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**中國中車股份有限公司**  
**CRRC CORPORATION LIMITED**

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

**(Stock Code: 1766)**

**ANNOUNCEMENT**  
**DISCLOSEABLE TRANSACTION AND**  
**CONTINUING CONNECTED TRANSACTION**

**ENTERING INTO THE NEW PRODUCT AND SERVICE MUTUAL PROVISION  
FRAMEWORK AGREEMENT**

The Board announced that on 28 March 2024, the Company and CRRC GROUP entered into the New Product and Service Mutual Provision Framework Agreement for an effective term from 1 January 2025 to 31 December 2027.

The Company estimates that under the New Product and Service Mutual Provision Framework Agreement: (i) the annual caps for the amounts to be paid by CRRC GROUP and/or its associates for provision of products and services by the Group for each of the three years ending 31 December 2027 will amount to RMB7,000 million, RMB7,000 million and RMB7,000 million, respectively; and (ii) the annual caps for the amounts to be paid by the Group for provision of products and services by CRRC GROUP and/or its associates for each of the three years ending 31 December 2027 will amount to RMB4,000 million, RMB4,000 million and RMB4,000 million, respectively.

## **ENTERING INTO THE NEW FIXED ASSET AND PROPERTY LEASING FRAMEWORK AGREEMENT**

The Board announced that on 28 March 2024, the Company and CRRC GROUP entered into the New Fixed Asset and Property Leasing Framework Agreement for an effective term from 1 January 2025 to 31 December 2027.

The Company estimates that under the New Fixed Asset and Property Leasing Framework Agreement: (i) the annual caps for the transactions in respect of leasing of fixed assets and properties from CRRC GROUP and/or its associates by the Group for each of the three years ending 31 December 2027 will amount to RMB500 million, RMB500 million and RMB500 million, respectively; and (ii) the annual caps for the amounts to be paid by CRRC GROUP and/or its associates for leasing of fixed assets and properties from the Group for each of the three years ending 31 December 2027 will amount to RMB200 million, RMB200 million and RMB200 million, respectively.

## **ENTERING INTO THE NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT**

The Board announced that on 28 March 2024, Finance Company and CRRC GROUP entered into the New Financial Services Framework Agreement for an effective term from 1 January 2025 to 31 December 2027.

The Company estimates that under the New Financial Services Framework Agreement: (i) the maximum daily deposit balance of Renminbi and foreign currency (including accrued interests) in respect of the provision of deposit services by Finance Company to CRRC GROUP and/or its associates for each of the three years ending 31 December 2027 will be equivalent to RMB20,000 million, equivalent to RMB21,000 million and equivalent to RMB22,000 million, respectively; (ii) the maximum daily balance of credit of Renminbi and foreign currency (including accrued interests) in respect of the provision of credit services by Finance Company to CRRC GROUP and/or its associates for each of the three years ending 31 December 2027 will be equivalent to RMB10,000 million, equivalent to RMB10,000 million and equivalent to RMB10,000 million, respectively; and (iii) the annual caps for the service fees of Renminbi and foreign currency to be received by Finance Company each year for provision of miscellaneous financial services to CRRC GROUP and/or its associates for each of the three years ending 31 December 2027 will be equivalent to RMB22 million, equivalent to RMB22 million and equivalent to RMB22 million, respectively.

## **IMPLICATIONS OF THE HONG KONG LISTING RULES**

As at the date of this announcement, CRRC GROUP is the controlling Shareholder of the Company directly holding 51.45% of the shares of the Company, and is thus a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the Continuing Connected Transaction Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio exceeds 0.1% but is less than 5% in respect of the relevant continuing connected transactions under the New Product and Service Mutual Provision Framework Agreement, such transactions are therefore subject to annual review and announcement requirements but are exempt from the independent shareholders' approval requirement of the Hong Kong Listing Rules.

As the highest applicable percentage ratio exceeds 0.1% but is less than 5% in respect of the relevant continuing connected transactions under the New Fixed Asset and Property Leasing Framework Agreement, such transactions are therefore subject to annual review and announcement requirements but are exempt from the independent shareholders' approval requirement of the Hong Kong Listing Rules.

The placing of deposits by CRRC GROUP with Finance Company constitutes a financial assistance provided by the connected person to the Company. As the placing of deposits by CRRC GROUP with Finance Company and the deposit services provided by Finance Company to CRRC GROUP are on normal commercial terms which are no less favorable to Finance Company than those offered by Major Commercial Banks for the provision of comparable services in the PRC and are for the benefit of the Group, and no security over the assets of the Group is or will be granted in respect of the placing of deposits and the provision of such deposit services, the placing of deposits by CRRC GROUP with Finance Company and the deposit services to be provided by Finance Company to CRRC GROUP under the New Financial Services Framework Agreement are fully exempt from independent shareholders' approval, annual reporting and announcement requirements pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

The provision of loans and other credit services by Finance Company to CRRC GROUP constitutes a financial assistance provided by the Company to its connected person, and therefore constitutes a connected transaction. As the highest applicable percentage ratio in respect of the provision of credit services under the New Financial Services Framework Agreement exceeds 5% on an annual basis, the credit services to be provided by Finance Company to CRRC GROUP are therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio in respect of the provision of credit services under the New Financial Services Framework Agreement exceeds 5% but is less than 25%, the credit services to be provided by Finance Company to CRRC GROUP also constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the provision of miscellaneous financial services under the New Financial Services Framework Agreement is less than 0.1%, the miscellaneous financial services to be provided by Finance Company to CRRC GROUP are therefore fully exempted from the independent shareholders' approval, annual reporting and announcement requirements pursuant to Rule 14A.76 of the Hong Kong Listing Rules.

The Company will establish the Independent Board Committee to advise the independent Shareholders in respect of the terms of the provision of credit services by Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement (including the proposed annual caps therefor).

The Company has appointed China Sunrise Capital Limited as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the terms of the provision of credit services by Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement (including the proposed annual caps therefor).

A circular containing, among other things, details of the transaction of the provision of credit services by Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement, a letter from the Independent Board Committee and an opinion of the independent financial adviser will be announced and/or dispatched to the Shareholders on or before 28 May 2024, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

## **A. INTRODUCTION**

References are made to the continuing connected transaction announcement of the Company dated 30 March 2021 and the circular of the Company dated 18 May 2021 in relation to, among others, the existing continuing connected transaction agreements between the Group and CRRC GROUP: (1) Existing Product and Service Mutual Provision Framework Agreement; (2) Existing Property Leasing Framework Agreement; and (3) Existing Financial Services Framework Agreement.

As the caps for each of the aforementioned existing continuing connected transactions will expire on 31 December 2024, the Company proposes to enter into new framework agreements to govern such existing continuing connected transactions for the three years ending 31 December 2027 and set the respective caps thereof.

## **B. ENTERING INTO THE NEW PRODUCT AND SERVICE MUTUAL PROVISION FRAMEWORK AGREEMENT**

### **1. Background**

In the course of its daily production and operation, the Group conducts continuing connected transactions with CRRC GROUP and/or its subsidiaries in relation to the purchase and sales of goods, provision and acceptance of services. In order to better regulate such continuing connected transactions, pursuant to relevant regulatory requirements of the places of listing of the Company and the provisions of the Articles of Association, the Company and CRRC GROUP entered into the New Product and Service Mutual Provision Framework Agreement on 28 March 2024.

### **2. Principal terms of the New Product and Service Mutual Provision Framework Agreement**

The principal terms of the New Product and Service Mutual Provision Framework Agreement are summarized as follows:

**Date:** 28 March 2024

**Parties:** CRRC GROUP and the Company

**Transaction details:** CRRC GROUP and/or its associates will sell raw materials, accessories, components, equipment, packing materials and other products, and provide repairing, installation, training, processing, greening, security, sanitation, project contracting, project operation and business consulting services to the Group.

The Group will sell raw materials, accessories, components, equipment, packaging materials, vehicles and energy resource and other products, and provide repairing, installation, training, processing, greening, security, sanitation, project contracting, project operation and business consulting services to CRRC GROUP and/or its associates.

**Term:** From 1 January 2025 to 31 December 2027, subject to extension or renewal with consent of both parties provided that it is in compliance with the relevant regulations and the listing rules of the places of listing of the Company.

**Pricing policy:** The prices of the products and services under the New Product and Service Mutual Provision Framework Agreement shall be determined according to the following principles and in the following order:

- Government-prescribed Price if available;
- where there is no Government-prescribed Price but there is Government-guided Price, then according to the Government-guided Price;
- where there is neither Government-prescribed Price nor Government-guided Price, then according to the market price (including tendering price);

- where none of the aforesaid three prices are available or the aforesaid pricing principles cannot be applied in actual transactions, then according to an agreed price. Such agreed price shall be determined based on the reasonable cost plus a reasonable profit. The reasonable cost is the actual costs and expenses incurred in providing the products and services as agreed by both parties after negotiation. Unless otherwise determined by the parties through negotiation, reasonable profit shall be based on reasonable cost multiplied by the average profit margin in the industry.

The market price of each product and service shall be determined according to the following order:

- the price charged by Independent Third Parties providing the same kind of products and services under normal commercial terms in the locality where such products and service are provided or proximities thereof; or
- the price charged by Independent Third Parties providing the same kind of products and services under normal commercial terms in the PRC.

As at the date of this announcement, so far as the Company is aware, there is no Government-prescribed Price or Government-guided Price applicable to the products and services under the New Product and Service Mutual Provision Framework Agreement.

The implementation of the aforesaid pricing principles under the aforesaid New Product and Service Mutual Provision Framework Agreement are as follows:

In determining the prices for the purchase of products and services from CRRC GROUP and/or its associates, the Group will determine the reference prices through, among other things, recent market transaction prices, by making enquiries on market prices of similar products and services with industry players and conducting researches on industry websites, and then compare the references with the prices quoted by CRRC GROUP and/or its associates to ensure that prices for the products and services will not be higher than the price offered by independent suppliers to the Company.

The Group has a pricing policy for the sale of products and the provision of services which is applicable to all customers. In determining or revising the pricing for products and services to CRRC GROUP and/or its associates, reference will be made to, among other things, prices of recent transactions of the Group in the market, enquiries with industry players and researches on industry websites. The prices for products and services to be charged by the Group to CRRC GROUP and/or its associates will be determined in accordance with the aforesaid pricing policy.

**Payment terms:** The parties have agreed that the transactions under the New Product and Service Mutual Provision Framework Agreement shall be paid and settled by cash or in any other manner otherwise agreed by the parties, and in accordance with the time and payment method agreed upon in the specific product and service provision contract that has been entered into.



**3. Historical amounts of the continuing connected transactions for 2022, 2023 and the two months ended 29 February 2024**

The historical amounts in respect of the mutual provision of products and services between the Group and CRRC GROUP and/or its associates for the two financial years ended 31 December 2023 and the two months ended 29 February 2024 are as follows:

|   | <b>Twelve<br/>months<br/>ended 31<br/>December<br/>2022</b> | <b>Twelve<br/>months<br/>ended 31<br/>December<br/>2023</b> | <b>Two<br/>months<br/>ended 29<br/>February<br/>2024</b> |
|---|---|---|--|
|   | <i>(RMB million)</i>  |   |  |
| <b>Revenue</b>  |   |   |  |
| Sales of products and provision of services to CRRC GROUP and/or its associates | 7,249.60  | 6,776.39  | 24.11  |
| <b>Expenditure</b>  |   |   |  |
| Purchase of products and services from CRRC GROUP and/or its associates         | 1,121.23  | 1,120.76  | 74.71  |

**4. Proposed annual caps of the continuing connected transactions for 2025, 2026 and 2027**

The estimated annual caps of the continuing connected transactions under the New Product and Service Mutual Provision Framework Agreement for each of the three years ending 31 December 2027 shall be as follows:

|   | <b>Twelve<br/>months<br/>ending 31<br/>December<br/>2025</b> | <b>Twelve<br/>months<br/>ending 31<br/>December<br/>2026</b> | <b>Twelve<br/>months<br/>ending 31<br/>December<br/>2027</b> |
|---|--|--|--|
|   | <i>(RMB million)</i>   |  |  |
| <b>Revenue</b>  |  |  |  |
| Sales of products and provision of services to CRRC GROUP and/or its associates | 7,000  | 7,000  | 7,000  |
| <b>Expenditure</b>  |  |  |  |
| Purchase of products and services from CRRC GROUP and/or its associates         | 4,000  | 4,000  | 4,000  |

The aforesaid proposed annual caps of the continuing connected transactions are determined in terms of the estimated transaction amounts, with reference to the historical transaction amounts and expected business development of the Group and CRRC GROUP. The Company has also taken into consideration of, among others, the following factors:

- (1) the terms of the Existing Product and Service Mutual Provision Framework Agreement;
- (2) the future business needs of the Group and CRRC GROUP;
- (3) the expected future market price of the relevant products and services based on the market conditions in the PRC;

- (4) the Company will actively lay out its investment in strategic emerging industries (including new energy and new materials) in the coming years, and the business needs related to or complementary to the business of CRRC GROUP will grow considerably, and therefore it is expected that the demand for the Group's procurement of products and services from CRRC GROUP and/or its associates will grow considerably as compared with the past three years; and
- (5) due to the fact that the Group's urban rail transit PPP projects are experiencing a plateau period and the relevant business scale with CRRC GROUP will be slightly narrowed, the annual caps for the continuing connected transactions in respect of the sale of products and provision of services by the Group to CRRC GROUP and/or its associates have been slightly reduced from the annual caps for the continuing connected transactions under the Existing Product and Service Mutual Provision Framework Agreement (i.e., RMB8,000 million).

**5. Reasons for entering into the New Product and Service Mutual Provision Framework Agreement and the expected benefits to the Company**

The Company considers that it is in the interest of the Group to enter into the aforesaid transactions with CRRC GROUP to ensure the stable provision and supply of the products and services of the Company. CRRC GROUP is familiar with the business needs of the Company and the transactions between the parties, which will therefore facilitate the internal development of the Group and minimize the associated administrative and transportation costs.

The Directors (including the independent non-executive Directors) believe that the New Product and Service Mutual Provision Framework Agreement has been entered into on normal commercial terms and in the ordinary course of business of the Group, and the relevant terms of the transactions and annual caps are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

**C. ENTERING INTO THE NEW FIXED ASSET AND PROPERTY LEASING FRAMEWORK AGREEMENT**

**1. Background**

In the course of its daily production and operation, the Group conducts continuing connected transactions with CRRC GROUP and/or its subsidiaries in relation to the leasing of fixed assets and properties. In order to better regulate such continuing connected transactions, pursuant to relevant regulatory requirements of the places of listing of the Company and the provisions of the Articles of Association, the Company and CRRC GROUP entered into the New Fixed Asset and Property Leasing Framework Agreement on 28 March 2024.

**2. Principal terms of the New Fixed Asset and Property Leasing Framework Agreement**

The principal terms of the New Fixed Asset and Property Leasing Framework Agreement are summarized as follows:

- Date:** 28 March 2024
  
- Parties:** CRRC GROUP and the Company
  
- Transaction details:** CRRC GROUP and/or its associates lease their lawfully owned fixed assets and properties to the Group, where the fixed assets are mainly equipment  
  
The Group leases its lawfully owned fixed assets and properties to CRRC GROUP and/or its associates, where the fixed assets are mainly equipment
  
- Term:** From 1 January 2025 to 31 December 2027, and subject to the listing rules of the places where the Company is listed, the lessee has the right to request an extension of the rental term of fixed assets and properties upon the expiration of the valid period of the agreement.

**Pricing policy:** During the term of the rental period, the parties shall provide reasonable estimates of the transaction amounts (including the total rental amount for fixed assets and properties and the total value of right-of-use assets involved in the leases entered into under the framework agreement each year (if applicable)) for the following year on the basis of the fixed asset and property supply plan to be agreed between the parties at the same time. The estimated rent shall be determined by both parties through negotiation by reference to the prevailing market rates in the places where the fixed assets and leased properties are located. As for leasing of fixed assets and properties by the Group from CRRC GROUP, the terms shall be no less favorable than those provided by Independent Third Parties to the Group in relation to comparable fixed assets and properties in the vicinity. As for leasing of fixed assets and properties by the Group to CRRC GROUP, the terms shall be no more favorable than those provided by the Group to Independent Third Parties.

**Payment terms:** The method of payment of the rent will be determined and agreed in the specific lease agreements. The parties have agreed that the transactions under the New Fixed Asset and Property Leasing Framework Agreement shall be paid and settled by cash or any other means otherwise agreed by the parties. The payment and settlement terms shall be no less favorable than those provided by Independent Third Parties.

**3. Historical amounts of the continuing connected transactions for 2022, 2023 and the two months ended 29 February 2024**

The historical amounts in respect of the leasing of properties between the Group and CRRC GROUP and/or its associates for the two financial years ended 31 December 2023 and the two months ended 29 February 2024 are as follows:

|  | <b>Twelve<br/>months<br/>ended 31<br/>December<br/>2022</b> | <b>Twelve<br/>months<br/>ended 31<br/>December<br/>2023</b> | <b>Two<br/>months<br/>ended 29<br/>February<br/>2024</b> |
|--|---|---|--|
|  | <i>(RMB million)</i>  |   |  |
| <b>Revenue</b>   |   |   |  |
| Leasing of properties to CRRC<br>GROUP and/or its associates <sup>Note 1</sup>   | 8.79  | 6.09  | 0.17   |
| <b>Expenditure</b>   |   |   |  |
| Leasing of properties from CRRC<br>GROUP and/or its associates <sup>Note 1</sup> | 238.15  | 119.31  | 0.00 <sup>Note 2</sup>                                   |

*Notes:*

- (1) Such historical amounts have included rentals or right-of-use assets arising from the leasing of related fixed assets (if any) in the leased properties;
- (2) The Group has not incurred any right-of-use assets recognized under the Existing Property Leasing Framework Agreement during the two months ended 29 February 2024.

**4. Proposed annual caps of the continuing connected transactions for 2025, 2026 and 2027**

The estimated annual caps of the continuing connected transactions under the New Fixed Asset and Property Leasing Framework Agreement for each of the three years ending 31 December 2027 shall be as follows:

|  | <b>Twelve<br/>months<br/>ending 31<br/>December<br/>2025</b> | <b>Twelve<br/>months<br/>ending 31<br/>December<br/>2026</b> | <b>Twelve<br/>months<br/>ending 31<br/>December<br/>2027</b> |
|--|--|--|--|
|  | <i>(RMB million)</i>   |  |  |
| <b>Revenue</b>   |  |  |  |
| Leasing of fixed assets and<br>properties to CRRC GROUP and/<br>or its associates  | 200  | 200  | 200  |
| <b>Expenditure</b>   |  |  |  |
| Leasing of fixed assets and<br>properties from CRRC GROUP<br>and/or its associates | 500  | 500  | 500  |

The aforesaid proposed annual caps of the continuing connected transactions are determined in terms of the estimated transaction amount with reference to the historical transaction volumes and expected development of the Group's business and the business of CRRC GROUP. The Company also considers, among other things, the following factors:

- (1) The estimated annual caps for leasing of fixed assets and properties from CRRC GROUP and/or its associates by the Group for each of the three years ending 31 December 2027 include the estimated recognized right-of-use assets in respect of leases for a term of more than one year and estimated rent in respect of leases for a term of no more than one year. Under the PRC Accounting Standards for Business Enterprises applicable to the Group, the Group as the lessee shall recognize leases for a term of more than one year as right-of-use assets and lease liabilities. The right-of-use assets represent its rights to use the underlying leased asset over the lease term and the lease liabilities represent its obligations to make lease payments (i.e., the rent payment). The assets and the liabilities arising from the lease are

initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the New Fixed Asset and Property Leasing Framework Agreement, using the incremental borrowing rate as the discount rate. Under the PRC Accounting Standards for Business Enterprises and in the consolidated statement of comprehensive income of the Group, the Group shall recognize (i) depreciation charge over the life of the right-of-use asset, and (ii) interest expenses amortized from the lease liability over the lease term. In accordance with the Hong Kong Listing Rules, the Company is required to set caps on the total value of right-of-use assets relating to the above leases. Therefore, the estimated annual caps for leasing of fixed assets and properties from CRRC GROUP and/or its associates by the Group for each of the three years ending 31 December 2027 are RMB500 million (among which approximately RMB300 million will be recognized as right-of-use assets, and approximately RMB200 million will be rent of leases for a term of no more than one year), RMB500 million (among which approximately RMB300 million will be recognized as right-of-use assets, and approximately RMB200 million will be rent of leases for a term of no more than one year), and RMB500 million (among which approximately RMB300 million will be recognized as right-of-use assets, and approximately RMB200 million will be rent of leases for a term of no more than one year), respectively;

- (2) The Company continues to grow its principal businesses and expand into new business segments, thus the demand for leasing fixed assets (including equipment) and properties is expected to increase; and
- (3) CRRC GROUP's businesses are expected to expand gradually in the future, and the demand for the mutual leasing of fixed assets and properties between CRRC GROUP and the Group is expected to grow.

**5. Reasons for entering into the New Fixed Asset and Property Leasing Framework Agreement and the expected benefits to the Company**

As the fixed assets and properties leased between the Group and CRRC GROUP are complementary in terms of geographical location, the Company considers that it is in the interest of the Group to enter into the aforesaid transactions with CRRC GROUP to ensure the stable provision and usage of the leasing business of the Company. In addition, CRRC GROUP is familiar with the business needs of the Company and the transactions between the parties, which will therefore minimise the administrative costs of the Group.



The Directors (including the independent non-executive Directors) believe that the New Fixed Asset and Property Leasing Framework Agreement has been entered into on normal commercial terms and in the ordinary course of business of the Group, and the relevant terms of the transactions and annual caps are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

## **D. ENTERING INTO THE NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT**

### **1. Background**

In the course of its daily production and operation, Finance Company provides CRRC GROUP and its subsidiaries with deposit services, credit services and miscellaneous financial services as approved by NAFR from time to time. In order to better regulate such continuing connected transactions, pursuant to relevant regulatory requirements of the places of listing of the Company and the provisions of the Articles of Association, Finance Company and CRRC GROUP entered into the New Financial Services Framework Agreement on 28 March 2024.

### **2. Principal terms of the New Financial Services Framework Agreement**

The principal terms of the New Financial Services Framework Agreement are summarized as follows:

**Date:** 28 March 2024

**Parties:** Finance Company and CRRC GROUP

**Transaction  
details:**

Finance Company shall provide the following financial services to CRRC GROUP pursuant to the New Financial Services Framework Agreement (under the New Financial Services Framework Agreement, reference to CRRC GROUP shall include CRRC GROUP, its subsidiaries and its associates, but excluding the Group):

- (1) Deposit services: CRRC GROUP shall open domestic currency and foreign currency deposit account in Finance Company and deposit funds in such account based on the principle of free access to the funds. The deposit can be in the form of current deposit, fixed term deposit, call deposit, agreement deposit or others.
- (2) Credit services: subject to relevant laws and regulations in the PRC and the risk control requirements of the Company, depending on the operational and development needs of CRRC GROUP, Finance Company shall provide domestic currency and foreign currency credit services approved by the regulatory authorities to CRRC GROUP, including loans, discounted bills, buyer's credit, accounts receivable factoring, non-financing letters of guarantees and bill acceptances, etc.
- (3) Miscellaneous financial services: Finance Company shall also provide miscellaneous financial services within its business scope to CRRC GROUP, including but not limited to, provision of services of financial consultancy, credit worthiness verification and related consultation and agency services; the receipt and payment of transaction funds; the arrangement of entrusted loans and bond underwriting; the arrangement of fund settlement and receipt and payment; the provision of certificates of deposits, creditworthiness certificates, clearing and settlement and sale of foreign exchange services, guarantees and bill acceptances. For avoidance of any doubt, the "bill acceptances" mentioned in miscellaneous financial services cover the service fees charged by Finance Company in relation to such services.

**Term:** From 1 January 2025 to 31 December 2027, subject to extension or renewal with consent of both parties provided that it is in compliance with the relevant laws and regulations and the listing rules of the places of listing of the Company.

**Pricing policy:** (1) Deposit services:

- (i) The interest rate for CRRC GROUP's deposit with Finance Company shall be made with reference to the benchmark interest rate for the same period promulgated by the People's Bank of China for the same type of deposit, and shall be no higher than the interest rate for the same period determined by banking financial institution for the same type of deposit from CRRC GROUP or the third parties of equal standing. If Finance Company also provides deposit services to Independent Third Parties, the interest rate offered by Finance Company for CRRC GROUP's deposit shall be no higher than the interest rate for the same period for the same type of deposit offered by Finance Company to such Independent Third Parties of equal standing with CRRC GROUP.
- (ii) Finance Company shall ensure the capital safety in respect of CRRC GROUP's deposits, and timely and fully meet capital demands upon its withdrawal request. Where Finance Company fails to make full and timely payment to CRRC GROUP at its request for withdrawal of deposits, CRRC GROUP has the right to terminate the New Financial Services Framework Agreement and may also offset the amount of deposits payable by Finance Company against its loans provided by Finance Company in accordance with the provisions of applicable laws.

(2) Credit services:

- (i) The interest rate or fee rate for credit services provided by Finance Company to CRRC GROUP shall be determined with reference to the loan prime rate (LPR) or fee rate promulgated by the People's Bank of China for the same type of business, and shall be no lower than the interest rate or fee rate for the same period determined by banking financial institution for the same type of credit business to CRRC GROUP or third parties of equal standing. If Finance Company also provides credit services to Independent Third Parties, the interest rate or fee rate quoted by Finance Company to CRRC GROUP shall be no lower than the interest rate or fee rate for the same period for the same type of business quoted by Finance Company to such Independent Third Parties of equal standing with CRRC GROUP.
  
- (ii) Where CRRC GROUP fails to repay the debts incurred from the abovementioned credit services provided by Finance Company in full and in time, Finance Company has the right to terminate the New Financial Services Framework Agreement and may also offset the amount of debts payable by CRRC GROUP against CRRC GROUP's deposits with Finance Company in accordance with the provisions of applicable laws.

(3) Miscellaneous financial services:

- (i) The domestic currency or foreign currency agency fees, handling fees or other service fees charged by Finance Company for the provision of the miscellaneous financial services to CRRC GROUP shall comply with the relevant prescribed rates for such services as determined by the People's Bank of China or the NAFR. In addition, such fees shall be determined with reference to those charged by Major Commercial Banks in the PRC for the provision of comparable financial services. If Finance Company also provides miscellaneous financial services to Independent Third Parties, the fees charged by Finance Company to CRRC GROUP shall be no lower than those charged by Finance Company for the same type of services to Independent Third Parties of equal standing with CRRC GROUP.
  
- (ii) Subject to compliance with the New Financial Services Framework Agreement, CRRC GROUP and Finance Company shall enter into specific contracts/agreements to set out detailed transaction terms with regard to the relevant specific financial services. Such specific contracts/agreements shall comply with the principles and terms set out under the New Financial Services Framework Agreement and applicable laws.

**3. Historical amounts of the continuing connected transactions for 2022, 2023 and the two months ended 29 February 2024**

The historical amounts in respect of the provision of credit services and miscellaneous financial services by Finance Company to CRRC GROUP for the two financial years ended 31 December 2023 and the two months ended 29 February 2024 are as follows:

|  | <b>Twelve<br/>months<br/>ended 31<br/>December<br/>2022</b> | <b>Twelve<br/>months<br/>ended 31<br/>December<br/>2023</b> | <b>Two<br/>months<br/>ended 29<br/>February<br/>2024</b> |
|--|---|---|--|
|  | <i>(RMB million)</i>  |   |  |
| Maximum daily balance of credit<br>(including accrued interests)<br>granted by Finance Company<br>to CRRC GROUP and/or its<br>associates | 11,483  | 4,032   | 2,015  |
| Miscellaneous financial services<br>provided by Finance Company<br>to CRRC GROUP and/or its<br>associates                                | 0.00  | 0.00  | 0.00   |

**4. Proposed annual caps of the continuing connected transactions for 2025, 2026 and 2027**

The estimated maximum daily balance of credit and the annual caps for the miscellaneous financial services of the continuing connected transactions under the New Financial Services Framework Agreement for each of the three years ending 31 December 2027 shall be as follows:

|   | <b>Twelve<br/>months<br/>ending 31<br/>December<br/>2025</b> | <b>Twelve<br/>months<br/>ending 31<br/>December<br/>2026</b> | <b>Twelve<br/>months<br/>ending 31<br/>December<br/>2027</b> |
|---|--|--|--|
|   | <i>(equivalent to RMB million)</i>                           |  |  |
| Maximum daily domestic currency and foreign currency balance of credit (including accrued interests) granted by Finance Company to CRRC GROUP and/or its associates     | 10,000   | 10,000   | 10,000   |
| Annual domestic currency and foreign currency service fees charged for miscellaneous financial services provided by Finance Company to CRRC GROUP and/or its associates | 22   | 22   | 22   |

**5. Basis of the proposed annual caps of the non-exempt continuing connected transactions under the New Financial Services Framework Agreement**

*Credit services*

- (1) The credit services provided by Finance Company to CRRC GROUP decreased in terms of transaction amount for the previous years, with approximately RMB11,483 million, RMB4,032 million and RMB2,015 million being the maximum daily balance of credit (including accrued interests) for each of the two financial years ended 31 December 2023 and the two months ended 29 February 2024, respectively, with the highest historical utilization rate for the caps of the maximum daily balance of credit (including accrued interests) under the Existing Financial Services Framework Agreement of approximately 76.55%. Accordingly, with reference to such historical transaction amounts and taking into consideration CRRC GROUP's business development plan as set out below, the caps of the maximum daily balance of credit (including accrued interest) for each of the three financial years ending 31 December 2027 represents a year-on-year decrease of approximately 33.33%, 37.50% and 41.18%, equivalent to RMB10,000 million, as compared to the caps of the maximum daily balance of credit (including accrued interest) for each of the three financial years ended 31 December 2024.
  
- (2) The SASAC has launched the industrial renewal action of state-owned enterprises and the future industry development action plan, accelerated the layout and cultivation of new-quality productivity, and further increased investment in new industries, new models and new dynamic areas, where CRRC GROUP has undertaken a number of key tasks in various fields and will proactively lay out its plan for industries such as future manufacturing, future space, future energy and future information. It is expected that investment in the strategic emerging industries will be further increased, which will provide opportunities for Finance Company to expand its loan business. It is also expected that CRRC GROUP will have a considerably high financing need in the future, in particular: (i) CRRC GROUP has been focusing on the development of green and diversified equipment manufacturing with new energy vehicles and components as the core in recent years, enhance its market expansion efforts, strive to form a complete product spectrum of the sub-segment of the new energy commercial vehicles, and form a core technological advantage in new energy vehicles and



parts and components. At present, the new energy vehicle industry is a green industry supported at a national level, and the sales volumes of new energy vehicle in China have been growing year by year, with the penetration rate of new energy ranking the first in the world for fifteen consecutive years. The rapid development of new energy vehicles in China has also provided CRRC GROUP with a broad field for the future development of its new energy vehicle business. CRRC Times Electric Vehicle Co., Ltd. is the operating entity for the new energy vehicle business of CRRC GROUP. Its borrowings from financial institutions in the past three years amounted to an average of approximately RMB2.0 billion, and its investment in the field of new

- (4) The Company is of the view that, when proposing annual caps of continuing connected transactions, flexibility shall be taken into account to accommodate the maximum limits under various possibilities. However, same as the actual implementation of the continuing connected transactions historically, Finance Company and CRRC GROUP will conduct continuing connected transactions in strict accordance with the actual demand for transaction volume and the actual transaction price. Even if the Company sets the annual caps for continuing connected transactions, it does not mean that Finance Company and CRRC GROUP shall transact such amounts, and the proposed annual caps are not indications for the actual transaction amounts. The Company will disclose the actual transaction amounts in each year's annual report, and

The Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice from the independent financial adviser) believe that the New Financial Services Framework Agreement has been entered into on normal commercial terms and in the ordinary course of business of the Group carried out through Finance Company, and the relevant terms of the transactions and annual caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **7. Internal Control and Risk Management Function of Finance Company**

### ***(1) A sound corporate governance structure***

Finance Company has established a sound corporate governance structure, consisting of the general meeting, the board of directors, the board of supervisors and the management. Under the board of directors, a strategic decision-making committee, an audit and risk management committee and an information technology management committee have been established. These committees consist of specialized personnel and adopt collective decision-making procedures to ensure the decisions to be scientific and reasonable. Under the management, the credit examination committee and the investment decision-making committee have also been set up.

In order to ensure the compliance of operation, Finance Company has also established ten functional departments based on its business development and internal control demands. These functional departments include the capital management department, the corporate business department, the international business department, the settlement management department, the information technology department, the planning and finance department, the risk compliance department, the audit and accounting department and the comprehensive management department, etc. Documents named Letter of Duties of Departments and Letter of Responsibilities of Positions have been formulated to explicitly divide the duties and responsibilities among various departments and positions. Furthermore, Finance Company has established a system of rules and regulations which satisfies the requirements of internal management fillhote an5 (t)0.5 (e)0 (r)0.5 (e)13.s (s)4.1 (

the business level (i.e., budget and finance, settlement business, credit business, capital business, international business and financial market business), and the comprehensive level (i.e., administrative management and information technology).

Finance Company always adheres to the principle of managing and operating pursuant to the laws and regulations, and actively undertakes corporate social responsibility. The NAFR has not raised any major query concerning Finance Company since its establishment.

**(2) *Scientific compliance risk prevention and pricing mechanism for financial products and services***

**(i) *Risk prevention and pricing mechanism for deposit services***

In order to prevent the risk of deposits, Finance Company has established a management and control mechanism to ensure liquidity, security and rationality of interest rate pricing of the funds. Finance Company has also established a deposit reserve system to monitor the liquidity of funds on a daily basis, to prevent the liquidity risk of funds and to ensure the security of funds.

Finance Company has established a deposit interest rate pricing decision-making panel. The panel is headed by the general manager of Finance Company, with the deputy leader of the panel being the head of the settlement management department and the international business department, and the members of the panel include the persons in charge of the settlement management department, the international business department, the planning and finance department, the capital management department and the risk compliance department, to collectively review the pricing strategies, rules, procedures and authorizations of deposit interest rates, and has set up the settlement management department and the international business department to take charge of the execution and implementation of the pricing policies for the deposits in Renminbi and foreign currencies, respectively. In addition, the risk compliance department is responsible for reviewing the compliance and legitimacy of the interest rate pricing plan, and the audit and accounting department and the planning and finance department are responsible for supervising and auditing the implementation of the interest rate pricing and management.

According to the Administrative Measures on Deposit Interest Rate Pricing, interest rate pricing of deposit services must follow the principles of marketization, differentiation and compliance. The interest rate pricing of deposit services of Finance Company is determined based on the comprehensive consideration of the financial market environment and other factors, and with reference to the benchmark interest rate in the same period specified by the People's Bank of China for deposits of the same type, and the interest rate determined by the banking financial institutions in the same period for the same type of deposits from third parties of equal standing.

The deposit interest rate pricing decision-making panel shall determine the posted deposit interest rate, and the actual implemented deposit interest rate will fluctuate within a certain ratio, which shall be reported to the general manager of Finance Company for approval; if the fluctuation exceeds such ratio, it shall be reported to the deposit interest rate pricing decision-making panel for consideration and further implementation. If the deposit interest rate pricing decision-making panel becomes aware that the interest rate offered to CRRC GROUP are less favorable to Finance Company than those offered to other Independent Third

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The credit examination committee is the examination and approval authority for the pricing of loan interest rates. The deputy general managers other than the heads of the corporate business department and capital management department of Finance Company are qualified to serve as the chairman of the credit examination committee. The full-time members include the the persons in charge of the international business department, the settlement management department, the planning and finance department, and the risk compliance department.

The interest rate for each loan shall be determined based on the loan prime rate (LPR) or fee rate for the same type of business promulgated by the People's Bank of China and with reference to the interest rate charged by the Major Commercial Banks to CRRG GROUP, and comprehensively taking into account the corporate credit rating, credit guarantees and other factors. If the credit examination committee becomes aware that the interest rate for the credit services offered to CRRG GROUP are less favorable to Finance Company than those offered to other Independent Third Parties (if available) on similar terms and conditions, Finance Company will negotiate with CRRG GROUP to re-determine the interest rate to a level that is similar with those offered to other Independent Third Parties.

The corporate business department is responsible for the credit investigation before granting credits. The borrower's credit rating according to the regulations of the People's Bank of China and the NAFR, the borrowing purpose, the borrower's repayment ability, the term and amount of the loan, the issues of connected transaction, etc. are all within the scope of review. After the investigation of the corporate business department, the risk compliance department will conduct a comprehensive investigation and analysis on whether the credit investigation report is appropriate and whether the risks of the proposed granting of the credit and the risk points have been fully revealed. The risk compliance department will submit to the credit examination committee after examination, and the credit examination committee will conduct an independent and objective analysis and collective deliberation on the credit applications and materials and provide opinions, on which the leaders of Finance Company have a veto power according to its authority.

Finance Company conducts customer credit ratings once at least every two years. The corporate business department organizes an initial evaluation of the credit ratings of members of the Group and the CRRC GROUP once at least every two years, and the risk compliance department is responsible for the review of credit ratings of such members and the credit examination committee is responsible for the final review and determination of the credit ratings.

Furthermore, the audit and accounting department supervises and inspects the implementation and compliance of Finance Company's internal system, procedures and regulations regarding deposits and loans.

Through reviews of all the levels described above, Finance Company ensures the safety of its funds and the interest rate pricing to be scientific and in compliance with the laws.

*(iii) Risk prevention and pricing mechanism for miscellaneous financial services*

Finance Company has formulated rules and regulations such as Administrative Measures for Bond Underwriting Business to regulate the current miscellaneous financial services and the miscellaneous financial services that may be implemented after receiving the approval from regulatory authorities. According to such rules and regulations, the responsible departments, the business management procedures and the internal control mechanisms for the relevant businesses have also been established to prevent risks. The pricing of miscellaneous financial services shall be in compliance with the relevant regulations if the People's Bank of China or the NAFR has set up standard of charges for the relevant type of services and shall refer to the level of the fees charged by Major Commercial Banks for the financial services of the same type. The service fee rates charged for miscellaneous financial services are determined mainly with reference to the service fee rates charged to the affiliated members of CRRC GROUP for entrusted loans and letter of guarantees by the Major Commercial Banks, which shall be confirmed upon approval of the heads of relevant departments or the general manager of Finance Company. If the head of relevant departments or the general manager of Finance Company becomes aware

that the fees charged to CRRC GROUP are less favorable to Finance Company than those charged to other Independent Third Parties (if available) on similar terms and conditions, Finance Company will negotiate with CRRC GROUP to re-determine the relevant fees to a level that is similar with those charged to other Independent Third Parties.

**(3) *Connected transaction management mechanism***

The Company will endeavor to carry out adequate supervision over the corresponding annual caps on the transaction amount of the agreements which involved the continuing connected transactions of the Company with a view of ensuring that necessary measures and appropriate actions for the compliance with applicable requirements under the Hong Kong Listing Rules will be promptly taken. In order to regulate the connected transaction management mechanism, Finance Company has formulated the Measures for the Management of Connected Transaction, according to which, the planning and finance department is responsible for the management and information disclosure of the connected transactions, and the corporate business department, the settlement management department and other relevant departments are responsible for the statistical summary of the connected transactions handled by the departments themselves and the verification with the planning and finance department. Finance Company ensures to disclose the information of connected transactions in accordance with the provisions of Connected Transaction Management Rules (H Shares) of CRRC Corporation Limited and Related-party Transaction Management Rules (A Shares) of CRRC Corporation Limited in a timely manner.

The corporate business department, the capital management department and other relevant departments of Finance Company are responsible for daily supervision of the annual caps under the New Financial Services Framework Agreement. The planning and finance department of Finance Company will collect statistics on the transaction amount on a quarterly basis. When the transaction amount reaches a certain percentage of the annual cap, it will promptly warn and report to the management of Finance Company and the Company. The Directors (including independent non-executive Directors) will review the transactions contemplated under the New Financial Services Framework Agreement and their respective annual caps each year, to ensure that the transactions contemplated under the New Financial Services Framework Agreement are conducted in the ordinary and usual course



of business of the Company on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

The auditor of the Company will perform annual reviews on the transactions contemplated under the New Financial Services Framework Agreement in compliance with the Hong Kong Listing Rules.

#### **E. IMPLICATIONS OF THE HONG KONG LISTING RULES**

As at the date of this announcement, CRRC GROUP is the controlling Shareholder of the Company directly holding 51.45% of the shares of the Company, and is thus a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the Continuing Connected Transaction Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

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The provision of loans and other credit services by Finance Company to CRRC GROUP constitutes a financial assistance provided by the Company to its connected person, and therefore constitutes a connected transaction. As the highest applicable percentage ratio in respect of the provision of credit services under the New Financial Services Framework Agreement exceeds 5% on an annual basis, the credit services to be provided by Finance Company to CRRC GROUP are therefore subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio in respect of the provision of credit services under the New Financial Services Framework Agreement exceeds 5% but is less than 25%, the credit services to be provided by Finance Company to CRRC GROUP also constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the provision of miscellaneous financial services under the New Financial Services Framework Agreement is less than 0.1%, the miscellaneous financial services to be provided by Finance Company to CRRC GROUP are therefore fully exempted from the independent shareholders' approval, annual reporting and announcement requirements pursuant to Rule 14A.76 of the Hong Kong Listing Rules.

Three Directors, namely Sun Yongcai, Ma Yunshuang and Wang An hold positions in CRRC GROUP, have abstained from voting on the Board resolutions in respect of the transactions. Save as stated above, none of the Directors have a material interest in the continuing connected transactions contemplated under the Continuing Connected Transaction Agreements and hence no other Directors have abstained from voting on the relevant Board resolutions.

The Company will establish the Independent Board Committee to advise the independent Shareholders in respect of the terms of the provision of credit services by Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement (including the proposed annual caps therefor).

The Company has appointed China Sunrise Capital Limited as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the terms of the provision of credit services by Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement (including the proposed annual caps therefor).

A circular containing, among other things, details of the transaction of the provision of credit services by Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement, a letter from the Independent Board Committee and an opinion of the independent financial adviser will be announced and/or dispatched to the Shareholders on or before 28 May 2024, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

## **F. GENERAL INFORMATION OF THE COMPANY, CRRC GROUP AND FINANCE COMPANY**

### **The Company**

The Company is a joint stock limited company incorporated in the PRC with limited liability. The Group is the leading rolling stock provider in the world, with diverse offerings and advanced technologies. The main scope of business of the Company include research and development, design, manufacturing, refurbishment, sales, leasing and technical services of locomotives, MUs, rapid transit vehicles, engineering machinery, various electromechanical equipment, electronic equipment and components, as well as electric devices and environmental protection equipment; information consultation; industrial investment and management; asset management and import and export businesses.

### **CRRC GROUP**

CRRC GROUP is a large-scale wholly state-owned enterprise established with the approval of the State Council of the PRC and the controlling Shareholder of the Company. The principal businesses of CRRC GROUP (through the Company) include research and development, manufacturing, sales, refurbishment and leasing of rolling stock and key components, and the extended business relying on the proprietary technology of rolling stock.

### **Finance Company**

Finance Company, a subsidiary of the Company, is principally engaged in the provision of deposit services, settlement services, credit services, financial advice services and miscellaneous financial services to CRRC GROUP and its affiliated members at all levels (as described below), subject to the permitted scope of businesses and under the regulation of the NAFR and the People's Bank of China. As at the date of this announcement, Finance Company is held by the Company and CRRC GROUP as to 91.36% and 8.64% respectively.

According to the relevant PRC laws such as the regulatory requirements of the NAFR, Finance Company, as a non-banking financial institution, is positioned to mainly provide financial services to the Group, CRRC GROUP and the affiliated members of CRRC GROUP (including subsidiaries of CRRC GROUP, companies individually or jointly, directly or indirectly held as to more than 20% by CRRC GROUP and its subsidiaries, and companies directly held as to less than 20% by CRRC GROUP and its subsidiaries but with the largest shareholder being CRRC GROUP or its subsidiaries). Currently, Finance Company does not provide financial services to any third party other than the Group, CRRC GROUP and their affiliated members as mentioned above.

## **G. DEFINITIONS**

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

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| “Articles of Association”                     | the Articles of Association of CRRC Corporation Limited (as amended from time to time)   |
| “associate(s)”                                | has the meaning ascribed thereto under the Hong Kong   |
| “Board”                                       | the board of directors of the Company  |
| “Company”                                     | CRRC Corporation Limited (中國中車股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares and the A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively |
| “connected person(s)”                         | has the meaning ascribed thereto under the Hong Kong Listing Rules   |
| “Continuing Connected Transaction Agreements” | the New Product and Service Mutual Provision Framework Agreement, the New Fixed Asset and Property Leasing Framework Agreement and the New Financial Services Framework Agreement  |
| “CRRC GROUP”                                  | CRRC GROUP Co., Ltd. (中國中車集團有限公司), a large-scale wholly state-owned enterprise and the controlling Shareholder of the Company  |

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| “Director(s)”   | the directors of the Company, including the independent non-executive directors   |
| “Existing Financial Services Framework Agreement”                   | the Financial Services Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Finance Co., Ltd. entered into between Finance Company and CRRC GROUP on 30 March 2021   |
| “Existing Property Leasing Framework Agreement”                     | the Property Leasing Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Corporation Limited entered into between the Company and CRRC GROUP on 30 March 2021   |
| “Existing Product and Service Mutual Provision Framework Agreement” | the Product and Service Mutual Provision Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Corporation Limited entered into between the Company and CRRC GROUP on 30 March 2021   |
| “Finance Company”   | CRRC Finance Co., Ltd. (中車財務有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company   |
| “Group”   | the Company and its subsidiaries  |
| “Government-guided Price”   | the price for the various products and services under the New Product and Service Mutual Provision Framework Agreement which may be determined by the sellers and purchasers of products and services within the price range as provided under the laws, regulations, decisions or orders promulgated by the central government, provincial government or other regulatory authorities in the PRC |
| “Government-prescribed Price”                                       | the price for the various products and services under the New Product and Service Mutual Provision Framework Agreement as provided under the laws, regulations, decisions or orders promulgated by the central government, provincial government or other regulatory authorities in the PRC   |

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| “Hong Kong”                                  | Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Hong Kong Listing Rules”                    | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)   |
| “Hong Kong Stock Exchange”                   | The Stock Exchange of Hong Kong Limited   |
| “Independent Board Committee”                | a committee of the Board comprising all independent non-executive Directors established for the purpose of considering the terms of the credit services to be provided by Finance Company to CRRC GROUP under the New Financial Services Framework Agreement (including its proposed annual caps)   |
| “Independent Third Party”                    | an individual or company which is not a connected person of the Company   |
| “Major Commercial Banks”                     | the major commercial banks in the PRC, including Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications and other major large-scale joint stock commercial banks established in the PRC (such as China CITIC Bank, China Merchants Bank and China Industrial Bank) |
| “NAFR”                                       | the National Administration of Financial Regulation (formerly known as the China Banking and Insurance Regulatory Commission)   |
| “New Financial Services Framework Agreement” | the Financial Services Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Finance Co., Ltd. entered into between Finance Company and CRRC GROUP on 28 March 2024   |

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| “New Fixed Asset and Property Leasing Framework Agreement”     | the Fixed Asset and Property Leasing Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Corporation Limited entered into between the Company and CRRC GROUP on 28 March 2024     |
| “New Product and Service Mutual Provision Framework Agreement” | the Product and Service Mutual Provision Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Corporation Limited entered into between the Company and CRRC GROUP on 28 March 2024 |
| “PRC”  | the People’s Republic of China  |
| “RMB”  | Renminbi, the lawful currency of the PRC  |
| “SASAC”  | the State-owned Assets Supervision and Administration Commission of the State Council of the PRC  |
| “Shareholder(s)”   | the shareholder(s) of the Company   |
| “%”  | per cent.   |

By order of the Board  
**CRRC Corporation Limited**  
**Sun Yongcai**  
*Chairman*

Beijing, the PRC  
28 March 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Sun Yongcai, Mr. Ma Yunshuang and Mr. Wang An; the non-executive director is Mr. Jiang Renfeng; and the independent non-executive directors are Mr. Shi Jianzhong, Mr. Weng Yiran and Mr. Ngai Ming Tak.*