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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 ON CONNECTED TRANSACTION
TRANSFER OF 49% EQUITY INTEREST IN JINPU INDUSTRIAL
PARK HELD BY TIANJIN EQUIPMENT TO
CRRC SCIENCE AND TECHNOLOGY PARK

ENTERING INTO THE EQUITY TRANSFER CONTRACT

The Board announces that, on 29 April 2024, Tianjin Equipment, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Contract with CRRC Science and Technology Park, pursuant to which, Tianjin Equipment agreed to sell and CRRC Science and Technology Park agreed to acquire 49% equity interest in Jinpu Industrial Park at a consideration of RMB302.1551 million. Upon completion of the Transaction, Tianjin Equipment will no longer hold any equity interest in Jinpu Industrial Park, and Jinpu Industrial Park will become a wholly-owned subsidiary of CRRC Science and Technology Park.

IMPLICATIONS OF THE HONG KONG LISTING RULES

As at the date of this announcement, CRRC Science and Technology Park is a wholly-owned subsidiary of CRRC GROUP, and CRRC GROUP is the controlling Shareholder directly holding 51.45% of the shares of the Company, therefore CRRC Science and Technology Park is a connected person of the Company under the Hong Kong Listing Rules. Therefore, the entering into of the Equity Transfer Contract constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of the Transaction contemplated under the Equity Transfer Contract exceeds 0.1% but is less than 5%, the Transaction is subject to reporting and announcement requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

1. INTRODUCTION

The Board announces that, on 29 April 2024, Tianjin Equipment, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Contract with CRRC Science and Technology Park, pursuant to which, Tianjin Equipment agreed to sell and CRRC Science and Technology Park agreed to acquire 49% equity interest in Jinpu Industrial Park at a consideration of RMB302.1551 million. Upon completion of the Transaction, Tianjin Equipment will no longer hold any equity interest in Jinpu Industrial Park, and Jinpu Industrial Park will become a wholly-owned subsidiary of CRRC Science and Technology Park.

2. EQUITY TRANSFER CONTRACT

2.1. Date

29 April 2024

2.2 Parties

- (1) Tianjin Equipment, as the transferor; and
- (2) CRRC Science and Technology Park, as the transferee.

2.3 Target Equity Interest

49% equity interest in Jinpu Industrial Park held by Tianjin Equipment.

2.4 Consideration and payment

- (1) The consideration for the Transaction is RMB302.1551 million, which was determined after arm's length negotiations between both parties with reference to the appraised value of the total equity interest attributable to shareholders of Jinpu Industrial Park as of the Valuation Benchmark

Date as set out in the Valuation Report (i.e. RMB616.6430 million) and the percentage of equity interest in Jinpu Industrial Park held by Tianjin Equipment (i.e. 49%). For details of the valuation, please refer to the section headed “3. INFORMATION ON THE VALUATION” below.

- (2) The consideration for the Equity Transfer shall be paid by CRRC Science and Technology Park to the bank account designated by Tianjin Equipment within 6 months from the effective date of the Equity Transfer Contract.

2.5 Enjoyment of profit and bearing of losses

After the Valuation Benchmark Date, any profit or loss arising from Jinpu Industrial Park shall be enjoyed or borne by CRRC Science and Technology Park alone.

From the date on which the Target Equity Interest under the Equity Transfer Contract is registered under the name of CRRC Science and Technology Park with the market supervision and regulation authority, CRRC Science and Technology Park holds 100% equity interest in Jinpu Industrial Park, entitles to all rights and interests in relation to the Target Equity Interest and assumes all relevant obligations.

2.6 Inheritance and settlement of claims and debts in relation to the Equity Transfer

Prior to the equity interest closing date, the claims and debts of Jinpu Industrial Park shall be enjoyed and borne by Jinpu Industrial Park, and Tianjin Equipment and CRRC Science and Technology Park shall assume limited liabilities for the debts of Jinpu Industrial Park to the extent of their capital contribution. After the equity interest closing date, the claims and debts of Jinpu Industrial Park shall continue to be enjoyed and borne by Jinpu Industrial Park, and CRRC Science and Technology Park shall assume limited liabilities for the debts of Jinpu Industrial Park to the extent of its capital contribution.

2.7 Matters relating to the closing of the equity interest

- (1) Both parties agree that the equity interest closing date shall be the date on which all the following closing procedures are completed.

- (2) Tianjin Equipment shall complete the following closing procedures within 10 business days from the effective date of the Equity Transfer Contract: to cooperate in completing the industrial and commercial changes registration procedures in respect of the transfer of the Target Equity Interest.

2.8 Entering into and effectiveness of the Equity Transfer Contract

- (1) The Equity Transfer Contract shall be entered into upon the execution by legal representatives or authorized representatives of both parties and affix of their respective official seals.
- (2) The Equity Transfer Contract shall take effect upon the entering into and approval of the Equity Transfer by CRRC GROUP.

As at the date of this announcement, the Equity Transfer has been approved by CRRC GROUP.

3. INFORMATION ON THE VALUATION

(1) Approach for valuation

The approach adopted for the preparation of the Valuation Report is the asset-based approach. The Valuer is of the view that the asset-based approach is the most appropriate valuation approach for the asset valuation of Jinpu Industrial Park compared with the income approach or the market approach, reasons of which are as follows:

The asset-based approach refers to the valuation approach to determine the value of the valuation target by reasonably assessing the value of various on-balance sheet and identifiable off-balance sheet assets and liabilities of an enterprise based on the balance sheet of the appraised entity as at the valuation benchmark date, reflecting the enterprise value from the perspective of enterprise asset. Accordingly, the Valuer will identify the on-balance sheet and off-balance sheet assets and liabilities of the appraised entity, taking into account factors such as the accounting policies and business performance, and will incorporate such factors into the valuation reporting documents and request the confirmation of the valuation scope.

The income approach refers to the valuation approach to determine the value of the valuation target by capitalizing or discounting its anticipated income. The market approach refers to the valuation approach to determine the value of the valuation target by comparing the valuation target with comparable listed

companies or comparable transaction cases. The Valuer is of the view that, based on the characteristics of the assets and liabilities of Jinpu Industrial Park, its future annual income cannot be measured reliably and is subject to material uncertainties; furthermore, the income approach and the market approach are not applicable for valuation due to the considerable difficulties in obtaining information about comparable companies and transaction cases. However, the conditions for the application of the asset-based approach have been met. Therefore, the asset-based approach has been adopted for the relevant valuation.

(2) Assumptions of the valuation

Basic assumptions

- (i) The open market assumption assumes that the parties to the assets transaction or the proposed assets transaction in the market are in equal positions and have the opportunities and time to obtain sufficient market information in order to make a rational judgment on the assets in respect of their functions, uses and transaction price;
- (ii) The transaction assumption assumes that all the assets to be valued are in the course of transaction and the valuation assessed by the Valuer is based on a simulated market which involves the transaction conditions of the assets to be valued. The transaction assumption is one of the most fundamental assumptions for the performance of asset valuation;
- (iii) The continuous operation assumption assumes that the appraised entity will not cease operation for any reason in the foreseeable future, but will continue to operate lawfully and maintain operation with its existing assets and resources.

General assumptions

- (i) It is assumed that there will be no significant changes to the relevant prevailing laws, regulations and policies, or macro-economic situations in the PRC as well as the political, economic and social environment of regions where the parties to the transaction are located;
- (ii) It is assumed that the enterprise continues to operate in view of the actual situation of assets as at the valuation benchmark date;

- (iii) It is assumed that there will be no material changes to the interest rates, exchange rates, tax basis, tax rate and policy-based levies related to the appraised entity after the valuation benchmark date;
- (iv) It is assumed that the management of the appraised entity is accountable, stable and competent to perform their duties after the valuation benchmark date;
- (v) Unless otherwise stated, it is assumed that the appraised entity fully complies with all relevant laws and regulations;
- (vi) It is assumed that the values of various parameters measured in this valuation are determined according to the current pricing system, without considering the influence of inflation factors after the valuation benchmark date;
- (vii) It is assumed that there will be no force majeure or unforeseeable factors which may materially and adversely affect the appraised entity after the valuation benchmark date.

Special assumptions

- (i) It is assumed that the accounting policies adopted by the appraised entity after the valuation benchmark date will be consistent in material aspects with those adopted in the preparation of this assets valuation report;
- (ii) It is assumed that the scope and mode of operation of the appraised entity after the valuation benchmark date will be consistent with those at current stage on the basis of the existing management method and management standard;
- (iii) The enterprise can continue to use the existing equipment and will not bear any expenses incurred due to changes of asset ownership.

(3) Valuation conclusion

According to the valuation results, the book value of the audited total assets of Jinpu Industrial Park as at the Valuation Benchmark Date was RMB1,922.3289 million, the appraised value was RMB1,922.4658 million and the increment was RMB0.1369 million, representing a growth rate of 0.01%; the book value of the total liabilities was RMB1,305.8228 million and the appraised value was RMB1,305.8228 million, with no increment or impairment; the book

value of owners' equity (i.e. the net assets) was RMB616.5061 million, the appraised value was RMB616.6430 million and the increment was RMB0.1369 million, representing a growth rate of 0.02%. The appraised value of owners' equity of Jinpu Industrial Park is slightly higher than the book value due to the differences in the treatment of interests calculation on bank deposits and changes in the replacement price of fixed assets after valuation.

(4) Opinions of the Board

The Board has reviewed the relevant documents. Having taken into full account the valuation approach adopted by the Valuer and valuation assumptions, the Board believes that the calculation results using the asset-based approach can reflect the true value of owners' equity of Jinpu Industrial Park, and is fair and reasonable.

4. GENERAL INFORMATION ON JINPU INDUSTRIAL PARK

Jinpu Industrial Park is a limited liability company incorporated in the PRC on 28 August 2018. As at the date of this announcement, it is held as to 49% and 51% by Tianjin Equipment and CRRC Science and Technology Park, respectively. The business scope of Jinpu Industrial Park includes general items: park management service; commercial complex management service; real estate brokerage; real estate consultation; property management; entrepreneurial space service; non-residential real estate leasing; conference and exhibition service; enterprise management; land use rights leasing; engineering management service; popularization of science and technology service; marketing planning; personal internet live streaming service; and licensed items: real estate development and operation.

According to the China Accounting Standards for Business Enterprises, the book value of the audited consolidated total assets and net assets of Jinpu Industrial Park as at 31 December 2023 were RMB1,249.7781 million and RMB609.2145 million, respectively. The consolidated net loss attributable to Jinpu Industrial Park for the financial years ended 31 December 2022 and 31 December 2023 are set out below:

	For the year ended 31 December 2022	For the year ended 31 December 2023
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>(RMB)</i>	<i>(RMB)</i>
Net loss before taxation and extraordinary items	11,383,197.86	29,894,662.28
Net loss after taxation and extraordinary items	11,383,197.86	19,698,428.06

5. REASONS FOR AND BENEFITS OF THE TRANSACTION

This Transaction will help Tianjin Equipment further consolidate the working achievements of “Disposal and Governance of Zombie Enterprises and Enterprises with Difficulties” and accelerate the revitalization and utilization of inefficient real estate resources, so as to improve its asset structure and cash flow and speed up the process of its transformation and upgrade. It will also help the Company to activate its idle assets and improve operation efficiency.

Upon the completion of the Transaction, the relevant gains recorded in the consolidated statements of Tianjin Equipment will be approximately RMB67,100 without taking account of taxation implication but taking account of the differences between the appraised value and the book value of 49% equity interest in Jinpu Industrial Park held by Tianjin Equipment as at the Valuation Benchmark Date, and such proceeds will be used for the daily production and operation of Tianjin Equipment.

6. GENERAL INFORMATION OF THE COMPANY, CRRC GROUP AND PARTIES TO THE TRANSACTION

The Company

The Company is a joint stock company incorporated in the PRC with limited liability. The Group is a world-leading and diverse rolling stock supplier with advanced technologies. The main scope of business includes: research and development, design, manufacturing, refurbishment, sales, leasing and technical services of railway locomotives, MUs, urban rail transit vehicles, engineering machinery, various electromechanical equipment, electronic equipment and components, as well as electric devices and environmental protection equipment; information consultation; industry investment and management; asset management; 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 is 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 proprietary technologies of rolling stock.

Tianjin Equipment

As at the date of this announcement, Tianjin Equipment is a wholly-owned subsidiary of the Company. The principal businesses of Tianjin Equipment include: manufacturing of railway locomotive parts; general equipment manufacturing (excluding special equipment manufacturing); manufacturing of power and electronic parts and components; ferrous metal casting.

CRRC Science and Technology Park

As at the date of this announcement, CRRC Science and Technology Park is a wholly-owned subsidiary of CRRC GROUP. CRRC Science and Technology Park's principal businesses include park management service; investment and asset management; real estate development; real estate brokerage service; property management; construction project management; planning and management; engineer surveying design; urban landscaping service; land remediation service.

7. IMPLICATIONS OF THE HONG KONG LISTING RULES

As at the date of this announcement, CRRC Science and Technology Park is a wholly-owned subsidiary of CRRC GROUP, and CRRC GROUP is the controlling Shareholder directly holding 51.45% of the shares of the Company, therefore CRRC Science and Technology Park is a connected person of the Company under the Hong Kong Listing Rules. Therefore, the entering into of the Equity Transfer Contract constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of the Transaction contemplated under the Equity Transfer Contract exceeds 0.1% but is less than 5%, the Transaction is subject to reporting and announcement requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Three Directors, namely Sun Yongcai, Ma Yunshuang and Wang An, hold positions in CRRC GROUP and have abstained from voting on the Board resolution approving the Equity Transfer Contract and the Transaction thereunder. Save as stated above, none of the Directors have any material interest in the Equity Transfer Contract and the Transaction thereunder, and hence no other Director has abstained from voting on the relevant Board resolution.

All Directors (including all independent non-executive Directors) are of the view that the Equity Transfer Contract was entered into after negotiation on arm's length basis and on normal commercial terms, and the relevant terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole. However, due to the nature of the Transaction, it is not in the usual course of business of the Group.

8. DEFINITIONS

In this announcement, unless the context otherwise requires, the terms used herein shall have the following meanings:

“Beijing Guo Rong Xing Hua” or “Valuer”	Beijing Guo Rong Xing Hua Assets Appraisal Co., Ltd.* (北京國融興華資產評估有限責任公司), an independent valuation institution
“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 company incorporated in the PRC with limited liability, the H Shares and 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 in the Hong Kong Listing Rules
“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
“CRRC Science and Technology Park”	CRRC Science and Technology Park Development Co., Ltd.* (中車科技園發展有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of CRRC GROUP as at the date of this announcement

“Director(s)”	the director(s) of the Company (including independent non-executive directors)
“Equity Transfer” or “Transaction”	the transfer of 49% equity interest in Jinpu Industrial Park held by Tianjin Equipment to CRRC Science and Technology Park under the Equity Transfer Contract
“Equity Transfer Contract”	the Equity Transfer Contract between CRRC Science and Technology Park Development Co., Ltd.* (中車科技園發展有限公司) and Tianjin CRRC Equipment Co., Ltd.* (天津中車機輛裝備有限公司) in relation to 49% Equity Interest in Tianjin CRRC Jinpu Industrial Park Management Co., Ltd.* (天津中車津浦產業園管理有限公司) entered into between Tianjin Equipment and CRRC Science and Technology Park on 29 April 2024
“Group”	the Company and its subsidiaries
“Hong Kong”	the 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 Hong Kong Stock Exchange (as amended from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jinpu Industrial Park”	Tianjin CRRC Jinpu Industrial Park Management Co., Ltd.* (天津中車津浦產業園管理有限公司), a limited liability company established in the PRC, which is held as to 49% and 51% by Tianjin Equipment and CRRC Science and Technology Park, respectively, as at the date of this announcement

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	the shareholders of the Company
“Target Equity Interest”	49% equity interest in Jinpu Industrial Park held by Tianjin Equipment
“Tianjin Equipment”	Tianjin CRRC Equipment Co., Ltd.* (天津中車機輛裝備有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company as at the date of this announcement
“Valuation Benchmark Date”	the valuation benchmark date adopted in the Valuation Report, i.e. 30 April 2023
“Valuation Report”	the asset valuation report prepared by Beijing Guo Rong Xing Hua based on the asset-based approach
“%”	per cent

By order of the Board
CRRC Corporation Limited
Sun Yongcai
Chairman

Beijing, the PRC
29 April 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.