the reporting period, Times Electric organized over 100 such activities, which effectively strengthened team cohesion and enabled employees to engage in both work and life with greater enthusiasm and positivity.



Case: Trend Circle Ignites Youthful Dynamism

To align with the "community-based" social preferences of today's youth, Times Electric launched the "Trend Circle" youth engagement platform, featuring eleven distinctive interest-based groups, including board games, fitness, and rap. The platform offers diverse and appealing activities. Throughout the year, ten monthly "Trend Calendar" editions were released, lowering participation barriers and broadening youth engagement. The platform reached over 1,000 young participants and successfully cultivated vibrant communities centered on shared interests, energy, and friendship.



Case: Four Clubs Enrich Employees' Lives

Times Electric established a range of diverse interest clubs—including the Lingyun Yoga Club, the Classical Elegance Club, the Artisan & Wisdom Club, and the Jazzmew Jazz Dance Club—to provide employees with platforms for hobby sharing and mental relaxation. These clubs also integrated summer childcare services, offering complimentary courses and activities for employees' children.



Classical Elegance Club (Erhu Class)



Classical Elegance Club (Guitar Class)



Artisan & Wisdom Club



Lingyun Yoga Club

Case: "Inclusive + Distinctive" Cultural and Sports Service System

Committed to building an "inclusive + distinctive" cultural and sports service system, Times Electric comprehensively enriched employees' spiritual and cultural life through a wide range of regular activities and uniquely themed brand projects.

Among inclusive activities, sports events such as basketball, table tennis, volleyball, and badminton games were organized by the Company, with full participation by all staff encouraged and strong team spirit showcased.

Among distinctive projects, a succession of events under the theme of "Spanning Two Decades, Rising to the Excellence" were planned by the Company in celebration of its 20th anniversary. In addition to a successful fun sports meet involving 530 participants from 10 grassroots labor unions and a fishing competition named "Love for the Motherland, Heart for CRRC", the Company also carried out innovative activities like the third "Stories of CRRC" talk show, parent-child open day, IP renewal of "Benben Family", and thematic gesture dances, which effectively enhanced employee recognition and cultural cohesion.



Stories of CRRC Talk Show



Parent-Child Open Day



Fun Sports Meet



Ball Sports Including Basketball and Air Volleyball



Case: Building the "Happy Family" Brand to Address Employees' Childcare Challenges

Times Electric continued its efforts in shaping the "Happy Family" employee care brand by offering regular employee training programs and summer parent-child training courses for over ten consecutive years, and effectively addressed the childcare challenges faced by dual-income families during summer vacations.

For three consecutive years, the labor union of Times Electric has organized the "Honor Your Trust with Warm Summer Care" program, while the "CRRC Star" summer care program of the labor union of Ningbo Electric was recognized by the Yinzhou District Federation of Labor Unions as a "Youth Classroom" demonstration class. These initiatives have developed into standardized, normalized, and specialized services, widely recognized by employees.



Summer Parent-Child Care Program

Case: Deepening Organizational Support Through Specialized Care Activities

Consistently regarding "employee satisfaction" as an important measure of its performance, Times Electric further advanced grassroots engagement activities led by the labor union president under the theme of "Heart Echo" through which the president visited frontline treasury construction personnel to offer support and listen to their concerns. The Company also developed a distinctive brand of activities for female employees with one program rated best and two rated excellent by CRRC Zhuzhou Institute, and organized activities involving 2,161 employees and their children during Children's Day to enhance family well-being.



Grassroots Visits by Labor Union President

Children's Day Activities

International Women's Day Activities

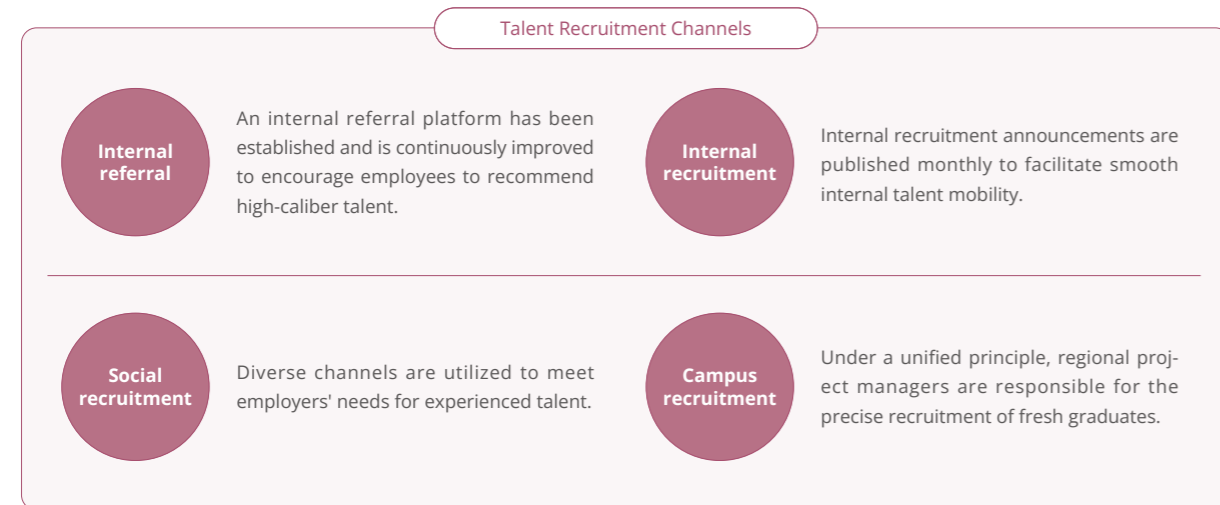
Joint Efforts to Support Talent Growth

Times Electric regards talent development as a core strategic priority, with the philosophy of "value-oriented, innovation-driven, making the best use of people and talents". Through a comprehensive talent chain governance mechanism that covers talent recruitment, compensation and benefits, promotion and development, and training systems, it strengthens risk control and performance measurement, builds a growth platform throughout the employee career cycle, and achieves synergy between talent and the Company.

Democratic Communication

Times Electric adheres to a strategy-led approach to talent acquisition, focusing on internationalization and industrialization objectives. It has developed a multi-channel system encompassing internal referrals, internal competition, social recruitment, and campus recruitment, selectively introducing experienced talent and international talent to optimize its talent structure.

At the management level, Times Electric enhances its talent attraction and aggregation capabilities to support key industrial development by deepening the "Light Chaser Training Camp Program", strengthening university-enterprise collaboration, and advancing employer brand building, combined with standardized recruitment processes and differentiated talent acquisition strategies.




Key Performance

In 2025, Times Electric

- recruited a total of **964** employees
- Among them, **522** were new graduates, including **5** with doctoral degrees and **9** graduates from overseas universities
- 442** were recruited through social recruitment, including **327** experienced professionals holding master's or higher degrees

Case: Winning the Best Employer Award for Three Consecutive Years

Times Electric has long been committed to building its employer brand and has received multiple prestigious recognitions in recent years. In 2023, it won the "Hunan Extraordinary Employer of the Year"; in 2024, it received the "Best Employer Brand Talent Attraction Award" and "Annual Preferred Employer in China"; in 2025, it again garnered the title of "Hunan Extraordinary Employer of the Year". These honors fully reveal the Company's comprehensive strength in talent attraction, employee care, and organizational development, laying a solid foundation for the Company to continuously attract and retain outstanding talent.



- Hunan Extraordinary Employer of the Year 2025
- 2024 Best Employer Brand Talent Attraction Award
- 2024 Annual Preferred Employer in China
- Hunan Extraordinary Employer of the Year 2023

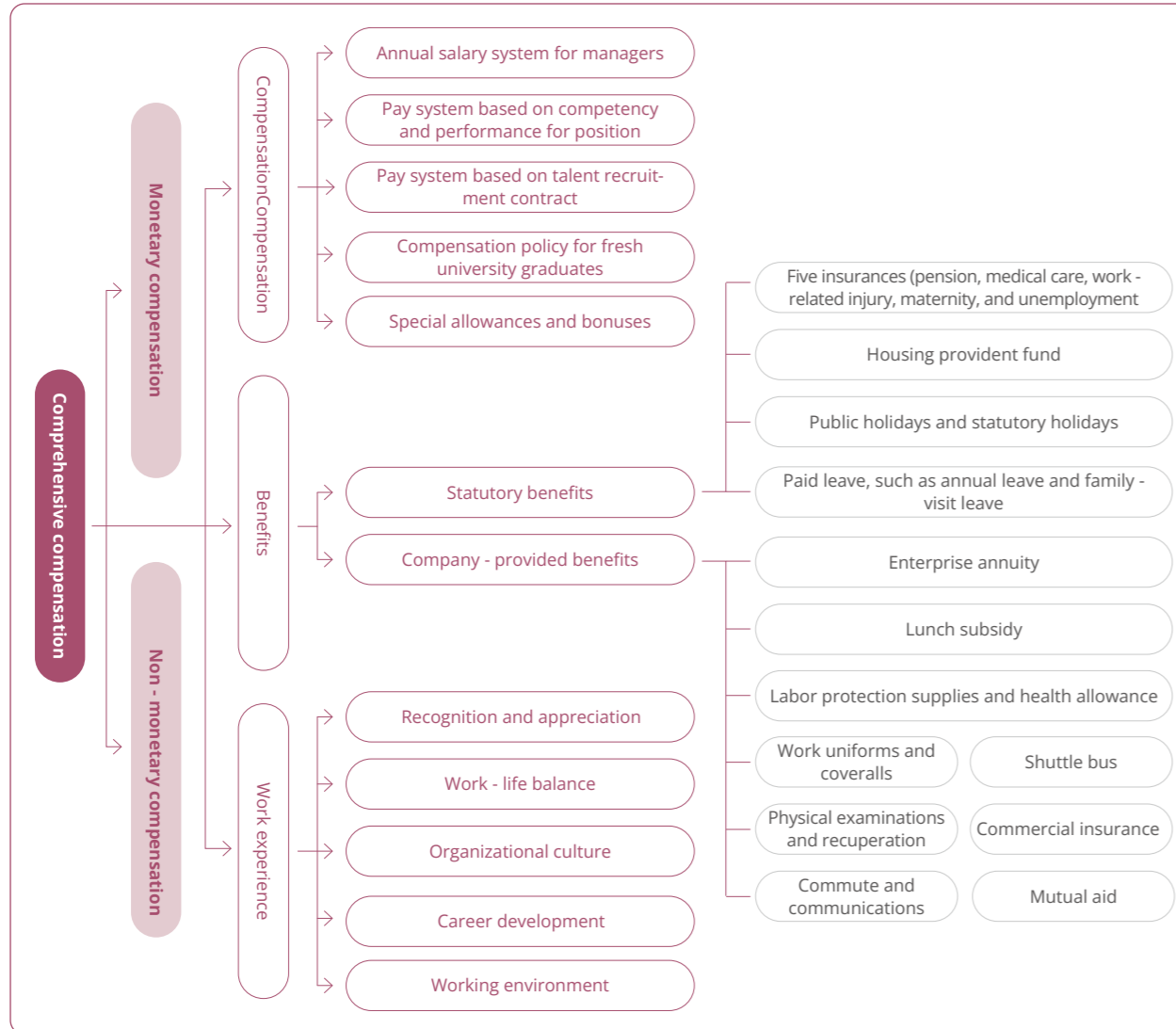
Compensation and Benefits

Times Electric has established a compensation and benefits system featuring "statutory protection + supplementary benefits + tiered incentives", supported by regulations such as the *Wage Payment Management Measures* and *Employee Performance Management Measures*, to lawfully and compliantly safeguard employees' rights and interests and optimize incentive mechanisms.

Times Electric regards compensation and benefits as the core means for talent retention and motivation, balancing market competitiveness and internal fairness. Through diversified benefits and targeted incentives, it stimulates employees' value creation vitality.

Times Electric ensures full payment of statutory social insurances and housing provident fund for all employees, including old-age insurance, medical insurance, work injury insurance, maternity insurance, unemployment insurance, and housing provident fund ("five insurances and one fund"). Beyond this, the Company also provides supplementary benefits to 100% of employees, such as corporate annuities (additional old-age insurance), additional medical insurance, meal subsidies, summer and winter allowances, health care allowances, regular health checkups, wellness programs, mutual aid funds, and commercial insurance, as part of comprehensive care to employees' well-being and health. Meanwhile, the Company strictly adheres to the national leave system, ensuring that employees are entitled to all types of leave benefits, including weekends, statutory holidays, marriage and bereavement leave, maternity leave, parental leave, and paid annual leave.

In 2025, in response to the advocacy of the higher-level union, the Company increased investment in union funds to support employees' cultural tourism consumption and introduced a parenting subsidy policy to further assist employee families and encourage childbirth.



Times Electric's Compensation and Benefits System

Times Electric has established a systematic, tiered, and categorized compensation management system. At the organizational level, total payroll management is implemented with an emphasis on macro-control and efficiency orientation. At the individual level, differentiated schemes are developed for different groups, including annual salary and tenure-based incentive systems for professional managers, a performance-based compensation system for employees taking into account their job competencies, and dedicated remuneration policies for new graduates. This is complemented by a variety of special awards and allowances to achieve comprehensive coverage and clear guidance in incentives.

Overall compensation

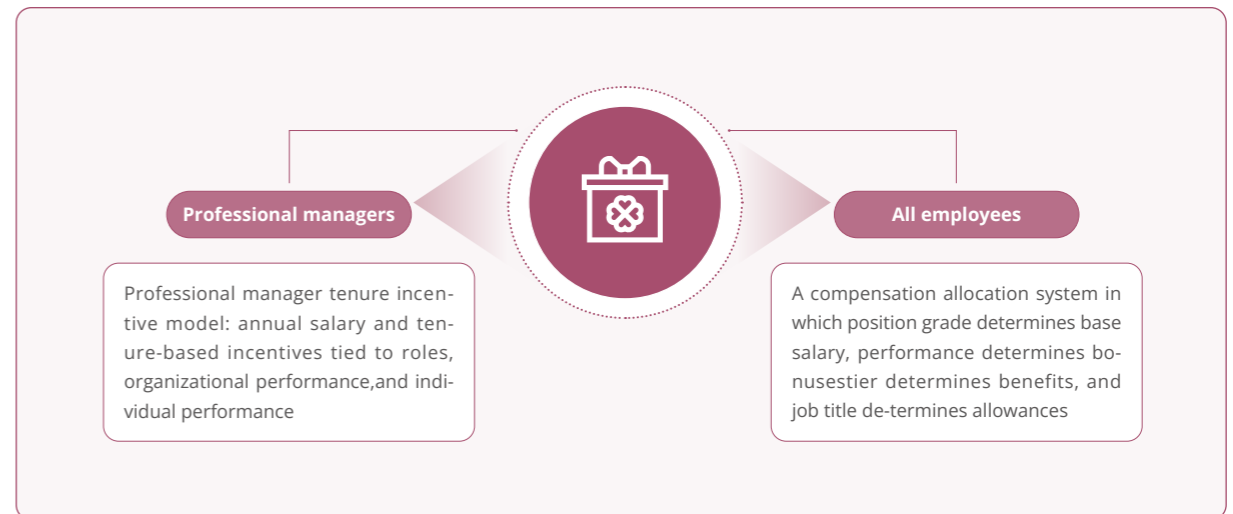
- This encompasses economic rewards and non-economic benefits like welfare, honors, and development opportunities to fully reflect the value return to employees.

Tiered incentives

- Professional managers are subject to annual salary and tenure-based incentive systems, with performance-based pay accounting for over 70% of their total remuneration. For non-professional management positions, a comprehensive position-based performance salary system is implemented, establishing a compensation distribution system where salary levels are determined by job grades, bonuses by performance, benefits by hierarchical levels, and allowances by job roles. Depending on employees' job levels and position categories, the proportion of performance-based pay ranges from 20% to 50%, with 100% coverage across all employees.

Diversified incentives

- Incentives have been established to encourage diversified contributions, such as rewards for advance registration of major research projects, special technology achievement awards, rewards for quality improvement projects, rewards for functional management improvement projects, core talent allowances, and young scientific talent allowances.



Case: Employee Stock Ownership Incentive

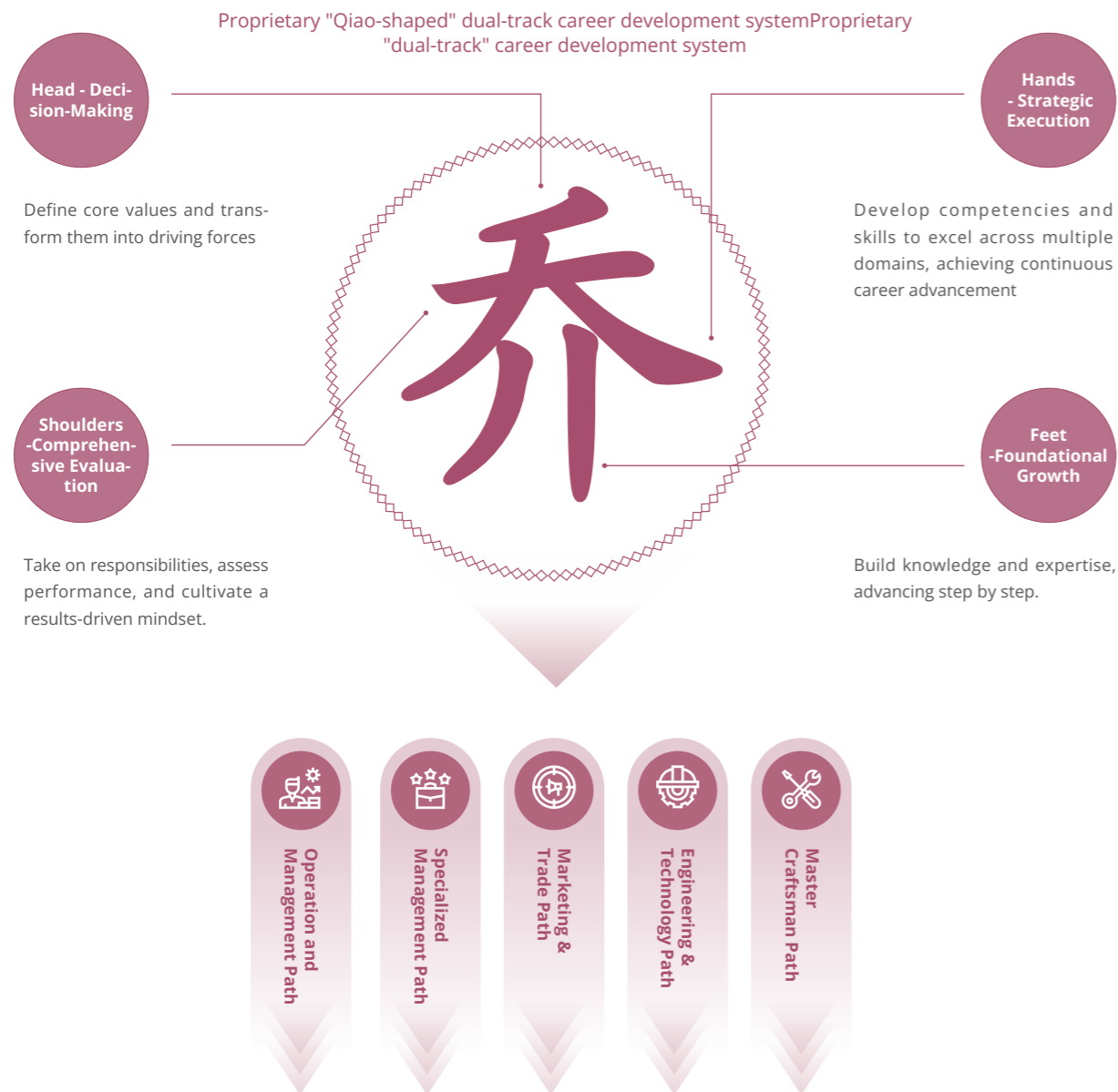
Times Electric adheres to the principle of "prioritizing the use of dividends for existing shares and equity incentives for incremental shares", implementing diversified and targeted medium to long-term incentive programs to build a community of shared interests for development.

As at the end of the reporting period, the Company had two effective employee equity incentive plans in place: Times Semiconductor's implementation of the state-owned technology enterprise employee equity incentive and CRRC Electric Drive's implementation of the state-controlled mixed-ownership enterprise employee shareholding; and a total of 494 employees hold share ownership incentives.

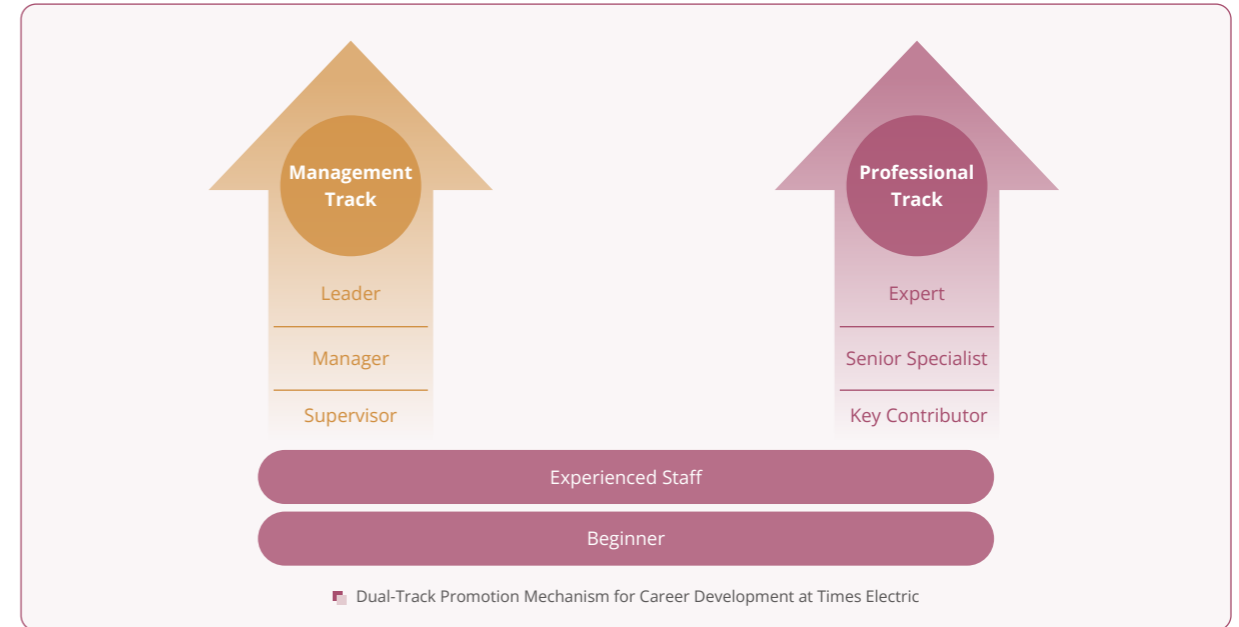
Promotion and Development

Times Electric has established a systematic, multi-channel, and sustainable career development system to provide clear, fair, and growth-oriented promotion paths for employees.

The Company focuses on a dual-channel integrated model for career development, complemented by regulations such as the *Career Development Path and Grade Management Measures* and the *Hierarchy Development System*. A dual-track promotion mechanism running management and professional tracks concurrently has been established and implemented to support employees' career advancement and growth in their areas of expertise.



■ Career Development System and Paths of Times Electric



Times Electric has established a systematic career development framework that divides employee career advancement into seven levels, directly tied to benefits; job grades are set at nine levels based on duty complexity and are connected to the compensation system. In 2025, the Company further optimized its job position system by thoroughly reviewing the position structure, standardizing job titles, initializing job grades and role data governance for subordinate units, and integrating management and professional tracks. On this basis, the Company established an "M+MP+P" job sequence for employees, creating a comprehensive job panorama covering 16 job groups and 9 position grades. This provides systematic support for conducting job value assessments and enhancing the value-oriented allocation mechanism.

Continuous improvements to the dual-track integrated career development system involve designing differentiated assessment and evaluation mechanisms for management and professional tracks, implementing dynamic management principles through scientific evaluations and ongoing career level certifications, fully stimulating talent vitality, enhancing the effectiveness of capability management and incentives, and providing talent support for sustained industry advancement.

Times Electric systematically promotes comprehensive performance management and has established a digital performance management information system, enabling online operation of the entire process from goal setting, progress tracking to result evaluation. In 2025, the Company took the lead in implementing fully digitalized processes for importing monthly performance indicators online, initiating and signing performance agreements in the marketing and management fields. During the reporting period, the Digital Human Resources (DHR) system was fully launched to support transparent online operations of the talent evaluation and hiring processes. By optimizing the allocation mechanism for evaluation indicators, the Company focused on core talents across different business areas, channels, and levels, and continuously improved the efficiency and fairness of evaluations.

Key Performance

During the reporting period, Times Electric

◦ achieved regular performance and career development evaluations of **100%** employees

◦ involved a total of **1,641** participants in evaluations at all career development levels, including **825** people being

promoted, achieving a pass rate of approximately **50.3%**

Training System

Times Electric has established and continually refined a systematic training system that covers all employees throughout their professional lifecycle, providing solid support for the implementation of organizational strategies and the enhancement of employee capabilities.

The Company has formulated and implemented a range of regulations, including the *Training System Management Measures*, *Employee Education and Training Fund Management Measures*, *Internal Training Course Management Measures*, and *Internal Trainer Management Measures*. These measures standardize training procedures, optimize resource allocation, and form a systematic training system that horizontally covers personnel by positions and vertically spans the entire professional lifecycle.

Focusing on strategic alignment, business empowerment, and talent pipeline development, the Company develops tiered and categorized training plans annually based on demand research. Specialized empowerment programs are carried out in key business areas to assist in the implementation of organizational strategies and improvement of employee capabilities.

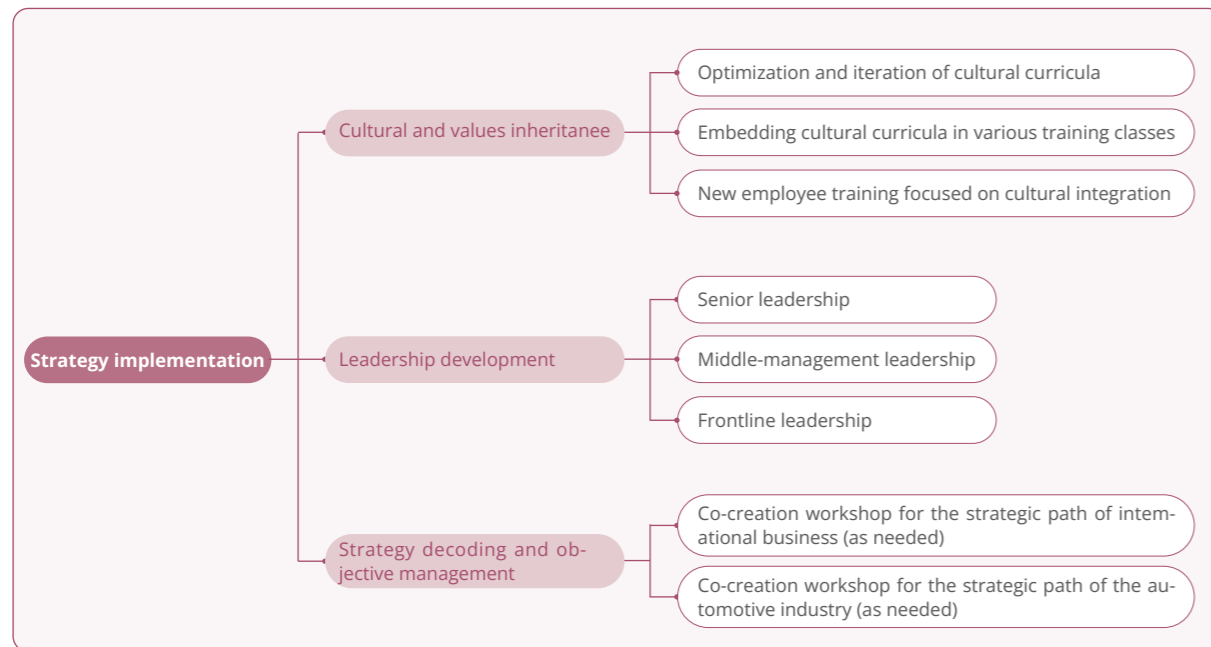
In 2025, the Company conducted specialized training in key business areas such as R&D, marketing, procurement, manufacturing, services, quality, and finance. Throughout the year, over 2,200 training sessions were organized in the forms of internal training, external training, and special projects to comprehensively enhance employees' professional knowledge and practical skills.

Horizontal system

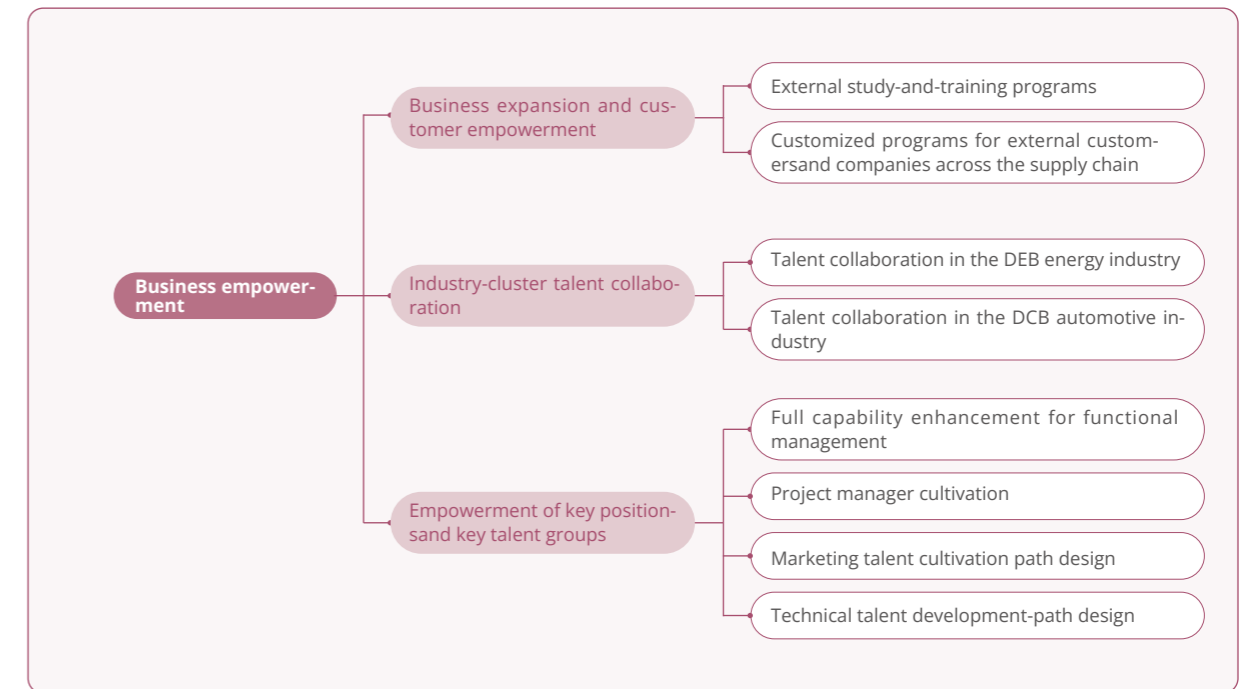
Training paths are designed based on positions, target groups, and business lines to achieve employee empowerment through various formats such as lectures, development camps, and training programs.

Vertical system

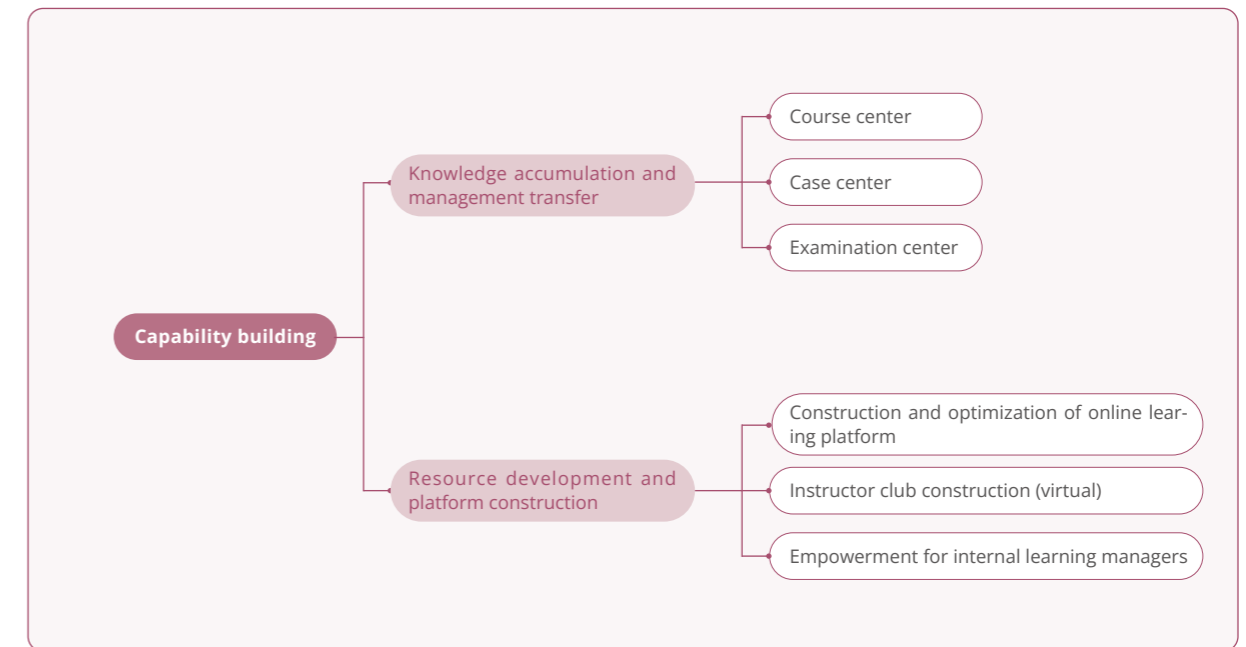
The vertical system covers cultural integration for new employees, professional competency enhancement for incumbents, leadership development for management, and key talent pipeline projects.



Strategic Implementation Training System



Business Empowerment Training System



Capability Development Training System

Category	Program Name	Main Content/Objectives
Leadership and strategic development	"Value Leader" Project Manager Competency Certification Program	Systematically enhance project managers' end-to-end project management and strategy execution capabilities.
	Leadership Development-Reserve Talent Program for Non-technical Positions	Reserve management talent for non-technical positions, strengthening comprehensive leadership and business acumen.
Business development and internationalization	Empowering Overseas Business Support Program	Support overseas business teams in local operations and market development.
	Special Language Competency Enhancement Program for International Talent	Enhance employees' cross-cultural communication and business language proficiency to support the globalization strategy.
Professional competence development	Non-Finance "Financial Literacy" Program	Improve financial literacy and cost control consciousness among non-financial personnel.
	Procurement and Supply Chain Improvement	Optimize end-to-end supply chain management and enhance procurement efficiency and risk control.
	Quality and Capability Enhancement Training (Lighthouse Program)	Deepen organization-wide quality awareness and promote advanced quality management tools and methods.
Management system and mechanism development	Comprehensive Performance Management Project	Facilitate the implementation of the performance management system and strengthen goal alignment and process management.
	Job Management Application and Improvement	Standardize job system operations and clarify responsibilities, authorities, and development pathways.
New employee integration and basic training	New Employee Orientation	Help new employees understand the company's culture, policies, and business, enabling them to quickly integrate and perform their roles effectively.

Key Talent Development Programs in 2025

Key Performance

- Total investment in vocational training in 2025: RMB **14.09** million
- Total training hours for employees: **421,320** hours
- Implemented **10** key training programs throughout the year
- achieving **100%** training coverage
- involving over **2,200** internal and external training sessions

Times Electric actively advocates and supports continuous improvement of professional capabilities and overall competence among employees to foster concurrent individual career growth with the organization's development. The Company's managerial/leadership training is available to all employees, covering 100% of employees. By leveraging the joint training mechanism with CRRC Group and domestic universities, the Company selects outstanding key employees to participate in systematic training, effectively enhancing their theoretical knowledge and practical skills. Upon completing the required coursework, employees receive academic certificates from partner universities to support qualification for their personal career advancement. At the same time, we support all permanent employees in obtaining external certifications in a variety of skill areas and subsidise the associated costs. In 2025, a total of 512,900 yuan in relevant subsidies was disbursed. It has laid the foundations for the company's continued innovation and high-quality development.

Building a Safety Assurance System

Times Electric adheres to the EHS policy of "people-oriented approach, continuous improvement, environmental friendliness, and health and safety", committed to providing all employees with a safe, healthy, and harmonious working environment. Through a robust management system, clear accountability mechanisms, systematic risk control, and ongoing training and education, the Company comprehensively safeguards employees' occupational health and safety rights. This commitment is deeply embedded into the Company's development strategy and daily operations.

Occupational Health and Safety Policy Statement

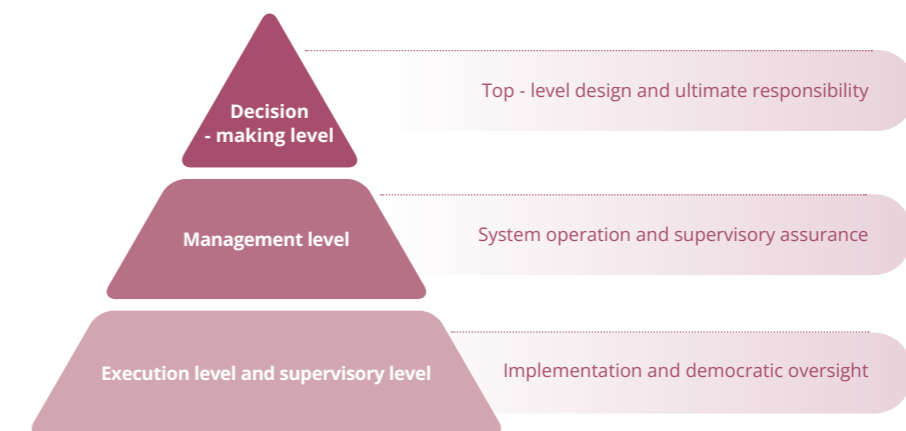
Zhuzhou CRRC Times Electric Co., Ltd. hereby solemnly declares that the life, health, and safety of employees and personnel of other stakeholders form the foundation of all our business activities. We are committed to establishing and maintaining an industry-leading occupational health and safety management system, dedicated to continuously providing a safe and healthy working environment.

This policy covers all employees and incorporates contractors and other stakeholders into an integrated management system, ensuring consistent high standards of protection. At the core of this policy is a systematic risk prevention and control mechanism, including but not limited to: a governance framework overseen by the Board of Directors' Strategy and ESG Committee, with the Company's top executive as the primary accountable person; identification and assessment of environmental factors and hazards across the entire business process; strict compliance with laws and regulations; customized safety training and capacity development tailored to different roles; comprehensive emergency preparedness and response procedures.

To ensure ongoing effectiveness, the Company's management commits itself to conducting at least one comprehensive management review each year, along with regular internal audits and compliance evaluations to drive continuous improvement in health and safety performance. We require and encourage every employee and personnel of relevant stakeholders to actively uphold this commitment and jointly safeguard our workplace.

Governance

Times Electric places significant emphasis on accountability and supervision in occupational health and safety management. By establishing a systematic and networked governance framework, it achieves full coverage at all levels from decision-making and management to execution. Leveraging clearly defined roles and responsibilities along with efficient supervisory mechanisms, it ensures that management responsibilities are enforced at every tier and that management requirements are thoroughly implemented.



Governance Framework and Core Responsibilities

Times Electric continuously refines its occupational health and safety management framework, forming a multi-tiered governance system that extends from the Board of Directors to the execution level. At the board level, a Strategy and ESG Committee is set up to take responsibility for approving the strategic direction of occupational health and safety and exercising oversight responsibilities. At the execution level, a Safety Management Committee Leading Group is set to take responsibility for the overall coordination and management of occupational health and safety affairs. Under the leadership group, there are two key subgroups, i.e. Safety Management Committee Working Group and Safety Production Standardization Professional Group, to take responsibility for daily management and standards implementation, respectively, ensuring the effective implementation of policies.

The Chairman/General Manager is designated as the primary person responsible for environmental and occupational health and safety, bearing full responsibility for related work. The Party Secretary collaborates under the principle of "one post with two responsibilities, shared accountability between Party committees and administrative authorities" to jointly promote the implementation and improvement of the occupational health and safety management system.

Leadership organization

The Safety Management Committee ("SMC" for short) is the decision-making and leading body for EHS matters within Times Electric.

- Core responsibilities: reviewing and approving EHS strategies, policies, and medium to long-term plans; approving major safety investments and resource allocations; resolving critical EHS management issues; overseeing the overall EHS performance of the Company.
- Operating mechanism: The General Manager and the Party Secretary jointly serve as chairpersons, with business unit leaders and main department heads serving as committee members. At least one plenary meeting is held each quarter to deliberate on major topics.

Dedicated management department

The Operations, Safety Technology, and Environmental Protection Department acts as the centralized management unit for the EHS system, responsible for establishing, maintaining, monitoring, and continuously improving the system.

- Each business unit or subsidiary has a dedicated Environment, Health, and Safety Department or Safety Technology and Environmental Protection Department, staffed with full-time safety management personnel. Quarterly safety meetings are held.
- Core responsibilities: carrying out committee decisions; formulating and implementing various EHS systems and procedures; organizing risk identification, hazard investigation, training exercises, and compliance assessments; supervising and evaluating the EHS work of the unit.

Grassroots execution and supervision

- In each production and functional department, part-time safety officers are assigned, responsible for daily on-site inspections, implementation of measures, and information reporting in their respective departments.
- The labor union of Times Electric lawfully fulfills its role of democratic supervision and participation in EHS, representing employees in consultations to safeguard their legitimate rights and interests in health and safety, thereby forming a bottom-up supervision and feedback channel.

Furthermore, Times Electric implements a multi-tiered work safety meeting system. Each business department holds a work safety committee meeting every quarter to convey and fulfill the requirements of high-level units, report on situations, and assign key tasks. Monthly production meetings are held in observance of the "Five Simultaneous" principle for work safety (simultaneous planning, arrangement, inspection, summarization, and evaluation). Special work safety meetings are convened as needed to ensure timely coordination and implementation of occupational health and safety initiatives.

Times Electric has built a qualified and capable safety management team. The Company has 22 registered safety engineers and 4 registered fire engineers to provide professional support. Heads of all business units hold valid safety certificates and perform leadership responsibilities. All full-time safety officers are certified to ensure effective execution and formation of a qualified management force with aligned authority and responsibility.

Governance Mechanism and Executive Accountability

Occupational health and safety performance is deeply integrated into the management process and assessment system to ensure the effectiveness of the governance mechanism.

Institutional System Construction

Times Electric strictly abides by national laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and the *Emergency Response Law of the People's Republic of China*. With reference to the occupational health and safety management framework of ISO 45001, the Company has established a systematic occupational health and safety system covering all employees, contractors, and stakeholders across all business areas and risk domains. This ensures systematic management and effective execution.

Following the guidance of the *EHS Management Manual*, the Company has built a cluster of nearly 40 specific management measures and procedures around the core management elements of occupational health and safety. These measures and procedures include the *Management Measures for EHS Objectives, Indicators, and Management Plans*, the *Environmental Factors and Hazard Sources Management Measures*, the *Management Measures for Work Safety of Stakeholders*, the *Management Measures for Prevention and Control of Occupational Diseases*, and the *EHS Training Management Measures*, among others. A closed-loop management process from risk identification and operation control to emergency response and continuous improvement has been formed.⁷

Under this unified framework, all systems and management requirements extend comprehensively to subsidiaries, which ensures the consistency, standardization, and enforcement of EHS management throughout the Company and the formation of a cohesive, continuously optimized management system that aligns efforts at all levels for ongoing improvement.

Performance Linkage

To strictly implement management accountability, Times Electric has established an incentive and constraint mechanism that directly links occupational health and safety performance with the remuneration of senior managers. This mechanism is designed to ensure that key performance indicators such as safety and environmental accidents, direct economic loss, on-the-job occupational disease incidence rates, and minor injury rates are explicitly included in the annual performance evaluation system for executives. The performance evaluation outcomes directly influence compensation payouts. Failure to meet these targets results in corresponding salary deductions as per the system. Additionally, the Company strictly implements a "one-vote veto" policy, according to which a major safety accident will directly affect the annual performance evaluation of relevant executives.

* 7. <http://www.tec.crrcic.cc/s/2110-6344-5991.html>

Strategy

Times Electric regards occupational health and safety as a core component of sustainable development and deeply integrates it into the Company's overall strategy.

Strategic planning integration

During the formulation of the Company's "15th Five-Year Plan" strategic planning, objectives and pathways for enhancing occupational health and safety were incorporated into the planning scope. This means that EHS is not treated as an independent project but is considered and planned simultaneously with strategic decisions such as business development, technology upgrades, and capacity layout.

Policy guidance

Times Electric takes "people-oriented approach, continuous improvement, environmental friendliness, and health and safety" as the core principles of its EHS policy. It establishes and practices a work safety guideline of "safety first, prevention-oriented, and comprehensive management" and an occupational disease prevention and control guideline of "prevention first, combination of prevention and treatment". The principle of "primary persons in charge are fully responsible; accountability is shared between Party committees and administrative authorities; relevant personnel take corresponding responsibility" is firmly upheld.

This policy system underscores the Company's fundamental commitment to employee health and safety, serving as the highest standard for all EHS goal setting, system construction, and action development. Through systematic publicity and continuous education and training, the Company ensures that this policy is fully understood in organizations at all levels and effectively implemented among all employees.

Strategic planning integration

Major matters related to occupational health and safety are discussed and decided through formal decision-making mechanisms such as the "Three Majors and One Large" (i.e. major decisions, major cadres, major project arrangements, and large amounts of funds), Party committee meetings, and General Manager's Office meetings.

Strategic Objectives and Implementation Path

Times Electric is committed to balancing development with safety and systematically enhancing its EHS performance and intrinsic safety through systemic construction. A clear implementation path has been planned. It has continuously invested resources in critical areas like hazard remediation, technological upgrades, and safety culture building to support the effective advancement of its overall strategy.

Key Performance

In 2025, the total investment in health and safety amounted to RMB **56.84** million

Target orientation

Times Electric sets non-zero targets for improving health and safety performance and pursues the ultimate goal of "zero". This goal is broken down into specific annual and phased indicators to guide resource allocation and action direction.

Resource allocation

To achieve strategic goals, detailed annual EHS-specific work plans are formulated. These plans focus on enhancing physical capabilities (including facilities and processes) and optimizing the soft environment (including management and culture).

Dynamic measurement

Strategic plans are broken down into annual key tasks, which are tracked and measured through monthly benchmarking and semi-annual comprehensive evaluation. The Company regularly (at least annually) conducts management reviews to evaluate the suitability of its EHS strategy, policy, and objectives in light of internal and external environmental changes, and makes necessary adjustments to ensure the direction of continual improvement remains appropriate.

Occupational health and safety management system

Times Electric has established a comprehensive EHS management system aligned with international standards and holds ISO 45001 certification for its Occupational Health and Safety Management System (UKAS + CNAS), covering all operational sites. Furthermore, all of the Company's manufacturing subsidiaries have obtained ISO 45001 certification, achieving full coverage of this standard across the entire production segment.



Risk Management

Times Electric has systematically built and continuously improved a dual-prevention mechanism centered on risk classification control and hazard identification and rectification. Through periodic risk identification, assessment, monitoring, and control, end-to-end management of occupational health and safety risks is achieved.

Systemic Risk Identification and Assessment

Comprehensive identification

Risk identification covers all business processes and their full lifecycle, including manufacturing, warehousing and logistics, equipment operation, chemical handling, and office environments. Methods include on-site inspections, work safety analysis, and compliance checks based on regulations and lessons from past accidents.

Risk classification

Identified risks are classified into four levels (i.e., critical, major, general, and low) based on the probability of occurrence and severity of potential consequences, using methods such as the Likelihood-Exposure-Consequence (LEC) method and the Risk Matrix (LS) method. The Company convenes a Safety Risk Assessment Review Meeting every April and develops a "Safety Risk Map" for significant risks, providing a basis for targeted risk controls.

Dynamic Update

The risk list is not static. The Company promptly initiates special risk identification to ensure the risk list remains up to date under the following circumstances: changes in activities, products, or services; undertaking of new, modified, or expanded projects; introduction of new materials, processes, technologies, or equipment (the "Four New"); changes in laws and regulations; or occurrence of an accident or near-miss incident.

Hazard Rectification and Risk Control

Supported by a sound hazard investigation and rectification system and clearly defined roles and responsibilities, Times Electric ensures comprehensive hazard identification with accountability assigned to individuals, achieving end-to-end horizontal coverage across all functions and top-to-bottom vertical coverage across all levels. By strictly implementing the full-process closed-loop management mechanism of "investigation-recording-rectification-verification-closure", the Company promotes the effective implementation of risk control measures and safeguards the safety and stability of the production environment.

Institutionalized investigations and all-staff participation

Times Electric has established a regular hazard investigation mechanism integrating comprehensive, routine, and special inspections, in accordance with the *EHS Inspection Management Measures*. Special inspections include seasonal, holiday, and specialized inspections, as well as targeted inspections of stakeholders. In 2025, the Company updated and issued the annual *Safety Risk Map*, further strengthening primary accountability and mandating that the primary responsible person of each unit personally organize and participate in on-site inspections, with complete process records and photographic documents retained. During the reporting period, Times Electric strictly implemented the hazard investigation and rectification mechanism, achieving a closure rate of 99.2% and completing its risk rectification targets with high quality.

In addition, the Company carried out an all-staff safety hazard reporting campaign. Employees who identified valid hazards and completed closed-loop rectification were rewarded with cash incentives, significantly encouraging frontline employees to participate in risk management. This serves as a control measure and a culture-building initiative that embeds risk management into frontline operations.

Key Performance

In 2025, the Company has



Case: "Thunder Action" Led by Senior Leaders for Systematic On-Site Risk Investigation and Rectification

To strictly implement the requirements for "Safety Leadership of Primary Responsible Person", Times Electric organized a "Thunder Action" special safety inspection across all units at all levels. During the campaign, the Company's and major business units' senior leaders personally led teams to frontline sites, including the IGBT Industrial Park, Tianxin Industrial Park, the Zero-Carbon Factory, and various production bases. Routine quarterly safety inspections were combined with special inspections conducted before holidays, with safety professionals accompanying the teams to carry out systematic, in-depth hazard investigations.

A total of 2,815 issues and hazards were identified during the campaign. All issues were documented in detail and immediately entered into the rectification tracking system, with responsible units and deadlines specified. The Operations, Safety Technology, and Environmental Protection Department oversaw closed-loop management, achieving a closure rate of 100%.



"Thunder Action" Special Safety Inspection

Enhancement of intrinsic safety

Guided by its overall occupational health and safety targets, Times Electric has systematically planned and implemented a range of initiatives for intrinsic safety enhancement. By optimizing management processes and strengthening special safety actions, the Company continuously improves its intrinsic safety management capabilities, providing a solid foundation for achieving its established safety objectives.

Hazardous Work Safety Management

- Continuously improve safety management systems and procedures for various types of hazardous work;
 - Improve the risk identification and tiered control register for hazardous work, and refine inspection and approval processes;
 - Evaluate and standardize the allocation criteria for personal protective equipment and emergency supplies;
- Organize special emergency response drills for each type of hazardous work every six months.

Development of lean safety workstations

- Taking "one board, two ledgers, and three forms" as the core architecture, the Company establishes a lean workstation management model featuring scientific hazard identification, visualized presentation of safety maps, standardized execution of spot check criteria, routine hazard investigation, and institutionalized implementation of management requirements.

Special Equipment Safety Management

- Strengthen the daily inspection and maintenance management of protective devices;
- Fully implement the safety management mechanism of "Three Implementations", "Two Certificates", "One Inspection", and "One Emergency Response Plan";
- Promote the application of on-site intelligent monitoring systems to enhance supervision efficiency.

Development of Process Safety System

- Establish and improve the safety risk identification and control mechanism covering the full process development cycle, systematically integrate risk control requirements into process flow design, and solidify these requirements through standardized forms to ensure the proactive control of process safety risks.

Employee occupational health management

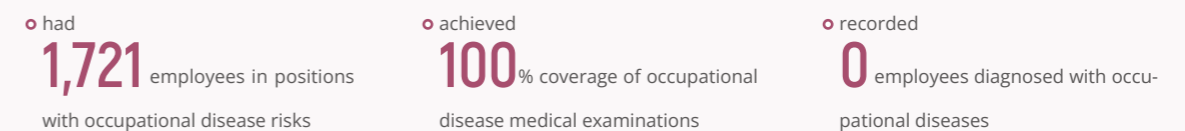
Times Electric strictly follows the *Employee Medical Examination Management Measures*, providing regular health check-ups for all employees and applying enhanced management to positions with occupational disease risks.

In 2025, the Company precisely identified 1,721 employees in positions with occupational disease risks, achieving 100% coverage of special occupational health medical examinations, and completed job reassignment for all employees identified with occupational contraindications. Moreover, the Company has fully implemented monitoring of occupational hazard factors in the workplace, with occupational hazard factor detection reaching a 100% compliance rate. It also completed occupational hazard reporting in accordance with laws and regulations, controlling occupational health risks at the source.

At the social security level, Times Electric provides 100% work-related injury insurance coverage for all employees, establishing a dual protection mechanism of "risk prevention and control + social security". In addition, Times Electric systematically engages qualified professional institutions each year to deliver special training on topics such as occupational hazard protection, occupational disease prevention, and health management. This training continuously enhances employees' occupational health literacy and self-protection capabilities, strengthening people-based safeguards.

Key Performance

During the reporting period, Times Electric



Safety management of stakeholders

Times Electric incorporates the safety management of contractors, suppliers, and stakeholders into the Company's overall occupational health and safety (OHS) system, and fully implements the *Stakeholder Work Safety Management Measures*. The Measures apply to any organization or individual engaged in the Company's business activities or capable of affecting the Company's EHS performance. The Measures embed the principles that "safety accountability must be enforced across industry oversight, business management, and production and operations", that "the party awarding a contract is responsible for managing the contractor and accountable for safety", and that "territorial management" applies, enabling integrated, full-process management and control of stakeholders.

Through rigorous qualification reviews, clearly defined accountabilities, systematic pre-job training, and dynamic process supervision, Times Electric systematically identifies, prevents, and mitigates safety risks introduced by stakeholders, and continuously promotes safety alignment and shared accountability across the supply chain and all partners.

<p>Qualification Review</p>	<p>Strictly implement engineering contractor access management to ensure that all contractors' qualifications comply with applicable national requirements and the Company's safety regulations.</p>	<p>Accountability Clarification</p>	<p>Before the contractor's entry into the site, written agreements are signed to define both parties' safety responsibilities and specific management requirements, thereby strengthening primary accountability for safety management.</p>
<p>Pre-job Training</p>	<p>Provide full-coverage safety training and assessment for all construction personnel entering the site, ensuring that they are familiar with and competent in the relevant safety procedures and emergency measures for their work.</p>	<p>Process Supervision</p>	<p>Maintain full-cycle safety oversight over contractors' operations, combining routine site patrols with special inspections to promptly identify and rectify on-site safety hazards and keep construction risks controllable.</p>

Emergency Preparedness and Culture Development

Through multi-format, high-frequency drills, training, and publicity activities, Times Electric actively fosters a safety culture of "Everyone Talks Safety, Everyone Knows Emergency Response".

Emergency response drills

Times Electric continuously improves the safety emergency management system, establishing comprehensive emergency capabilities ranging from organizational structure to emergency response plan documents. The Company has established an emergency command headquarters and specialized rescue teams, forming a command-and-action system with clearly defined roles and responsibilities. On this basis, the Company has established a pyramidal hierarchy of contingency plans, with the Comprehensive Contingency Plan as the overarching framework, specialized contingency plans as the main body, and on-site response procedures and emergency action cards as supporting tools, ensuring standardized and scenario-specific response workflows.

Times Electric regularly organizes multi-scenario practical emergency response drills across its subsidiaries. Through routine drills, the Company tests the effectiveness of its emergency response plans, continually refines response workflows, and has significantly enhanced employees' on-site emergency handling, coordinated response, and self-rescue and mutual aid capabilities in emergencies—thereby reinforcing the final line of defense for safety production.



Case: Practical Emergency Response Skills Competition

In June 2025, the Company successfully hosted the 4th Emergency Response Skills Competition, with a total of 63 teams and 252 participants. The competition featured three practice-based events—fire rescue, chemical leak response and containment, and cardiopulmonary resuscitation (CPR)—simulating realistic emergency scenarios to test employees' emergency response, team coordination, and operational proficiency. The event significantly enhanced employees' emergency handling capabilities through competition. Leaders of the Company presented awards to the winning teams, further inspiring all employees' enthusiasm for learning safety knowledge, honing operational skills, and ensuring safe production.



The 4th Emergency Response Skills Competition



Case: Hands-on Firefighting Drills to Enhance Emergency Response Capabilities

In 2025, Times Electric and its subsidiaries organized hands-on drills using firefighting equipment for employees. Through hands-on practice, employees became proficient in the proper use of fire extinguishers. The drills enhanced employees' firefighting emergency response skills and strengthened their fire safety awareness.



Hands-On Drill Using Firefighting Equipment



Case: Systematic Emergency Response Capability Development at Times Semiconductor

Times Semiconductor's emergency management is centrally coordinated by the Environmental, Health and Safety (EHS) Department, under which a dedicated emergency response team has been established. Times Semiconductor has established a tiered "1+10+13+39" emergency response plan documentation system—comprising 1 comprehensive emergency response plan, 10 specialized emergency response plans, 13 on-site response plans, and 39 emergency action cards—covering key risks such as fires and chemical spills.

During the reporting period, Times Semiconductor prioritized practical scenario-based drills and organized 54 emergency response drills, covering scenarios such as fire evacuation and chemical spill response, with a cumulative total of over 3,680 participant instances. A review report after each drill has been prepared to refine the emergency response plans. Additionally, 8 specialized emergency training sessions were delivered, covering over 569 participant instances. A 100% pass rate was achieved in onboarding emergency training evaluations for new employees, ensuring that employees are equipped with the capabilities for initial response as well as self-rescue and mutual aid. A closed-loop "Drills-Training-Evaluation-Improvement" cycle is in place and continuously enhances the emergency management effectiveness and emergency response capabilities.



Emergency Response Drills at Times Semiconductor

Safety training

Times Electric has established a company-wide, tiered, and categorized occupational health and safety training system, ensuring that personnel in each position acquire safety knowledge, skills, and awareness commensurate with their responsibilities.

Times Electric has developed systematic training standards. New employees must complete 24 training hours of three-level safety induction training. The Company's principal persons in charge and safety management personnel must complete 32 training hours of specialized training. Team leaders, mid-level managers, as well as personnel involved in job transfers, return-to-work, or "Four New" situations must complete 24 training hours of training. On this basis, the Company continuously promotes routine training programs such as occupational health education and safety education for all employees.

Key Performance

In 2025

○ approximately
432,232 hours of
safety training were delivered

○ covering
34,897 participant instances

○ with a safety training coverage rate of
100%



Case: Multi-Tier and Diversified Safety Training and Capability Development Program

In 2025, through coordinated planning by the headquarters and collaborative implementation by its subsidiaries, Times Electric systematically conducted tiered safety training for principal persons in charge, safety management personnel, and team leaders. Training was delivered through a combination of theoretical explanations and hands-on drills, focusing on the aspects including safety production laws and regulations, job-related risk identification, and emergency handling, and comprehensively strengthening the safety responsibility awareness and on-site risk control capabilities of management and frontline key personnel.



■ Tiered Safety Training at Times Electric



■ Safety Talk by the Director of the Times Semiconductor R&D Center

■ Safety Knowledge Competition at the Times Semiconductor Module Manufacturing Center



Case: Family-Workplace Joint Safety Knowledge Quiz Competition

To broaden the reach of its safety culture, Times Electric held the "Safety Line of Defense, Family-Workplace Co-Building" safety knowledge quiz competition on June 20, with nearly 100 employees and family representatives participating. The quiz covered hazard investigation, emergency handling, and basic safety knowledge. It extended safety awareness from the Company to families and strengthened families' understanding of and support for production safety, helping build a Company-family safety protection network and enhancing overall risk prevention capabilities.



■ Family-Workplace Co-Building Safety Knowledge Competition

Occupational health

Times Electric systematically promotes the integration of occupational health training and safety culture, and focuses on enhancing the risk prevention capabilities of all employees, thereby embedding safety awareness into their mindsets and daily practices.



Case: Occupational Health Training and Cultural Atmosphere Creation

Centered on the three-in-one protection objective of "all employees, all processes, and all aspects", Times Electric systematically promotes occupational health training and safety culture advocacy through a vertically integrated approach, thereby reinforcing the foundation for the Company's safe development.



■ Shoulder and Neck Relaxation Exercises

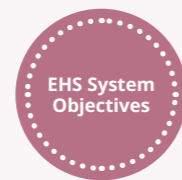
Metrics and Targets

Committing to continuous improvement beyond compliance, Times Electric has established a health and safety indicator system. The system balances outcome orientation with process control and integrates overall performance with local effectiveness. Each year, the Company sets clear non-zero performance targets covering all staff (including permanent employees, part-time employees and contractors working within the scope of business operations), as shown in the diagram on the right, and cascades them through its annual special EHS work plan. Each target is supported by measurable baselines, key milestones, and monitoring nodes. Its completion status is incorporated into monthly and quarterly business analysis meetings and special EHS meetings for regular review and calibration. The Company systematically tracks and discloses key performance indicators, ensuring that all health and safety indicators cover all employees, thereby forming a closed-loop management mechanism of target guidance, process tracking, and result assessment.

In 2030



- Achieve zero fatalities and zero severe injuries resulting from production safety accidents, as well as zero new occupational disease cases.
- Control the annual minor injury rate of production safety accidents (including accidents involving all employees and contractors) within 0.5‰;
- Achieve zero general sudden environmental incidents.



- Maintain the effectiveness of the ISO 45001 Occupational Health and Safety Management System and the ISO 14001 Environmental Management System on an ongoing basis, and ensure they are verified through regular audits.



- The Company headquarters is expected to maintain the Level 1 Safety Production Standardization Certification for Enterprises;
- Offsite major production units are expected to maintain the Level 2 Safety Production Standardization Certification for Enterprises;
- The Qingdao Maintenance Branch of the After-Sales Service Center is expected to maintain the Level 3 Safety Production Standardization Certification for Enterprises.



- Establish a dual prevention mechanism of safety risk hierarchical control and hazard investigation/rectification for the Company;
- Ensure that all production units establish, improve, and implement hazardous source control lists and inspection standard reference tables for major risks;
- Conduct regular hazard investigation and rectification.



- Principal persons in charge of all units are expected to achieve 100% annual completion of the "Ten Actions, Once Each" requirements;
- Heads in Production, Equipment, Utilities, Process, and Logistics & Warehousing Departments are expected to complete at least 10 sessions of "Behavior-Based Safety Observation and Communication for Department Head" each year;
- Team leaders are expected to organize at least 10 team safety activities each year, delivering safety accident warning education themed "Case-Driven Learning";
- Major production units at all levels are expected to conduct a quarterly analysis of safety hazards reported by all employees, develop improvement measures, and ensure implementation;
- For major safety risks in each area, at least two emergency response drills are expected to be conducted each year, and the participation rate of personnel in these drills in that area is expected to reach 100%.



- 100% implementation rate of the "Three Simultaneous" for occupational health;
- 100% integrity rate of occupational hazard control facilities; 100% occupational health training rate;
- 100% participation rate in work-related injury insurance;
- 100% pre-job, on-the-job, and post-employment occupational health examination rate;
- Over 95% compliance rate of occupational hazard factor inspection.

Occupational Health and Safety Indicators

Indicator	Unit	2025
Number of work-related accidents	Case(s)	2
Lost workdays due to work-related injuries	Days	34
Number of employees injured at work	Persons	2
Number of fatalities	Persons	0
Lost Time Injury Frequency Rate (LTIFR)	Times/one million man-hours	0.099
Total recordable incident rate (TRIR)	Persons per million hours worked	0.099
Fatality rate due to work-related accidents	%	0

■ Safety Production Performance

Participating in Public Welfare Activities

Times Electric actively fulfills its corporate social responsibility by institutionalizing public welfare and volunteer programs to support community development and enhance social well-being. Additionally, the Company attaches great importance to the integrated development with the communities where it operates, fostering long-term and harmonious Company-community relations through joint development of facilities, collaborative environmental governance, and cultural sharing.

Public Welfare Activities and Implementation

In 2025, to mark the 26th China Youth Volunteer Service Day, Times Electric fully mobilized its youth volunteers to plan and implement a series of sustainable, high-impact public welfare service projects focused on such aspects as educational support and science outreach, voluntary blood donation, and community services, aiming to build a practice platform that integrates social service with youth development. Throughout the year, the Company organized over 50 volunteer service activities with 800 volunteer participant instances, and the total investment in public welfare activities amounted to approximately RMB 40,000. This has gradually fostered a volunteer service ecosystem featuring institutionalized activities, widespread participation, and standardized operations.

While continuing to advance its regular volunteer services, Times Electric is making a concerted effort to develop its signature education-support brand, "Green Energy—Powering the Future", and to drive a deeper integration of energy science outreach with education assistance initiatives. Aligning with the development of the national new energy industry, the program has expanded its reach to areas such as You County in Hunan and Bayannur in Inner Mongolia. Through engaging science outreach classes and tangible material support, the program imparts knowledge to local students and ignites their dreams. To date, over 300 sets of learning supplies have been donated to students in remote areas, effectively benefiting numerous underprivileged students.



Case: "Green Energy—Powering the Future" Science Outreach and Education Support Initiative – Bayannur Stop

On November 12, 2025, Times Electric, together with the Linhe District Government of Bayannur, Inner Mongolia, held the education-support event themed "Green Energy—Powering the Future" at Chengguan Town Central School. The initiative followed an "industrial development + science education support" approach, closely integrating the company's technical strengths with local educational needs.

On site, the Company donated items such as schoolbags and high-speed train models, and innovatively introduced a green electricity science class. Volunteers explained the principles of solar energy in plain language and guided students in assembling solar-powered model cars, turning knowledge into hands-on practice. Teachers and students then visited a photovoltaic factory to observe equipment such as PV inverters at close range and gain an intuitive understanding of how green energy is converted.

This initiative represents an innovative practice by Times Electric to fulfill its social responsibilities and promote synergy between volunteer services and industrial development. The Company will continue to build this public welfare brand, expand diversified forms of educational support, and contribute the strength of a central SOE to local education and green development.



Bayannur Educational Support Activity



Case: Times Electric Employee Volunteers Support a City Marathon

Times Electric actively fulfills its corporate social responsibility and encourages employees to participate in community co-development. In 2025, the Company organized an employee volunteer team to take part extensively in service support for a major local sporting event—the Times Half Marathon.

The Company was responsible for the end-to-end operation and support of 14 supply stations along the route, mobilizing a total of 140 employee volunteers. From pre-race supplies coordination and site setup, to in-race energy replenishment and cheering support, and to post-race supply recovery and site cleanup, the volunteers ensured smooth operations at the stations under their responsibility with a strong sense of accountability and professional service, providing timely and warm support to participants.

This activity was a successful example of encouraging employees to engage with and serve the community, effectively enhancing the company's social image and employees' civic awareness.



Volunteer Service at a City Marathon Supply Station



Case: Deepening Industry-Education Integration to Cultivate "New-Quality Talent"

As a central SOE rooted in Zhuzhou, Times Electric actively fulfills its social responsibility and regards support for vocational education and deeper industry-education integration as key measures to empower local industrial development. In 2025, Chairman Li Donglin was invited to deliver a keynote presentation at the "Vocational Education Lecture Hall", offering practical recommendations on aligning vocational education with industry needs from multiple perspectives, including industrial transformation and upgrading, school-enterprise collaboration mechanisms, trends in technological innovation, and global expansion, supported by real corporate cases.

Times Electric is not only a beneficiary and co-builder of industry-education integration, but is also committed to being a long-term explorer in this field. Looking ahead, the Company will continue to leverage its leading role as a central SOE, collaborate with governments and educational institutions to improve integration mechanisms and build shared resource platforms, and promote a Zhuzhou-featured vocational education model. It will systematically cultivate and supply "new-quality talent" that meets the requirements of new quality productive forces, supporting high-quality development of both the industry and the local economy.



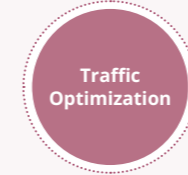
Keynote presentation at the Vocational Education Lecture Hall

Community Co-building and Coordinated Development

Times Electric consistently integrates its own development with local economic and social progress and actively explores a tripartite co-building and sharing mechanism among government, enterprises and communities. By organizing grassroots Party branches to form pairing partnerships with subdistricts and communities, the Company systematically promotes community governance and livelihood improvement in surrounding areas. In response to Zhuzhou's policy on integrated "industry-city-people" development, it has delivered a series of livelihood projects, including construction of e-bike shelters, community environment upgrades, and infrastructure repairs.

The Company also emphasizes cultural integration with the community by co-hosting public cultural events such as the "Happy Neighbors Festival" and "Tianxin Memories: Culture Connecting Every Family", and by organizing employees and residents to participate in volunteer services, enhancing community cohesion. In addition, focusing on community sustainability, Times Electric proactively provides suggestions to government departments and helps advance a number of public facility and environmental improvement projects.

These practices have delivered notable results and have been featured and reposted by official platforms such as Xuexi Qiangguo and Zhuzhou Release, reflecting the company's continued efforts and positive impact in fulfilling social responsibility and promoting harmonious enterprise-community relations.



In 2025, Times Electric actively fulfilled its corporate citizenship responsibilities by continuously providing suggestions to relevant government departments on employee commuting and logistics convenience, and proactively cooperating with related initiatives. Through efficient communication and practical efforts, the Company helped promote the upgrading and renovation of "Zhuso Branch Road", effectively easing peak-hour traffic pressure on surrounding roads; at the same time, it actively supported the accelerated construction of "Canglong Road Phase II", which opened to traffic by year-end, enabling full connectivity of the road network around the Company and benefiting the surrounding communities through shared development.



On October 10, 2025, the "Tianxin Youth Sci-Tech Innovation Camp", co-built by the Company and the local government, was officially put into operation. The project not only significantly improved the surrounding environment, but also provided a high-quality public activity and cultural exchange space for the Tianxin area and the rail transit industrial park by optimizing spatial layout. During the year, it successfully hosted four large-scale events organized by cultural and tourism authorities at various levels, effectively energizing the area and demonstrating the company's social responsibility in promoting industry-city integration and serving community development.



In 2025, the Zhuso Branch Road parking building was officially delivered. While optimizing the Company's own parking resource allocation, it opened nearly 400 public parking spaces to the community and installed both fast and slow EV charging facilities, effectively easing the "parking difficulty" problem in surrounding areas. This initiative not only improved the community's static traffic environment, but also reflects the Company's concrete actions to promote low-carbon mobility and fulfill social responsibility.



On-site Activities at the "Tianxin Youth Sci-Tech Innovation Camp"



E-bike Shelter

Support for Rural Revitalization

As a key supplier of core components for rail transit, Times Electric integrates support for China's rural revitalization strategy into its corporate actions. Leveraging its professional strengths in high-end equipment and energy technologies, the Company empowers rural development through both technological innovation and industrial collaboration.

The Company focuses on translating technical capabilities into rural support capacity. By participating in major new energy infrastructure projects, it helps improve grid stability and ecological management in remote areas, and promotes rural industrial upgrading and sustainable development through a "technology+" approach. In addition, the Company conducts targeted assistance tailored to local conditions. It purchases more than RMB 100,000 worth of locally sourced fruits annually to support farmers in Zhuzhou—distributed as employee lunch benefits—thereby contributing to farmers' income growth and agricultural sustainability.

Furthermore, the Company actively fulfills the social responsibility of a state-owned enterprise through various forms of support, including material donations, employment support and educational assistance, to improve rural community development and public services. It is committed to building a sustainable ecosystem of enterprise-rural coordination, mutual benefit and win-win outcomes.

Key Performance Indicators

During the reporting period

• Times Electric's total investment in rural revitalization amounted to RMB **2.5899** million



Case: Empowering "Shagehuang" Green Development Through Technology

In supporting the construction of China's large-scale new energy bases in the "Shagehuang" regions (desert, Gobi and desertified areas), Times Electric demonstrated strong technical commitment beyond commercial value. The Company's R&D team participated deeply throughout the national key project of the Ningxia Tengger Base, providing core technical support and assurance. The project pioneered an innovative "PV + desertification control" model, implementing integrated measures such as elevating PV panels, laying straw checkerboards, and planting drought-tolerant vegetation to generate electricity while effectively mitigating sand encroachment.

By the end of the reporting period, the desertification control area in the project zone exceeded 65,000 mu, and vegetation coverage increased from less than 5% to 15–20%. Times Electric not only helped deliver green electricity, but also directly contributed to ecological restoration through technological innovation, laying an ecological foundation for sustainable rural development and livelihood improvement, and supporting comprehensive rural revitalization through concrete actions.



■ On-site Commissioning and Maintenance



Case: Lighting Up the Frontier with Technology and Responsibility

In supporting new energy development in China's border regions, Times Electric actively fulfilled its social responsibility. The Company provided its self-developed grid-forming energy storage systems to PV bases in areas such as Hongsibao, Ningxia and Shufu County, Xinjiang. Standing across "Shagehuang" and the "Silk Road" corridor, these systems act as "stabilizers" for local power grids, significantly improving grid stability and renewable energy accommodation capacity in remote areas and ensuring reliable supply of clean electricity.

With its core technologies, Times Electric not only addressed the challenges of renewable energy grid connection, but also provided tangible support for local economic development and the safety of electricity supply for people's livelihoods, safeguarding the lights of countless households through concrete actions.



■ 80MW/160MWh Grid-forming Energy Storage Project in Shufu County, Kashgar, Xinjiang

The "Belt and Road" and Overseas Localization Strategy

To support the implementation of the Company's overseas strategic objectives, Times Electric is systematically advancing localized operations and talent development through projects such as the construction of its Indonesia manufacturing base and the establishment of its Mexico and Brazil entities.

Localized Recruitment and Talent Development

Times Electric analyzes industrial development goals, develops detailed localized headcount allocation and recruitment plans, and actively promotes implementation. By bringing in local employees, it has improved operational efficiency of overseas projects while promoting local employment and skills transfer, providing strong support for the execution of its overseas strategy.

Cross-cultural Integration and Community Relations

In overseas operations, the Company emphasizes communication and integration with local communities, governments and employees. Through cultural co-building and public welfare initiatives, it builds a responsible corporate image and lays the foundation for long-term sustainable development.

Appendices

ESG Key Performance Table

Environmental performance

Indicator	Unit	2023	2024	2025
Municipal water purchases	10,000 cubic meters	237	259	417.82
Water consumption intensity	10,000 cubic meters /RMB 10,000 output value	0.0001	0.0001	0.0001
Indirect energy consumption				
Purchased electricity	10,000 kilowatt-hour	20,364	29,456	42,956
Per capita electricity consumption	Kilowatt-hour	24,289	31,353	42,417
Direct energy consumption				
Natural gas	10,000 cubic meters	246	348	422
Per capita natural gas consumption	Cubic meters	293.00	377.14	416.81
Comprehensive energy consumption	Tons of standard coal	28,507	40,839	60,644
Comprehensive energy consumption per RMB 10,000 of output value	Tons of standard coal / RMB 10,000 output value	0.013	0.016	0.021
Total operational greenhouse gas (GHG) emissions (Scope 1 + Scope 2)	tCO ₂ e	131,738	179,806 ⁸	260,744
Total value chain greenhouse gas (GHG) emissions (Scope 1 + Scope 2 + Scope 3)	tCO ₂ e	/	/	12,446,951
Scope 1	tCO ₂ e	15,602	22,839	32,821
Scope 2	tCO ₂ e	116,136	156,967 ⁸	227,922
Scope 3	tCO ₂ e	/	/	12,186,207
Operational greenhouse gas (GHG) emissions intensity (Scope 1 + Scope 2)	Tons of carbon dioxide equivalent /RMB 10,000 output value	0.0604	0.0683	0.0908
Total exhaust gas emissions	Cubic meters	3,433,954,766	3,783,254,746	4,539,695,840
Total wastewater discharge	Tons	1,287,300	1,286,797	3,230,340
Total recyclable waste	Tons	672.15	722.79	667.33
Total non-hazardous waste	Tons	3,646.80	2,196.74	2,542.33
Total hazardous waste	Tons	1,666.71	2,162.77	3,052.31
Total packaging consumables used ⁹	Tons	7,445.91	6832.01	5,927.21

* 8. Data for 2024 were retraced using a location-based carbon emissions methodology

9. Only packaging material usage at the Manufacturing Center was counted.

Social Performance

Indicator	Unit	2023	2024	2025		
Total number of employees	Persons	8,362	10,010 ¹⁰	10,746 ¹⁰		
By gender	Male	Persons	6,581	7,549	8,269	
	Female	Persons	1,781	1,849	1,858	
By age	51 and above	Persons	529	563	588	
	41-50	Persons	1,677	1,947	2,172	
	31-40	Persons	4,335	4,349	4,381	
By age	30 and below	Persons	1,821	2,539	2,986	
	Total number of grassroots employees	Persons	7,571	8,663	9,391	
	Total number of employees in middle management	Persons	602	539	539	
By type of employment	Number of female employees in middle management	Persons	68	55	39	
	Total number of employees in senior management	Persons	189	196	197	
By type of employment	Number of female employees in senior management	Persons	14	15	13	
	By education background	Master's degree or above	Persons	1,967	2,828 ¹⁰	3,283 ¹⁰
Bachelor		Persons	5,069	5,611 ¹⁰	6,023 ¹⁰	
Junior college / vocational college		Persons	1,326	1,571 ¹⁰	1,120 ¹⁰	
By education background	high school or below	Persons	/	/	320 ¹⁰	
	By region	Domestic employees	Persons	/	9,398	10,127
		Overseas employees	Persons	/	612	619
By employee discipline category	Production staff	Persons	1,502	2,165 ¹⁰	1,643 ¹⁰	
	Sales staff	Persons	505	566 ¹⁰	645 ¹⁰	
	Technician	Persons	4,841	6,115 ¹⁰	6,858 ¹⁰	
	Of which: R&D staff	Persons	3,180	4,025 ¹⁰	4,560 ¹⁰	
	Financial staff	Persons	139	160 ¹⁰	160 ¹⁰	
	Others	Persons	1,375	1,004 ¹⁰	1,440 ¹⁰	
Total number of departed employees	Persons	290	361	456		
By region	Domestic employee turnover rate	%	3.50	3.80	3.88	
	Overseas employee turnover rate	%	/	/	10.18	
By gender	Number of departed male employees	%	4.03	4.16	4.17	
	Number of departed female employees	%	1.40	2.54	2.58	

* 10. The scope covers entities included in Times Electric's consolidated financial statements, including overseas branches.

Indicator	Unit	2023	2024	2025	
By age	Number of departed employees aged 51 and above	%	1.51	9.41	8.50
	Number of departed employees aged 41-50	%	2.09	1.75	1.52
	Number of departed employees aged 31-40	%	2.81	2.94	2.65
	Number of departed employees aged below 30	%	6.86	5.75	6.50
Total number of employees trained	Persons	8,362	9,398	10,127	
By gender	Number of male employees trained	Persons	6,581	7,549	8,269
	Number of female employees trained	Persons	1,781	1,849	1,858
	Percentage of male employees trained	%	78.70	80.33	81.65
	Percentage of female employees trained	%	21.30	19.67	18.35
By type of employee	Number of grassroots employees trained	Persons	7,571	8,663	9,391
	Number of middle management employees trained	Persons	602	539	539
	Number of senior management employees trained	Persons	189	196	197
	Percentage of grassroots employees trained	%	90.54	92.18	92.75
	Percentage of middle management employees trained	%	7.20	5.74	5.32
	Number of senior management employees trained	%	2.26	2.09	1.93
Total hours of employee training	h	335,360	396,116	421,320	
Average hours of employee training	h	40	42	42	
By gender	Total hours of training received by male employees	h	263,920	318,183	344,020
	Total hours of training received by female employees	h	71,440	77,933	77,300
	Average hours of training received by male employees	h	40.10	42.15	41.60
	Average hours of training received by female employees	h	40.11	42.15	41.60
By type of employee	Total hours of training received by grassroots employees	h	303,720	365,137	390,700
	Total hours of training received by middle management employees	h	24,080	22,718	22,424
	Total hours of training received by senior management employees	h	7,560	8,261	8,196
	Average hours of training received by grassroots employees	h	40.12	42.15	41.60
	Average hours of training received by middle management employees	h	40.00	42.15	41.60
	Average hours of training received by senior management employees	h	40.00	43.03	42.03
Percentage of employees receiving regular performance and career development appraisals	%	100	100	100	
Investment in vocational training	RMB 10,000	1,048	1,549	1,409	
Total active suppliers	Unit	1,170	1,337	1,180	
Percentage of suppliers signing up to a supplier code of conduct	%	79	84	95.7 ¹¹	
Percentage of suppliers signing clauses that include environmental and labor requirements	%	79	84	95.7 ¹²	

Indicator	Unit	2023	2024	2025	
Total new suppliers	Unit	155	114	166	
Employee health and safety	Number of working days lost due to work injury	Days	0	10	34
	Number of employees who died as a result of work-related deaths	Persons	0	0	0
	Number of employees in occupational disease risk positions	Persons	1,125	1,200	1,721
	Number of employees attending medical checkups for occupational diseases	Persons	1,125	1,200	1,721
	Number of employees suffering from occupational diseases	Persons	0	0	0
	Safety accidents and personnel	Number of employees injured at work	Persons	0	1
Number of work injury-related accidents		Case(s)	0	1	2
Number of occupational diseases		Persons	0	0	0
Number of work-related fatalities		Case(s)	0	0	0
Number of deaths from work-related accidents		Persons	0	0	0
Million man-hours mortality rate		%	0	0	0
Fatality rate due to work-related accidents		%	0	0	0
Lost Time Injury Frequency Rate (LTIFR)		Times/one million man-hours	/	0.054	0.099
Total recordable incident rate (TRIR)		Persons per million hours worked	/	0.054	0.099
Lost Time Injury Rate (LTIR)		cases per 200,000 hours worked	/	0.011 ¹³	0.020
Total health and safety inputs		RMB 10,000	4,939	4,936	5,684
Work safety training performance	Number of people trained in safety	Persons	14,256	16,623	34,897
	Hours of safety training	h	114,048	132,984	432,232
	Safety training coverage	%	100	100	100
Number of complaints received about products and services	Nr.	3	3	2	
Complaints handling rate	%	100	100	100	
Qualification rate of product sampling	%	100	100	100	
Number of product recalls	Nr.	0	0	0	
Percentage of sold or shipped products subject to recall due to safety concerns	%	0	0	0	
Business scope covered by quality management system certification	%	100	100	100	
Customer satisfaction	%	93.10	93.30	95.5	
R&D Investment	RMB 100 million	21.87	28.42	31.77	
R&D investment as a percentage of operating income	%	9.96	11.41	11.07	

Governance Performance

Indicator		Unit	2023	2024	2025
Number of shareholders meetings		Times	3	4	4
Number of board of directors meetings		Times	9	10	7
Number of supervisory board meetings		Times	7	6	3
Number of strategy and ESG committee meetings		Times	2	3	3
Number of audit committee meetings		Times	5	5	5
Number of risk control committee meetings		Times	2	3	3
Number of remuneration committee meetings		Times	3	5	2
Number of nomination committee meetings		Times	3	4	2
Number of meetings of the Science and Technology Innovation Committee ¹⁴		Times	/	2	2
Number of members of the board of directors		Persons	8	7	8
By gender	Male directors	Persons	8	6	6
	Female directors	Persons	0	1	2
	Percentage of female directors	%	0	14.29	25.00
By type	Independent directors	Persons	4	4	4
	Percentage of independent directors	%	50	57.14	50.00
	Non-independent directors	Persons	4	3	4
	Percentage of non-independent directors	%	50	42.86	50.00
Economic indicator	Operating Income	RMB 100 million	219.62	249.09	287.03
	Net Profit Attributable to the Shareholders of the Parent Company	RMB 100 million	30.41	37.03	40.97
	Cash dividends per 10 shares	RMB	7.8	10	11.20

* 14. The Science and Technology Innovation Committee of the Board of Directors was established on October 26, 2023

ESG Key Performance Table

GRI Standards Indicator Index

Topic Standard	Disclosure Item	Chapter	Page/ Description
GRI 2: General Disclosures	2-1 Organizational details	About Times Electric	P05
	2-2 Entities included in the organization's sustainability reporting	About This Report	P01
	2-3 Reporting period, frequency, and contact point	About This Report	P01
	2-6 Activities, value chain and other business relationships	About This Report	P01
	2-7 Employees	Safeguarding Employees' Rights and Interests	P103
	2-9 Governance structure and composition	ESG Governance	P17
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance	P17
	2-14 Role of the highest governance body in sustainability reporting	ESG Governance	P17
	2-16 Communication of critical concerns	ESG Governance	P17
	2-17 Collective knowledge of the highest governance body	ESG Governance	P17
	2-22 Statement on sustainable development strategy	ESG Governance	P17
	2-27 Compliance with laws and regulations	Ensuring Standardized and Compliant Operations	P37
	GRI 3: Material Topics	3-1 Process to determine material topics	ESG Governance
3-2 List of material topics		ESG Governance	P17
3-3 Management of material topics		ESG Governance	P17
GRI 201: Economic Performance	201-1 Directly generated and distributed economic value	ESG Key Performance Table	P141
	201-2 Financial impact and other risks and opportunities due to climate change	climate Change Response	P75
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investment and services supported	Special Topic	P13
GRI 205: Anti-Corruption	205-1 Operations assessed for risks related to corruption	Upholding Business Ethics	P31
	205-2 Communication and training about anti-corruption policies and procedures	Upholding Business Ethics	P31
	205-3 Confirmed incidents of corruption and actions taken	Upholding Business Ethics	P31
GRI 206: Anti-Competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Upholding Business Ethics	P31
GRI 207: Tax	207-1 Approach to tax	Presented in some sections of the annual report in an integrated fashion	/
	207-2 Tax governance, control and risk management	Presented in some sections of the annual report in an integrated fashion	/

Topic Standard	Disclosure Item	Chapter	Page/ Description
GRI 301: Materials	301-1 Weight or volume of materials used	Circular Economy	P98
	301-2 Recycled feed used	Circular Economy	P98
	301-3 Recycled products and their packaging materials	Circular Economy	P98
GRI 302: Energy	302-1 Energy consumption within the organization	Energy Management	P93
	302-3 Energy intensity	Energy Management	P93
	302-4 Reduction of energy consumption	Energy Management	P93
	302-5 Reductions in energy requirements of products and services	Energy Management	P93
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Water Resources Management	P96
	303-2 Management of water drainage-related impacts	Water Resources Management	P96
	303-3 Water withdrawal	ESG Key Performance Table	P141
	303-4 Water discharge	ESG Key Performance Table	P141
	303-5 Water consumption	ESG Key Performance Table	P141
GRI 304: Biodiversity	304-2 Significant impacts of activities, products, and services on biodiversity	Ecological and Environmental Protection	P100
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	ESG Key Performance Table, Climate Change Response	P75 P141
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Key Performance Table, Climate Change Response	P75 P141
	305-3 Other indirect (Scope 3) greenhouse gas emissions	ESG Key Performance Table, Climate Change Response	P75 P141
	305-4 Greenhouse gas emission intensity	ESG Key Performance Table, Climate Change Response	P75 P141
	305-5 Greenhouse gas emission reduction	ESG Key Performance Table, Climate Change Response	P75 P141
	305-6 Emissions of ozone-depleting substances ODS	N/A	/
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pollutant Emissions	P87
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Pollutant Emissions	P87
	306-2 Management of significant waste-related impacts	Pollutant Emissions	P87
	306-3 Wastes generated	Pollutant Emissions	P87
	306-4 Waste diverted from disposal	Pollutant Emissions	P87
	306-5 Waste directed to disposal	Pollutant Emissions	P87
GRI 308: Supplier Environmental Assessment	308-1 New suppliers screened using environmental criteria	Building a Green Supply Chain	P63
	308-2 Negative environmental impacts in the supply chain and actions taken	Building a Green Supply Chain	P63
GRI 401: Employment	401-1 New employee hiring rate and employee turnover	ESG Key Performance Table	P141
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Joint Efforts to Support Talent Growth	P113
	401-3 Parental leave	Joint Efforts to Support Talent Growth	P113

Topic Standard	Disclosure Item	Chapter	Page/ Description
RI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Building a Safety Assurance System	P122
	403-2 Hazard identification, risk assessment and incident investigation	Building a Safety Assurance System	P122
	403-3 Occupational health services	Building a Safety Assurance System	P122
	403-4 Occupational health and safety matters: worker participation, consultation, and communication	Building a Safety Assurance System	P122
	403-5 Worker training on occupational health and safety	Building a Safety Assurance System	P122
	403-6 Promotion of worker health	Building a Safety Assurance System	P122
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Building a Safety Assurance System	P122
	403-8 Workers covered by an occupational health and safety management system	Building a Safety Assurance System	P122
	403-9 Work-related injuries	ESG Key Performance Table, Building a Safety Assurance System	P122 P141
	403-10 Work-related health issues	Building a Safety Assurance System	P122
GRI 404: Training and Education	404-1 Average hours of training per year per employee	ESG Key Performance Table	P141
	404-2 Program for upgrading employee skills and transition assistance programs	Joint Efforts to Support Talent Growth	P113
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Key Performance Table	P141
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Safeguarding Employees' Rights and Interests Optimizing Corporate Governance	P103 P27
GRI 406: Anti-discrimination	406-1 Incidents of discrimination and corrective actions taken	Safeguarding Employees' Rights and Interests	P103
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for child labor	Safeguarding Employees' Rights and Interests	P103
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk of forced or compulsory labor	Safeguarding Employees' Rights and Interests	P103
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Participating in Public Welfare Activities Support for Rural Revitalization	P135 P139
	413-2 Operations with actual or potential significant negative impacts on local communities	Participating in Public Welfare Activities Support for Rural Revitalization	P135 P139
GRI 414: Supplier Social Assessment	414-1 New suppliers screened using social criteria	Sustainable Supply Chain	P63
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain	P63
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Quality Products and Services	P53
	416-2 Incidents of non-compliance concerning health and safety impacts of products and services	Quality Products and Services	P53
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Protection of Customer Rights and Interests	P60
	417-2 Incidents of non-compliance concerning product and service information and labeling	Protection of Customer Rights and Interests	P60
	417-3 Incidents of non-compliance concerning marketing communications	Protection of Customer Rights and Interests	P60
GRI 418: Customer Privacy	418-1 Substantiated complaints regarding customer privacy violations and data loss	Protection of Customer Rights and Interests Information Security And Privacy Protection	P60 P61

SSE Sustainability Report Indicator Index

SSE Issues	Corresponding Issues in the Report	Chapter	Page/ Description
Climate Change Response	Climate Change Response	Climate Change Response	P75
Pollutant Emissions	Emissions Management	Pollutant Emissions	P87
Waste Disposal	Emissions Management	Pollutant Emissions	P87
Ecosystem and Biodiversity Conservation	Biodiversity	Ecological and Environmental Protection	P100
Environmental Compliance Management	Emissions Management	Environmental Compliance Management	P83
Energy Utilization	Energy-Saving and Carbon Reduction, Utilization of Resources and Energy	Energy Management	P93
Water Resource Utilization	Utilization of Resources and Energy	Water Resources Management	P96
Circular Economy	Clean Technology R&D	Circular Economy	P98
Rural Revitalization	Local Economic Development	Support for Rural Revitalization	P139
Social Contribution	Social Welfare	Participating in Public Welfare Activities	P135
Innovation-Driven Development	R&D Innovation, Intellectual Property Protection	Adhering to Innovative R&D	P49
Technology Ethics	R&D Innovation	Adhering to Innovative R&D	P49
Supply Chain Security	Supply Chain Management	Building a Green Supply Chain	P63
Equal Treatment of Small and Medium-Sized Enterprises	Supply Chain Management	Building a Green Supply Chain	P63
Product and Service Safety and Quality	Product Quality and Safety, Green Products, Quality Service	Quality Products and Services	P53
Data Security and Customer Privacy Protection	Information Security and Privacy Protection	Protection of Customer Rights and Interests Information Security and Privacy Protection	P60 P61
Employees	Occupational Health and Safety Employee Rights & Interests and Well-Being Employee Diversity and Equality Employee Training and Development	Safeguarding Employees' Rights and Interests Smooth Communication Channel Joint Efforts to Support Talent Growth Building a Safety Assurance System Participating in Public Welfare Activities	P103 P105 P113 P122 P135
Due Diligence	Corporate Governance, Risk Management, Compliance Operation	Optimizing Corporate Governance Ensuring Standardized and Compliant Operations	P27 P37
Stakeholder Communication	Stakeholder Engagement	ESG Governance Safeguarding Investors' Rights and Interests	P17 P29
Anti-Commercial Bribery and Corruption	Business Ethics	Upholding Business Ethics	P31
Anti-Unfair Competition	Business Ethics	Upholding Business Ethics	P31

ESG Reporting Code Indicator Index of the Stock Exchange of Hong Kong (SEHK)

A Environment

Level	Indicator No.	Indicator Content	Chapter	Page/ Description
A1: Emissions	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pollutant Emissions	P87
	A1.1	Emission types and related emission data.	Pollutant Emissions ESG ESG Key Performance Table	P87 P141
	A1.3	The total amount of hazardous waste generated (in tonnes) and, if applicable, intensity (e.g., per unit of production, per facility)	ESG Key Performance Table	P141
	A1.4	The total amount of non-hazardous waste generated (in tonnes) and, if applicable, intensity (e.g., per unit of production, per facility)	ESG Key Performance Table	P141
	A1.5	Description of emission target(s) established and the steps taken to achieve them.	Pollutant Emissions	P87
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of the waste reduction target(s) set and the steps taken to achieve them.	Pollutant Emissions	P87
A2: Resource utilization	General disclosure	Policies for the efficient use of resources (including energy, water, and other raw materials). Note: Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.	Energy Management Water Resources Management	P93 P96
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG Key Performance Table	P141
	A2.2	Total water consumption and intensity (e.g., per production unit, per facility).	ESG Key Performance Table	P141
	A2.3	Description of the energy efficiency goals established and the steps taken to achieve them.	Energy Management	P93
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resources Management	P96
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Circular Economy ESG Key Performance Table	P98 P141	
A3: Environment and natural resources	General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Ecological and Environmental Protection Environmental Compliance Management	P100 P83
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological and Environmental Protection Environmental Compliance Management	P100 P83

B Society

Level	Indicator No.	Indicator Content	Chapter	Page/ Description
B1: Employment	General disclosure	Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Safeguarding Employees' Rights and Interests Joint Efforts to Support Talent Growth	P103 P113
	B1.1	Total workforce by gender, type of employment (e.g.full-time or part-time), age group and geographical region.	ESG Key Performance Table	P141
	B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Key Performance Table	P141
	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to providing a safe working environment and protecting employees from occupational hazards.	Building a Safety Assurance System	P122
B2: Health and Safety	B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year	ESG Key Performance Table	P141
	B2.2	Lost days due to work injury.	ESG Key Performance Table	P141
	B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	Building a Safety Assurance System	P122
	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities Note: Training refers to vocational training and may include internal and external courses paid for by the employer.	Joint Efforts to Support Talent Growth	P113
Development and Training	B3.1	Percentage of employees trained by gender and employee category (e.g., senior management, middle management).	ESG Key Performance Table	P141
	B3.2	The average training hours completed per employee by gender and employee category.	ESG Key Performance Table	P141
	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to preventing child and forced labor.	Safeguarding Employees' Rights and Interests	P103
B4: Labor Standards	B4.1	Description of measures to review recruitment practices to avoid child and forced labor.	Safeguarding Employees' Rights and Interests	P103
	B4.2	Description of steps taken to eliminate such practices when discovered.	Safeguarding Employees' Rights and Interests	P103 Not applicable during the reporting period
	General disclosure	Policies on managing environmental and social risks of the supply chain.	Building a Green Supply Chain	P63
B5: Supply Chain Management	B5.1	Number of suppliers by geographical region.	ESG Key Performance Table	P141
	B5.2	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Building a Green Supply Chain	P63

Level	Indicator No.	Indicator Content	Chapter	Page/ Description
B5: Supply Chain Management	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Building a Green Supply Chain	P63
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Building a Green Supply Chain	P63
B6: Product Liability	General disclosure	Information on:(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Products and Services Protection of Customer Rights and Interests Information Security and Privacy Protection	P53 P60 P61
	B6.1	Percentage of total products sold or shipped that are subject to recalls for safety and health reasons	ESG Key Performance Table	P141
	B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Products and Services ESG Key Performance Table	P53 P141
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Adhering to Innovative R&D	P49
	B6.4	Description of quality assurance process and product recall procedures.	Quality Products and Services	P53
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protection of Customer Rights and Interests Information Security and Privacy Protection	P60 P61
	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer; relating to bribery, extortion, fraud and money laundering.	Upholding Business Ethics	P31
B7: Anti-corruption	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Upholding Business Ethics	P31
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Upholding Business Ethics	P31
	B7.3	Description of anti-corruption training provided to directors and employees.	Upholding Business Ethics	P31
Community Investment	General disclosure	Policies on community involvement to understand the needs of the communities where the issuer operates and to ensure that its activities take into consideration the interests of the community.	Participating in Public Welfare Activities Support for Rural Revitalization	P135 P139
	B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sports).	Participating in Public Welfare Activities Support for Rural Revitalization	P135 P139
	B8.2	Resources contributed (e.g., money or time) to the focus area .	Participating in Public Welfare Activities Support for Rural Revitalization	P135 P139

D Climate-related disclosures

Dimension	Indicator Content	Chapter	Page/ Description
Governance	Governance	Climate Change Response - Governance	P75
Strategy	Climate-related risks and opportunities	Climate Change Response - Risk Management	P76
	Business model and value chain	Climate Change Response - Risk Management	P76
	Strategy and Decision-making	Climate Change Response - Risk Management	P76
	Financial position, financial performance, and cash flows	Climate Change Response-Risk Management	P76
	Climate resilience	Climate Change Response-Risk Management	P76
Risk management	Risk management	Climate Change Response-Risk Management	P76
Indicators and Targets	Greenhouse gas emissions	Climate Change Response - Metrics and Targets	P82
	Climate-related transition risks	Climate Change Response - Metrics and Targets	P82
	Climate-related physical risks	Climate Change Response - Metrics and Targets	P82
	Climate-related opportunities	Climate Change Response - Metrics and Targets	P82
	Capital deployment	Climate Change Response - Metrics and Targets	P82
	Internal carbon prices	Climate Change Response - Metrics and Targets	P82
	Remuneration	ESG Governance	P19
	Climate-related targets	Climate Change Response - Metrics and Targets	P82

Verification Report



Independent Assurance Statement

Assurance Statement

TÜV Rheinland (China) Ltd. (hereinafter referred to as “TÜV Rheinland” or “we”) was commissioned by the management of Zhuzhou CRRC Times Electric Co., Ltd. (hereinafter referred to as “Times Electric” or “the Company”) to conduct an independent third-party assurance engagement on its 2025 Environmental, Social and Governance (ESG) Report (hereinafter referred to as “the Report”).

Times Electric assumes responsibility for collecting, analyzing, and consolidating relevant information, disclosing this Report, and ensuring the completeness and accuracy of the data contained herein. TÜV Rheinland has conducted the assurance engagement within the scope agreed with Times Electric and has issued the corresponding assurance statement.

Intended Users of this Statement

All stakeholders of Times Electric

Scope of Assurance

- Key environmental, social and governance performance information disclosed in the Report for the reporting year;
- Evaluation of the management processes relating to the collection, analysis and review of the data and information contained in the Report;
- The scope of this assurance does not include the examination and verification of economic data;
- Assurance location: No. 169 Shidai Road, Shifeng District, Zhuzhou, Hunan Province;
- Assurance date: 9 February 2026.

Assurance Methodology and Process

The assurance process included the following activities:

- Reviewing the documentary information provided by Times Electric;
- Assessing whether the information disclosed and the management approaches adopted in the ESG Report are in accordance with the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in AA1000AS v3;
- Verifying, on a sample basis, the performance data and information contained in the Report;
- Interviewing the management of Times Electric, the persons responsible for sustainable development, the personnel responsible for performance data collection, and operational-level employees.

Assurance Standard and Level

AA1000 Assurance Standard v3 (AA1000AS v3): Moderate Assurance

Assurance Conclusion

Based on the assurance procedures performed as described above, and on the activities undertaken within the scope of this evaluation, we conclude that we have not identified any evidence that is inconsistent with the statements set out in the Report: the Report is prepared in accordance with the requirements of the AA1000 Series Standards with respect to Inclusivity, Materiality, Responsiveness and Impact, and demonstrates a systematic internal governance and response framework; the performance data disclosed in the Report are objective and free from systematic or material errors.

- Inclusivity: Times Electric pays close attention to its stakeholders and has established close interaction with key stakeholder groups, including government and regulatory authorities, investors/shareholders, suppliers, customers and employees. In 2025, the Company carried out a number of stakeholder engagement activities, including investor communication, material topic surveys, partner conferences and featured educational

Greenhouse Gas Verification Statement



assistance programmes, and actively responded to stakeholder concerns regarding major economic, social and environmental topics.

- **Materiality:** Taking into account national policies, the internal and external environment, and industry development trends, Times Electric carried out the identification of material topics in line with the Company's development strategy. Assessment was conducted from both financial materiality and impact materiality perspectives, and topics were reasonably prioritised, resulting in a materiality matrix (identifying a total of 13 topics of high impact materiality and 6 topics of high financial materiality). The Report also discloses the strategic planning, management measures and performance outcomes relating to sustainable development management and control. In addition, the Report explains how the outcomes of key stakeholder engagement and other relevant factors were incorporated into the topic assessment process.
- **Responsiveness:** Times Electric has established a comprehensive communication matrix covering 11 categories of stakeholders, including investors, employees, suppliers and communities. In the environmental, social and governance fields, the Company has not only made explicit commitments in response, but has also translated the core concerns of stakeholders into substantive strategic actions and quantifiable performance results, fully demonstrating a complete response logic of "identifying issues – formulating strategies – implementing actions – disclosing performance".
- **Impact:** Times Electric has established a sound ESG governance structure and has generated positive social and environmental value. In 2025, the Company's green electricity procurement increased significantly year on year, while the non-methane hydrocarbon emissions of Times Semiconductor decreased by more than 70%, effectively reducing the negative impact of its operations on climate change. At the same time, the rate of supplier signing of the Supplier Code of Conduct increased to 95.7%, effectively improving the protection of labour rights and interests across the value chain.

Limitations

Due to the inherent limitations of any internal control structure, the information contained in the Report may include undetected errors or irregularities. This assurance engagement relied on the documentation provided by Times Electric and on verification through communication with its employees. The procedures performed in this assurance engagement were based on sample testing and were not designed to identify all internal control deficiencies in the preparation of the Report, nor did they include a comprehensive review of the completeness and accuracy of system-generated data.

Independence and Competence Statement

As a globally leading third-party technical service provider, TÜV Rheinland provides corporate social responsibility and sustainable development services in more than 65 countries and has senior experts in the fields of corporate sustainability assurance, environment, social responsibility and stakeholder engagement. Throughout this assurance engagement, our assurance team remained fully impartial and independent and did not participate in the preparation or drafting of the Report.



AA1000
Licensed Report
001-042/V3-E0BPF

Kun Zhang

Kun Zhang
Manager, Sustainability and Business Development
TÜV Rheinland (China) Ltd.
10 March 2026



Statement of Conformity CN26/00000960

Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in
01 Jan. 2025 to 31 Dec. 2025 of

Zhuzhou CRRC times Electric Co., Ltd.

Business address: Shidai Road, Shifeng District, Zhuzhou City, Hunan Province, China
Organization boundary: Detail organization boundary information has been listed in Annex, for multi-site statement

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Direct Emissions

32,821.43 tonnes of CO₂e

Indirect Emissions

12,414,129.88 (Location-based) tonnes of CO₂e

12,356,371.42 (Market-based) tonnes of CO₂e

Total Emissions Quantified

12,446,951.31 (Location-based) tonnes of CO₂e

12,389,192.85 (Market-based) tonnes of CO₂e

The specific categories of indirect greenhouse gas emissions are detailed in the appendix of this statement, which is an integral part of this statement

Authorised by
David Xin
Sr. Director - Business Assurance
DATE: 30 Jan. 2026

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SGS has been contracted by Zhuzhou CRRC times Electric Co., Ltd. (hereinafter referred to as "CLIENT"), for the verification of direct and indirect Greenhouse Gas emissions in accordance with

ISO 14064-3:2019

as provided by Zhuzhou CRRC times Electric Co., Ltd. (hereinafter referred to as "RESPONSIBLE PARTY"), in the Greenhouse Gas (GHG) Assertion in the form of GHG Report covering GHG emissions of the period 01 Jan. 2025 to 31 Dec. 2025 (hereinafter referred to as "REPORT PERIOD").

Roles and responsibilities

The management of the RESPONSIBLE PARTY is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS's responsibility to express an independent GHG verification opinion on the GHG statement as provided by the RESPONSIBLE PARTY for the REPORT PERIOD.

According to ISO 14064-3:2019, SGS has conducted a third-party verification of the provided GHG statement by RESPONSIBLE PARTY against the requirements of ISO 14064-1:2018 in the period 26-30 Jan. 2026. The verification is based on the verification scope, objectives and criteria as agreed between the CLIENT and SGS on 26 Jan. 2026.

Level of Assurance

The level of assurance agreed is that of Reasonable assurance.

Scope

The CLIENT has commissioned an independent verification by SGS in accordance to ISO 14064-3:2019 to assure the reported GHG emissions of RESPONSIBLE PARTY, in conformance with ISO 14064-1:2018 requirements within the scope of the verification as outlined below. The data and information supporting the GHG statement is historical in nature.

This engagement covers verification of emission from anthropogenic sources of greenhouse gases included within the organization's boundary:

- The organizational boundary is established following Operational control approach
- Location/boundary of the activities: detail boundary information has been listed in Annex
- Physical infrastructure, activities, technologies and processes: The company's businesses cover rail transit, new energy power generation, semiconductor devices, automotive electric drive, industrial electrical equipment, marine engineering equipment and other fields, and it boasts a complete supply chain system, production and manufacturing system, as well as marketing and after-sales service network.
- GHG sources, sinks and/or reservoirs included: GHG sources as presented in the GHG inventory and report of the RESPONSIBLE PARTY
- Types of GHGs included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃
- GHG information for the following period was verified: 01 Jan. 2025 to 31 Dec. 2025
- GWP adopted: IPCC 6 Assessment Report.
- Intended user of the verification statement: Private user.

Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG statement



- The data reported are accurate, complete, consistent, transparent and free of material error or omission.

Criteria

Criteria against which the verification assessment is undertaken are the requirements of ISO 14064-3:2019.

Materiality

The materiality required of the verification is considered by SGS to 5%, based on the needs of the intended user of the GHG statement.

Verification approach

SGS's approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these. Our examination includes assessment of evidence relevant to the amounts and disclosures in relation to the organization's reported GHG emissions

We plan and perform our work to obtain the information, explanations and evidence that we considered necessary to provide a reasonable level of assurance that the GHG emissions for the REPORT PERIOD are fairly stated.

We conduct our verification with regard to the GHG statement of GHG Report of the RESPONSIBLE PARTY which includes assessment of GHG information system and reporting plan/protocol. This assessment includes the collection of evidence supporting the reported data, and checking whether the provisions of the protocol reference, are consistently and appropriately applied.

Verification opinion conclusion

The RESPONSIBLE PARTY provided the GHG statement based on the requirements of ISO 14064-1:2018 that total emission 12,446,951.31 (Location-based) tonnes of CO₂e and 12,389,192.85 (Market-based) tonnes of CO₂e in the organization boundary for the REPORT PERIOD.

The verification opinion as below is issued by SGS after an independent verification for RESPONSIBLE PARTY's GHG statement base on agreed Reasonable assurance:

Unmodified

The GHG statement submitted by RESPONSIBLE PARTY is prepared in accordance with ISO 14064-1:2018 on GHG quantification and reporting, is a fair representation materially, the GHG data and information in statement are explicit and supported by adequacy and appropriate evidence.

Modified

The GHG statement submitted by RESPONSIBLE PARTY has no material misstatement, however has some deficiencies which will prevent the issuance of unmodified verification opinion.

Adverse opinion

The GHG statement submitted by RESPONSIBLE PARTY:

- has no material misstatement or
- there is insufficient or inappropriate evidence to support an unmodified or modified opinion.

Disclaiming the issuance of an opinion

It is unable to obtain sufficient and appropriate objective evidence to form an opinion as to whether



the GHG statement submitted is presented fairly in accordance with ISO 14064-1:2018

This statement shall be interpreted with the GHG statement of GHG Report of the RESPONSIBLE PARTY as a whole.

Note: This Statement is issued by SGS-CSTC Standards Technical Services Co., Ltd. ("SGS") under its General Conditions for Greenhouse Gas Validation & Verification Services. The findings recorded hereon are based upon a verification performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted from RESPONSIBLE PARTY. This Statement does not relieve Client from compliance with any by laws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client. The verification statement of greenhouse gases is concluded in English. Any translation differences, the English version shall prevail.

Appendix A: List of Organizational Boundaries

List of Organizational Boundaries

Organization name	Description of organizational boundary
Zhuzhou CRRC Times Electric Co., Ltd.	Shidai Road, Shifeng District, Zhuzhou City, Hunan Province, P.R. China
Zhuzhou CRRC Times Semiconductor Co., Ltd.	Tianxin High-Tech Park, Shifeng District, Zhuzhou City, Hunan Province, P.R. China
YIXING CRRC Times Semiconductor Co., Ltd.	Yixing Optoelectronic Industrial Park, NO. 10 Xingli Raod, Yixing Economic Development Zone, Jiangsu Province, P.R. China
Baoji CRRC Times Engineering Machinery Co., LTD.	No. 118 Baofu Road, Jintai District, Baoji, Shaanxi Province, P.R. China
CRRC Taiyuan Co., LTD.	No. 129 Xinghua West Street, Wanballin District, Taiyuan City, Shanxi Province, P.R. China
Ningbo CRRC Times Electric Equipment Co., Ltd.	No. 200 Shidai Road, Minglun Village, Wuxiang Town, Yinzhou District, Ningbo, Zhejiang Province, P.R. China
Ningbo CRRC Times Transducer Technology Co., Ltd.	No.138 and No. 129, Zhenyong Road, Jiangbei District, Ningbo, Zhejiang Province, P.R. China
Zhuzhou Times Electronic Technology Co., Ltd.	No. 199, Huanghe South Road, Tianyuan District, Zhuzhou City, Hunan Province, P.R. China
Hunan CRRC Times Signal & Communication Co., Ltd.	Building 9, Zhongbu Zhigu, No189 Section 2, Renmin East Road, Economic and Technical Development District, Changsha City, Hunan Province, P.R. China
Hunan CRRC Times Electric Drive Technology Co., Ltd	501 Room, Building C, Qingshuitang Huanhu Science and Technology Innovation Park, 58 Guanhu Road, Shifeng District, Zhuzhou City, Hunan Province, P.R. China
Zhuzhou National Engineering Research Center of Converters Co., Ltd.	No. 169, Shidai Road, Shifeng District, Zhuzhou City, Hunan Province, P.R. China
Chongqing CRRC Times Electric Technology Co., Ltd.	Building 1, 2, 3, 4 and 5, No. 333, Changkai Road, Shuangfengqiao Avenue, Yubei District, Chongqing, P.R. China
CRRC SMD (Shanghai) Ltd	3 rd Floor, A3 and B Zones, No. 321 Feizhou Road, Lingang New Area, China (Shanghai) Pilot Free Trade Zone, Shanghai, P.R. China
Zhuzhou CRRC Times Electric Co., Ltd. Qingdao Inspection & Maintenance Branch Company	No. 73 East Jinhong RD, Chengyang District, Qingdao, Shandong Province, P.R. China
Zhuzhou CRRC Times Electric Co., Ltd. Luoyang Branch Company	No. 2 East Qiming Road, Chanhe District, Luoyang City, Henan Province, P.R. China



Lanzhou CRRC Times Rail Transit Technology Co., Ltd	No. 440, Shajingyi, Anning District, Lanzhou City, Gansu Province, P.R. China
Qingdao CRRC Electrical Equipment Co., Ltd	No. 8, Liyuan Road, Qingdao High-tech Industrial Development Zone, Shandong Province, P.R. China
Shanghai CRRC Rail Transit Technology Co., Ltd.	In The Compound Of No. 1588, Longnan Road, Shanghai, P.R. China
Guangzhou CRRC Times Electric Technology Co., Ltd.	Building 1&2, No.15, Fuzheng West Street, Fuguan Road, Panyu District, Guangzhou, Guangdong Province, P.R. China
Hangzhou CRRC Times Electric Equipment Co., Ltd.	No. 169, Hongye Road, Jingjiang Street, Xiaoshan District, Hangzhou, Zhejiang Province, China
Kunming CRRC Times Electric Equipment Co., Ltd.	Fuyou Village Jincheng Town, Jinning District, Kunming City, Yunnan Province, P.R. China
CHENGDU CRRC TIMES ELECTRIC TECHNOLOGY CO.LTD	No. 39, Sichuan Modern Agricultural Machinery Industrial Park, Shibantan Town, Xindu District, Chengdu City, Sichuan Province, P.R. China
Zhuzhou CRRC Times Electric Co., Ltd. Wuhan Branch	Xingyuanchang Village, Daqiao New District, Jiangxia District, Wuhan City, Hubei Province, P.R. China
Shenyang CRRC Times Transportation Equipment Co., Ltd.	No. 12 A2,13 th Street, Economic And Technological Development Zone, Shenyang City, Liaoning Province, P.R. China
Zhuzhou CRRC Times Electric Co., Ltd. Nanning Branch	Room 105, High-rise Factory Building, Zhengxin Science & Tech Park, No. 2 Gaohua Rd, Xixiangtang District, Nanning City, Guangxi Zhuang Autonomous Region, P.R. China
Zhuzhou CRRC Times Electric Co., Ltd. Guangzhou Maintenance Base	No. 18, West of Shian Tourism Avenue, Shiling Town, Huadu District, Guangzhou City, Guangdong Province, P.R. China
Zhuzhou CRRC Times Electric Co., Ltd. Commercial Vehicle Electric Drive Branch	D1/D2 Building, XinMajingu, No. 959 Tianyi Avenue, Tianyuan District, Zhuzhou City, Hunan Province, China
Wuxi CRRC Times Electric Drive Technology Co., LTD	30 Yanxin East Huishan Economic Development Zone Wuxi, Jangsu Province, P.R. China
Hunan CRRC Times Electric Drive Technology Co., LTD Liuzhou Branch	Factory No. 8, No. 1, Xiushui Second Road, Luorong Town, Liuzhou City, Guangxi Zhuang Autonomous Region, P.R. China
Nanchang Branch of Zhuzhou CRRC Times Electric Co., LTD.	No. 19, Huangxi Avenue, Xinjian District, Nanchang City, Jiangxi Province, P.R. China

Appendix B Greenhouse Gas Emissions Inventory (ISO14064-1:2018)



Greenhouse Gas Emissions Inventory (ISO14064-1:2018)

Organization name	Zhuzhou CRRC times Electric Co., Ltd.	
Organizational boundary	Please refer to Appendix A for the list of organizational boundaries	
Reporting period	2025.01.01-2025.12.31	
	Report boundary	Greenhouse gas emissions (Unit: tonnes of CO ₂ e)
	Category	
Direct GHG emissions	Category 1 direct GHG emissions	32,821.43
	Category 2 indirect GHG emissions from imported energy	227,922.41 (Location-based) 170,163.95 (Market-based)
Indirect GHG emissions	Category 3 indirect GHG emissions from transportation	47,608.40
	Category 4 indirect GHG emissions from products used by organization	605,543.51
	Category 5 indirect GHG emissions associated with the use of products from the organization	11,533,055.56
	Category 6 indirect GHG emissions from other sources	Not applicable

Appendix C Greenhouse Gas Emissions Inventory (GHG protocol)



Greenhouse Gas Emissions Inventory (GHG protocol)

Organization name	Zhuzhou CRRC times Electric Co., Ltd.	
Organizational boundary	Please refer to Appendix A for the list of organizational boundaries	
Reporting period	2025.01.01-2025.12.31	
	Operational boundaries	Greenhouse gas emissions (Unit: tonnes of CO ₂ e)
	Category	
Scope1 direct GHG emissions	Category1-Purchased goods and services	481,466.21
	Category2-Capital goods	98,090.98
Scope2 indirect GHG emissions from imported energy	Category3-Fuel and energy-related activities (not included in scope1 and scope2)	23,102.00
	Category4-Upstream transportation and distribution	18,885.72
Scope3 other indirect GHG emissions	Category5-Waste generated in operations	2,884.32
	Category6-Business travel	25,953.74
	Category7-Employee commuting	2,768.94
	Category8-Upstream leased assets	Not quantified
	Category9-Downstream transportation and distribution	Not quantified
	Category10-Processing of sold products	Not quantified
	Category11-Use of sold products	11,532,201.42
	Category12-End-of -life treatment of sold products	854.14
	Category13-Downstream leased assets	Not quantified
	Category14-Franchises	Not applicable
	Category15-Investments	Not quantified

Note:

Category 1 includes only goods and services related to the company's metro rail transit products.
 Category 4 includes only the transportation of raw materials and products related to the company's metro rail transit products.
 Category 5 for solid waste includes only the main headquarters, Tianxin Industrial Park, and Semiconductor Line 4. hazardous waste includes only the main headquarters manufacturing center, CRRC Times Semiconductor (Zhuzhou Region), and CRRC Electric Drive.
 Category 11 includes only metro rail transit products sold by the company's headquarters.
 Category 12 includes only main transformer and auxiliary transformer products sold by the company's headquarters.

Reader Feedback

Dear readers,

Thank you very much for reading the *2025 Environmental, Social and Governance (ESG) Report of Zhuzhou CRRC Times Electric Co., Ltd.* In order to provide you and other stakeholders with more valuable information and promote our company's ability and level of ESG management, we sincerely welcome your comments and suggestions on the report.

Feedback questionnaire

1. Which of the following stakeholders do you belong to?

- Government
- Regulators
- Shareholders and investors
- Customers
- Suppliers and partners
- Employee
- Community public
- NGO
- Other

2. Do you think the report fully covers your expectations for our company?

- Yes
- No, what else would you like to see reflected in it?

3. What do you think about the clarity, accuracy and completeness of the information, data disclosed and indicators in the report?

- High
- Relatively high
- Average
- Low
- Very low

4. Do you think that the organization and layout of the report are aesthetically pleasing and easy to read?

- High
- Relatively high
- Average
- Low
- Very low

5. What are your comments and suggestions on our ESG management efforts?
