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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 CHENGDU LAND USE RIGHT AND RELEVANT ASSETS

On 12 October 2017, CRRC Chengdu (a subsidiary of the Company) entered into the Asset Transfer Contract with CRRC Real Estate (Chengdu) (a subsidiary in which CRRC Group indirectly holds 100% equity interest). Pursuant to the contract, CRRC Chengdu has agreed to transfer the Target Assets to CRRC Real Estate (Chengdu) for a consideration of approximately RMB1,404,732,400.

As at the date of this announcement, CRRC Chengdu is a subsidiary of the Company. CRRC Group is a controlling shareholder holding, directly and indirectly, approximately 55.62% of the shares of the Company. CRRC Real Estate is a wholly-owned subsidiary of CRRC Group and CRRC Real Estate (Chengdu) is a wholly-owned subsidiary of CRRC Real Estate, thus both CRRC Real Estate and CRRC Real Estate (Chengdu) are connected persons of the Company under the Hong Kong Listing Rules. The transfer of the Target Assets by CRRC Chengdu to CRRC Real Estate (Chengdu) constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 14A.81 of the Hong Kong Listing Rules, the Transaction under the Asset Transfer Contract should be aggregated with the Previous Transaction. Following the aggregation, as the highest of the applicable size test percentage ratios calculated pursuant to the Hong Kong Listing Rules exceeds 0.1% but is less than 5%, the Transaction is subject to annual reporting and announcement requirements but is exempt from independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

1. INTRODUCTION

On 12 October 2017, CRRC Chengdu (a subsidiary of the Company) entered into the Asset Transfer Contract with CRRC Real Estate (Chengdu) (a subsidiary in which CRRC Group indirectly holds 100% equity interest). Pursuant to the contract, CRRC Chengdu has agreed to transfer the Target Assets to CRRC Real Estate (Chengdu) for a consideration of approximately RMB1,404,732,400.

2. ASSET TRANSFER CONTRACT

2.1 Date

12 October 2017

2.2 Parties

- (1) CRRC Chengdu; and
- (2) CRRC Real Estate (Chengdu)

2.3 Target Assets

(1) *Chengdu Land Use Right*

The state-owned land use right of relevant land parcel which is located at 31 Erxianqiao North Road, Chenghua District, Chengdu City, the PRC with an area of 281,288.78 square metres. The overall area of the land parcel where Chengdu Land Use Right is located is 455,821.39 square metres. The land parcel is for industrial usage purpose, the type of land use right of which is “conversion of state assets into shares”. The land parcel has a land use term expiring on 27 December 2057 and its state-owned land use right certificate number is Chuan Guo Yong (2016) No. 00099. Besides the land use right of 281,288.78 square metres of land involved in this transfer, additional land use rights of 174,532.61 square metres of land and relevant buildings have been resumed by the government (the total resumption price is approximately RMB824,662,500). The separation formalities of the state-owned land use right certificate are being processed for the time being.

(2) *Other Relevant Assets*

Such assets include 123 buildings (with a gross floor area of 105,647.53 square metres) and 17 structures erected on the land parcel.

2.4 Consideration

The consideration for the Transaction is approximately RMB1,404,732,400. The consideration for this asset transfer was determined with reference to the price for land resumption under the same state-owned land use right certificate by the People's Government of Chenghua District, Chengdu and after negotiation between CRRC Chengdu and CRRC Real Estate (Chengdu).

CRRC Real Estate (Chengdu) shall pay RMB770,000,000 within 5 business days after the Asset Transfer Contract becoming effective and pay the remaining consideration of RMB634,732,400 within 10 business days after the handover of all Target Assets is completed.

2.5 Completion

CRRC Chengdu shall hand over the Target Assets to CRRC Real Estate (Chengdu) in batches. CRRC Chengdu shall hand over buildings with an area of 52,823.77 square metres (accounting for 50% of the area of buildings included in the Target Assets) and corresponding land within 5 business days after the Asset Transfer Contract becoming effective and shall hand over all of the Target Assets before 30 November 2017.

3. FINANCIAL INFORMATION ON THE TARGET ASSETS

In accordance with China Accounting Standards for Business Enterprises, the net profits of the Target Assets for the financial years ended 31 December 2015 and 31 December 2016 are set out as follows:

Unit: RMB

	Financial Year Ended 31 December 2015	Financial Year Ended 31 December 2016
Net profits before taxation and extraordinary items	-579,575.84	-11,203,489.69
Net profits after taxation and extraordinary items	153,584.05	3,403,677.17

According to the unaudited financial statement of the Company as of 31 May 2017 prepared in accordance with the China Accounting Standards for Business Enterprises, as at 31 May 2017, the Target Assets had a net book value of RMB193,247,000. According to the valuation of the Target Assets made by an appraisal agency, Beijing Tianyuankai Assets Appraisal Co., Ltd., engaged by CRRC Chengdu, the Target Assets had an appraised value of RMB354,205,700 as at the valuation date (31 May 2017). The valuation result is to be filed with the competent state-owned assets supervision and administration institution.

4. REASONS FOR AND BENEFITS OF THE TRANSFER OF THE TARGET ASSETS

CRRC Chengdu will be able to obtain funds to support the industrial park construction and daily operation of CRRC Chengdu by transferring the relevant assets to CRRC Real Estate (Chengdu). After deducting the relevant expenditure such as land costs, housing construction (structure) net value, relevant taxes paid and relocation compensation expenses (estimated) for leasing enterprises, etc., it is expected that CRRC Chengdu will obtain gains of approximately RMB600 million from the transfer of the Target Assets, and the relevant proceeds will be used for the industrial park construction and daily operation of CRRC Chengdu.

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

The Company

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

CRRC Group

CRRC Group is a large-scale wholly state-owned enterprise approved for establishment by the State Council 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 businesses relying on the proprietary technology of rolling stock.

CRRC Chengdu

CRRC Chengdu is a limited liability company established in the PRC. Its business scope includes: manufacturing and maintenance and refurbishment services for inter-city EMU, rapid transit vehicles and tramcars; refurbishment of locomotives and passenger carriages; maintenance and refurbishment services for High Speed EMU; general contracting of rolling stock projects and electromechanical services; technical research and development in the rolling stock industry; technical services, after-sales services, accessory sales and other businesses in the rolling stock industry and relevant industries; import and export of goods and technologies; leasing of owned properties.

CRRC Real Estate (Chengdu)

CRRC Real Estate (Chengdu) is a limited liability company established in the PRC. Its business scope includes: property development; land consolidation; property management; engineering project management; real estate brokerage; corporate management; business information consultancy; design and construction of indoor and outdoor fitting-out projects; sales of construction materials, metal materials, hardwares and electric materials, mechanical equipment, household appliances, telecommunication equipment and chemical products (excluding dangerous chemicals and precursor chemicals).

6. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CRRC Chengdu is a subsidiary of the Company. CRRC Group is a controlling shareholder holding, directly and indirectly, approximately 55.62% of the shares of the Company. CRRC Real Estate is a wholly-owned subsidiary of CRRC Group and CRRC Real Estate (Chengdu) is a wholly-owned subsidiary of CRRC Real Estate, thus both CRRC Real Estate and CRRC Real Estate (Chengdu) are connected persons of the Company under the Hong Kong Listing Rules. The transfer of the Target Assets by CRRC Chengdu to CRRC Real Estate (Chengdu) constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 14A.81 of the Hong Kong Listing Rules, the Transaction under the Asset Transfer Contract should be aggregated with the Previous Transaction. Following the aggregation, as the highest of the applicable size test percentage ratios calculated pursuant to the Hong Kong Listing Rules exceeds 0.1% but is less than 5%, the Transaction is subject to annual reporting and announcement requirements but is exempt from independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Three Directors, namely Liu Hualong, Sun Yongcai and Xu Zongxiang, hold positions in CRRC Group and have abstained from voting on the Board resolution approving the Transaction. Save as stated above, none of the Directors have any material interest in the Transaction, and hence no other Director has abstained from voting on the relevant Board resolution.

All Directors (including all independent non-executive Directors) consider that the Asset 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.

7. DEFINITION

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

“Asset Transfer Contract”	the asset transfer contract entered into between CRRC Chengdu and CRRC Real Estate (Chengdu) on 12 October 2017 in relation to the transfer of the Target Assets
“Board”	the board of directors of the Company
“Chengdu Land Use Right”	the land use right of a portion of the Land with an area of 281,288.78 square metres
“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 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

“CRRC Chengdu”	CRRC Chengdu Co., Ltd. * (中車成都機車車輛有限公司), a subsidiary of the Company
“CRRC Group”	CRRC Group (中國中車集團公司), a large-scale wholly state-owned enterprise and the controlling shareholder of the Company
“CRRC Real Estate”	CRRC Real Estate Co., Ltd.* (中車置業有限公司), a wholly-owned subsidiary of CRRC Group
“CRRC Real Estate (Chengdu)”	CRRC Real Estate (Chengdu) Co., Ltd.* (中車置業(成都)有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CRRC Real Estate
“Director(s)”	the director(s) (including the independent non-executive director(s)) of the Company
“Group”	the Company and its subsidiaries
“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
“Land”	the land located at 31 Erxianqiao North Road, Chenghua District, Chengdu City (成都市成華區二仙橋北路31號), with a total land use right area of 455,821.39 square metres and a state-owned land use rights certificate (Chuan Guo Yong (2016) No. 00099)
“PRC”	the People’s Republic of China

“Previous Transaction”	the similar transaction(s) entered into between the Group and CRRC Group and its subsidiaries over the past 12 months, and for the purpose of this announcement, representing the transaction under the equity transfer agreement entered into between CRRC Ziyang Co., Ltd.* (中車資陽機車有限公司) (a subsidiary of the Company) and CRRC Industrial Investment Co., Ltd.* (中車產業投資有限公司) (a subsidiary of CRRC Group) on 23 December 2016 (please refer to the announcements of the Company dated 23 December 2016 and 28 December 2016 for details)
“Relevant Assets”	123 buildings with a gross floor area of 105,647.53 square metres and 17 structures erected on the Land
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Target Assets”	Chengdu Land Use Right and Relevant Assets
“Transaction”	the transaction in respect of the transfer of the Target Assets under the Asset Transfer Contract
“%”	per cent

By order of the Board
CRRC Corporation Limited
Chairman
Liu Hualong

Beijing, the PRC
12 October 2017

As at the date of this announcement, the executive directors of the Company are Mr. Liu Hualong, Mr. Sun Yongcai and Mr. Xu Zongxiang; the non-executive director is Mr. Liu Zhiyong; and the independent non-executive directors are Mr. Li Guo'an, Mr. Wu Zhuo, Mr. Sun Patrick and Mr. Chan Ka Keung, Peter.

** For identification purposes only*