
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

Background of our Company

The history of our Company can be traced back to October 1949 when the Factory Affairs Bureau of the MOR was established, from which CNRG, our Company's principal promoter, was reorganized. In February 1986, MOR Locomotive and Rolling Stock Industrial Corporation* (鐵道部機車車輛工業總公司) was established by the MOR, comprising 34 production facilities and 4 research institutes, to take over the role of the Factory Affairs Bureau of the MOR. In 1989, MOR Locomotive and Rolling Stock Industrial Corporation was renamed as "China National Railways Locomotive and Rolling Stock Industrial Corporation* (中國鐵路機車車輛工業總公司)", which was split into CNRG (the controlling shareholder of our Company) and CSRG. On 1 July 2002, CNRG was formally established and registered with the SAIC with a registered capital of RMB11,993 million. CNRG is a large-scale wholly state-owned enterprise under the control and supervision of the SASAC. Prior to the Reorganization for the purposes of our Company's A Share Offering, CNRG was a major player in China's rolling stock manufacturing industry.

Establishment of our Company in 2008

Our Company was established as a joint stock limited company on 26 June 2008, pursuant to the approval on the reorganization and listing of CNRG issued by the SASAC on 24 March 2008. CNRG, the principal promoter of our Company, was authorized to establish our Company by way of injection of its core businesses and assets into our Company. At the time of its establishment, our Company had a registered capital of RMB5,800 million, consisting of 5,800,000,000 Shares with a nominal value of RMB1.00 per Share. The shareholding structure of our Company immediately after the establishment was as follows:

	<u>Type of Shares</u>	<u>Number of Shares held</u>	<u>Approximate % of Shareholding</u>
CNRG	State-owned Share	5,291,228,070	91.23
Beijing CNR Investment ⁽¹⁾ (北京北車投資)	State-owned Share	451,111,111	7.78
China Chengtong Holdings Group Limited* (中國誠通控股集團有限公司)	State-owned Share	33,918,129	0.58
China Huarong Assets Management Co., Ltd* (中國華融資產管理公司)	State-owned Share	23,742,690	0.41
Total		5,800,000,000	100.00

Note:

(1) Beijing CNR Investment, previously known as Datong Qianjin Investment Co., Ltd* (大同前進投資有限責任公司), was established on 10 July 2007. On 11 August 2011, Datong Qianjin Investment Co., Ltd* (大同前進投資有限責任公司) was renamed as Beijing CNR Investment Co., Ltd. It was previously registered in Datong, Shanxi Province, and is now registered in Beijing with a registered capital of RMB1,101 million. It is a wholly-owned subsidiary of CNRG, and engaged in the business of project investment and management of investment and assets.

Pursuant to the reorganization agreement entered into between CNRG and our Company on 23 September 2008, CNRG undertook a reorganization in respect of its businesses and injected its core businesses and assets principally related to research and development, manufacturing, sales, refurbishment of high-speed MUs, locomotives, passenger coaches, freight wagons, rapid transit vehicles, railway engineering machinery and equipment, mechanical and electric products, environmental protection equipment and related key components into our Company (the "Reorganization").

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Our Milestones

The key milestones in our business are as follows:

- 1958 We started to manufacture the diesel locomotive of the first major kind in China named “Giant Dragon” (巨龍號), which was renamed as “Dong Feng (東風)” diesel locomotive.
- 1964 The locomotive named “Qianjin (前進)” manufactured by us became the most commonly used locomotive in China’s steam locomotive fleet.
- 1986 MOR Locomotive and Rolling Stock Industrial Corporation* (鐵道部機車車輛工業總公司) was established with 34 production facilities and 4 research institutes.
- 2002 We manufactured China’s first passenger coach with an aluminum alloy body (鋁合金車體鐵路客車) using China-owned intellectual property rights.
- 2007 We assembled the first HXD2 locomotive (HXD2型機車) in China, which was jointly developed by us and Alstom, representing the first-class level technology in the field of world-wide heavy-duty express freight.
- 2008 Our Company was established as a joint stock limited company on 26 June 2008.
- We manufactured the first world-leading domestically made HXN3 high-powered AC diesel locomotive (HXN3 型國產化大功率交流傳動內燃機車).
- We manufactured the HXD3B high powered AC freight locomotive (HXD3B型大功率交流傳動貨運電力機車) with the highest power per unit in the world.
- We manufactured the first domestically made Hexie CRH3 high-speed MUs (和諧號型高速動車組) with a operating speed of 350 km/h, making China one of the few countries able to manufacture 350 km/h high-speed trains.
- CNR Changchun entered into an agreement to supply 10 trains with 30 metro cars for MTR Corporation Limited, marking our Company’s successful entry into the world’s top-tier metro car market.
- 2009 Our Company was successfully listed on the Shanghai Stock Exchange (Stock code: 601299).
- 2010 We developed one of the fastest MUs in the world, CRH380BL, featuring a maximum operating speed of 380 km/h.
- We acquired 100% equity interest in CNR Shenyang from CNRG to streamline our Company’s operation and avoid competition with CNRG.

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- 2012 The world's first alpine CRH380B MUs with a operating speed of 350 km/h operating at high latitudes and low winter temperatures (時速350公里CRH380B型高寒動車組) manufactured by us was exclusively used on Harbin-Dalian high-speed railway.
- We together with our Controlling Shareholder, CNRG, established CNR Financial to provide financial consultancy, guarantees services and entrusted loans to member enterprises.
- We acquired a 38.44% equity interest in CNR Yingtai, a company engaged in information technology services.
- We acquired an 80% equity interest in Xi'an Golden Wind Technology Co., Ltd.* (西安金風科技有限公司), a PRC manufacturer of wind power generators.
- We undertook the Shenyang Hunnan New District Modern Tram Project* (瀋陽市渾南新區現代有軌電車工程), which is the first modern tram project in China.
- 2013 Our first overseas joint research and development center was established in Czech Republic.
- CNR Datong and Union of Railways of Republic of Belarus entered into agreement with respect to six-axle AC electric locomotive for freight transport project, according to which CNR Datong will supply 18 high-powered AC locomotives.
- The first high-voltage and high-powered IGBT in China independently designed and manufactured by us passed the appraisal organized by Power Electronics Sub-branch of China Electrical Equipment Industrial Association* (中國電器工業協會電力電子分會).
- China CNR—University of Michigan Welding Structure Research and Development Center (中國北車—密歇根大學焊接結構研發中心) was established in College Engineering of University of Michigan.
- National Heavy-duty Rapid Freight Wagon Engineering Technology Research Center* (國家重載快捷鐵路貨車工程技術研究院中心) was set up in CNR Qiqihar.
- National Railway Passenger Coach Systematic Engineering Technology Research Center* (國家軌道客車系統集成工程技術研究中心) was established in CNR Changchun.

Significant Awards

- 2001 Model JXK18-9/196 AC narrow gauge battery powered tunneling locomotive (JXK18-9/196型交流傳動窄軌蓄電池礦用電機車) developed and manufactured by CNR Lanzhou was recognized as one of the National Key New Products (國家重點新產品).
- 2003 Dong Feng 4D diesel locomotive (東風4D型系列內燃機車) developed and manufactured by CNR Dalian was awarded the Second Prize of National Technology Progress Award (國家科學技術進步獎二等獎).
- CNRG was awarded the Second Price of the National Enterprise Management Modernization Innovation Achievement (國家級企業管理現代化創新成果二等獎) by the Review Committee of the National Enterprise Management Modernization Innovation Achievement (全國企業管理現代化創新成果審定委員會).

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- 2007 CNRG was awarded the Distinguished Prize in Scientific and Technological Innovation Award (科技創新特別獎) by SASAC, which was among 15 enterprises controlled by SASAC receiving this honor and the only enterprise receiving this honor in the rolling stock industry.
- 2008 CNR Changchun and CNR Tangshan were among the first group of enterprises in China recognized as National Technical Innovative Enterprises(創新型企業), which were the only two enterprises in the rolling stock industry.
- 2009 We were awarded the Grand Prize of National Technology Progress Award (國家科學技術進步獎特等獎) for our key role in the Qinghai-Tibet Railway project (青藏鐵路工程).
- 2011 Our HXD3 six-axle 7,200 kW electric locomotive (HXD3 型六軸7200kW大功率電力機車) was awarded the First Prize of National Technology Progress Award (國家科學技術進步獎一等獎), which was the highest honor in the Chinese history of AC locomotive product development.
- 2012 We were recognized as one of 2012 Top Ten China Innovative Enterprises (年度中國十大創新型企業) in the 3rd China Innovative Annual Meeting (中國自主創新年會).
CRH3 series of High-speed MUs (CRH3 型高速動車組) were awarded the First Prize of National Technology Progress Award (國家科學技術進步獎一等獎).
- 2013 We were awarded National Quality Award (全國質量獎) in the 13th National Pursuit of Excellence Meeting (全國追求卓越大會) held by the China Quality Association (中國質量協會), which was the only enterprise in the rolling stock industry to receive this honor.

Listing on the Shanghai Stock Exchange in 2009

As approved by the CSRC, our Company completed its initial public offering of 2,500,000,000 A Shares which were issued at an offer price of RMB5.56 per Share under the A Shares Offering, and our A Shares have been listed on the Shanghai Stock Exchange under stock code “601299” since 29 December 2009. Following completion of the A Shares Offering, our Company’s registered capital was increased to RMB8,300 million comprising 8,300,000,000 A Shares of RMB1.00 each. Our Company raised net proceeds of approximately RMB13,543 million from the A Shares Offering after deducting underwriting commission and offering and related expenses.

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The shareholding structure of our Company immediately after the A Shares Offering was as follows:

	<u>Type of Shares</u>	<u>Number of Shares held</u>	<u>Approximate % of Shareholding</u>
CNRG	A Share	5,063,157,924	61.00
Beijing CNR Investment (北京北車投資)	A Share	431,666,656	5.20
China Chengtong Holdings Group Limited* (中國誠通控股集團有限公司)	A Share	32,456,112	0.39
China Huarong Assets Management Co., Ltd* (中國華融資產管理公司)	A Share	22,719,308	0.28
NSSF ⁽¹⁾	A Share	250,000,000	3.01
Other public holders of A Shares	A Share	2,500,000,000	30.12
Total		<u>8,300,000,000</u>	<u>100.00</u>

Note:

(1) CNRG, Beijing CNR Investment, China Chengtong Holding Group Limited and China Huarong Assets Management Co., Ltd transferred 250,000,000 state-owned shares to NSSF.

As at the Latest Practicable Date, our Company had not received any notice from the Shanghai Stock Exchange alleging that any PRC regulatory non-compliance incidents on the part of our Company and our Directors believe that from the date our A Shares were listed on the Shanghai Stock Exchange, our Company had been operating in compliance with applicable Shanghai Listing Rules in all material respects.

A Shares Rights Issue and Capital Increase in 2012

As approved by the CSRC, our Company issued 2,020,056,303 new A Shares at an offer price of RMB3.42 per Share to all holders of A Shares whose names appeared on our Company's register of members as at the closing of trading on the Shanghai Stock Exchange on 24 February 2012, on the basis of 2.5 new Shares for every ten then issued A Shares (on the basis of our Company's total issued share capital comprising 8,300,000,000 A Shares) (the "A Shares Rights Issue"). Following completion of the A Shares Rights Issue, the registered capital of our Company was thereby increased to approximately RMB10,320 million. Trading of the A Shares newly issued under such capital increase commenced on the Shanghai Stock Exchange on 13 March 2012.

The shareholding structure of our Company immediately after the A Share Rights Issue was as follows:

	<u>Type of Shares</u>	<u>Number of Shares held</u>	<u>Approximate % of Shareholding</u>
CNRG	A Share	6,339,901,154	61.43
Beijing CNR Investment (北京北車投資)	A Share	539,583,320	5.23
Other public holders of A Shares	A Share	3,440,571,829	33.34
Total		<u>10,320,056,303</u>	<u>100.00</u>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Major Acquisitions, Disposals and Mergers during the Track Record Period

Set out below is a table summarizing the major acquisitions completed by our Company during the Track Record Period:

Date and Description of Transaction	Vendor	Amount and Basis of Consideration (RMB Million)	How and When Consideration was Settled	Reason for the Transaction
On 4 January 2011 ⁽¹⁾ , our Company acquired 100% equity interest in CNR Shenyang	CNRG (our Controlling Shareholder)	10,027.96 Asset evaluation by Independent Third Party	Settled in cash in November 2011	To streamline our Company's operation and avoid competing with CNRG
On 4 May 2012 ⁽¹⁾ , our Company acquired 38.44% equity interest in Beijing Tsinghua Software Information Technology Co., Ltd.* (北京清軟英泰信息技術有限公司)	Tsinghua Holdings Co., Ltd.* (清華控股有限公司) (Independent Third Party)	17.86 Asset evaluation by Independent Third Party	Settled in cash in January 2012	To acquire more comprehensive and professional information technology services and speed up the overall development of information technology of our Company
On 20 November 2012 ⁽¹⁾ , our Company increased the registered capital of CNR Yingtai to RMB17.00 million, following which our shareholding in CNR Yingtai increased from 38.44% to 51.00%	N/A	11.91 Asset evaluation by Independent Third Party	By way of sole capital injection in cash in July 2013	To increase our control over CNR Yingtai
On 30 November 2012 ⁽¹⁾ , Yongji Xinshisu acquired 80% equity interest in Xi'an Golden Wind Technology Co., Ltd.* (西安金風科技有限公司)	Xinjiang Golden Wind Technology Co., Ltd.* (新疆金風科技有限公司) (Independent Third Party)	64.80 Asset evaluation by Independent Third Party	Settled in cash in November 2012	To strengthen strategic cooperation with wind power generator manufacturing enterprises, with an aim to take full advantage of both parties' leading positions in the manufacturing of mechanical and electric products and wind power generation equipment

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Date and Description of Transaction	Vendor	Amount and Basis of Consideration (RMB Million)	How and When Consideration was Settled	Reason for the Transaction
On 5 March 2013 ⁽²⁾ , CNR Xi'an acquired business assets of CNR Xi'an Vehicles Factory* (中國北方機車車輛工業集團公司西安車輛廠)	CNRG (our Controlling Shareholder)	142.91 Asset evaluation by Independent Third Party	Settled in cash in February 2014	To streamline our Company's operation and to reduce related party transactions
On 28 May 2013 ⁽¹⁾ , CNR Changchun acquired 35.59% equity interest in Jilin High-New Electric Vehicle Co., Ltd.* (吉林省高新電動汽車有限公司)	Changchun High-New Business Startups Investment Group Co., Ltd.* (長春高新創業投資集團有限公司) (Independent Third Party)	35.05 Asset evaluation by Independent Third Party	Settled in cash in April 2013	To expand into the new energy automobile business
On 28 May 2013 ⁽¹⁾ , CNR Changchun increased the registered capital of Jilin High-New Electric Vehicle Co., Ltd to RMB81.13 million, following which CNR Changchun's shareholding increased from 35.59% to 51.00%	N/A	30.93 Asset evaluation by Independent Third Party	Settled in cash in April 2013	To increase our control over Jilin High-New Electric Vehicle Co., Ltd

Notes:

- (1) The date as shown on the approval documents of the AIC (工商變更登記核准文件) issued by the PRC government authority following the completion of the transaction.
- (2) The date when the assets were listed on Tianjin Property Rights Exchange (天津產權交易中心).

Our PRC legal adviser, Jingtian & Gongcheng, confirms that (i) the necessary approvals from the relevant authorities for all of our acquisitions during the Track Record Period had been obtained as at the Latest Practicable Date, and (ii) all of our acquisitions during the Track Record Period had been legally completed.

During the Track Record Period, our Company did not have any major disposals or mergers.

OUR CORPORATE STRUCTURE

Prior to the Global Offering

As at the Latest Practicable Date, our Company had issued 10,320,056,303 A Shares and had a registered capital of RMB10,320,056,303.

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The following table sets out the shareholding structure of our Company as at the Latest Practicable Date and immediately before the Global Offering on the assumption that no A Shares has been transferred to the NSSF:

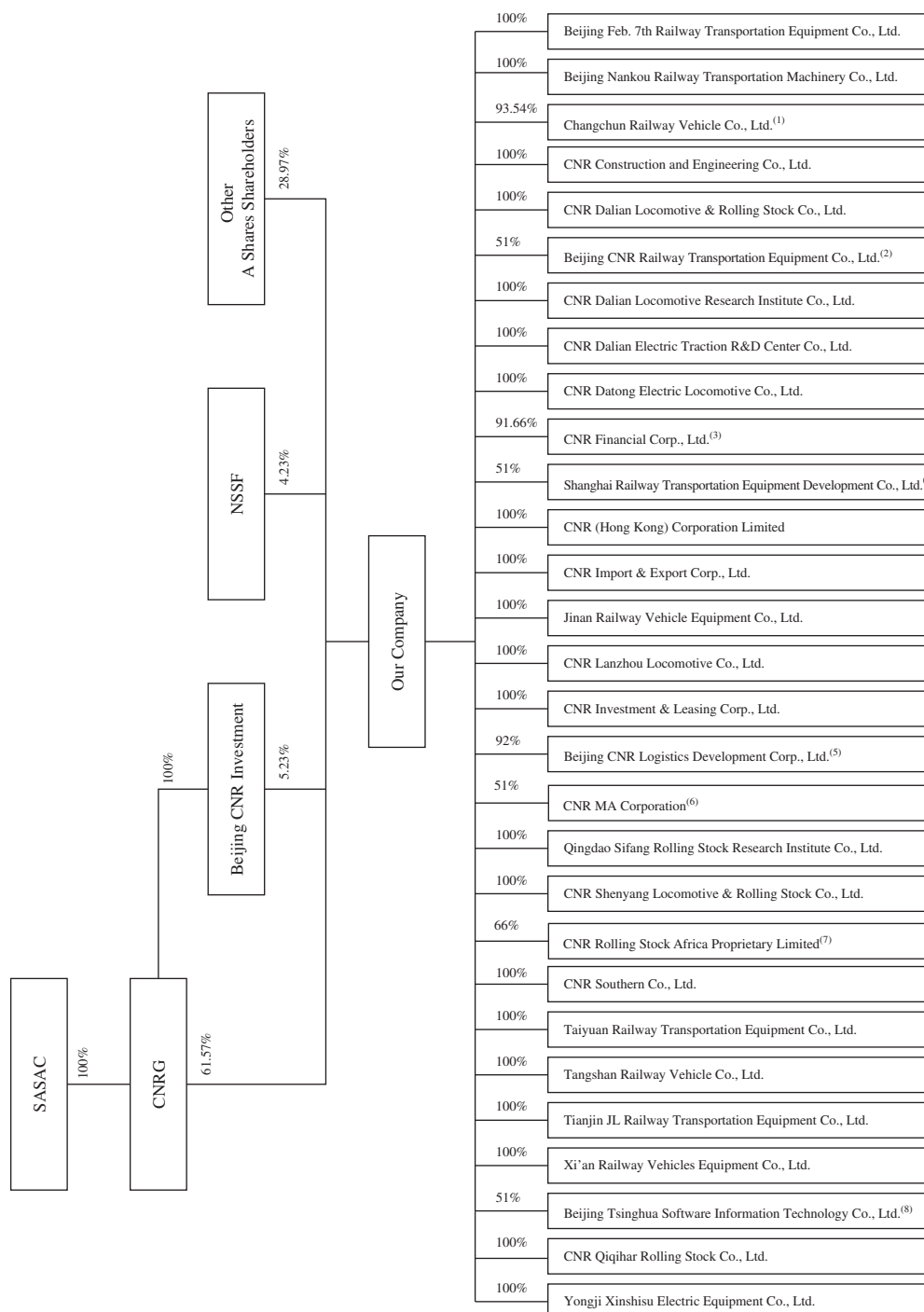
	<u>Type of Shares</u>	<u>Number of Shares held</u>	<u>Approximate % of Shareholding</u>
CNRG ⁽¹⁾	A Share	6,354,547,154	61.57
Beijing CNR Investment (北京北車投資)	A Share	539,583,320	5.23
NSSF	A Share	436,515,999	4.23
Other public holders of A Shares	A Share	2,989,409,830	28.97
Total		<u>10,320,056,303</u>	<u>100.00</u>

Note:

- (1) From 12 July 2011 to 11 July 2012, CNRG acquired 14,802,999 A Shares of our Company (excluding the 1,375,896,895 A Shares in A Shares Rights Issue acquired by CNRG and its wholly owned subsidiary, Beijing CNR Investment on 6 March 2012). From 9 July 2013 to 9 October 2013, CNRG acquired 8,606,000 A Shares of our Company from the trading system of Shanghai Stock Exchange.

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As at the Latest Practicable Date, we directly held 26 subsidiaries established in the PRC and three subsidiaries incorporated in Hong Kong, South Africa and the U.S., respectively. The following chart sets out our shareholding structure and our 29 subsidiaries as at the Latest Practicable Date.



Notes:

- (1) 5.96% equity interest of Changchun Railway Vehicle Co., Ltd. is held by certain connected persons of our Company, of which 5.16% is held by Jilin Golden Bean Industrial Group Co., Ltd.* (吉林省金豆實業集團有限公司) and 0.80% held by KTK Group Co., Ltd.* (今創集團股份有限公司), and 0.50% of equity interest is held by Independent Third Parties, of which 0.43% is held by Jiangsu Joint Investment Co., Ltd.* (江蘇聯合投資有限公司), 0.06% held by China Railway Science and Technology Development Co., Ltd.* (中鐵科學技術開發公司), and 0.01% held by Jilin Yanbian Forestry Group Dunhua Forest Co., Ltd.* (吉林延邊林業集團敦化林業有限公司).

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- (2) 49% equity interest of Beijing CNR Railway Vehicle Equipment Co., Ltd. is held by China Railway Engineering Consulting Group Co., Ltd.* (中鐵工程設計諮詢集團有限公司), a connected person of our Company.
- (3) 8.34% equity interest of CNR Financial is held by CNRG, our Controlling Shareholder.
- (4) 34.21% equity interest of Shanghai Railway Transportation Equipment Development Co., Ltd. is held by Shanghai Electric Group Limited* (上海電氣集團股份有限公司), and 14.79% equity interest is held by Shanghai Electric (Group) Corporation* (上海電氣(集團)總公司), connected persons of our Company.
- (5) 8% equity interest of Beijing CNR Logistics Development Corp., Ltd. is held by our wholly-owned subsidiaries, of which 3.32% is held by Qiqihar Railway Rolling Stock Co., Ltd.* (齊齊哈爾軌道交通裝備有限責任公司), 1.67% held by CNR Shenyang Locomotive & Rolling Stock Co., Ltd.* (中國北車集團瀋陽機車車輛有限責任公司), 1.67% held by Xi'an Railway Vehicle Equipment Co., Ltd.* (西安軌道交通裝備有限責任公司), 0.67% held by Taiyuan Railway Transportation Vehicle Equipment Co., Ltd.* (太原軌道交通裝備有限責任公司), and 0.67% held by Jinan Railway Vehicle Equipment Co., Ltd.* (濟南軌道交通裝備有限責任公司).
- (6) 49% equity interest of CNR MA Corporation is held by Changchun Railway Vehicle Co., Ltd.* (長春軌道客車股份有限公司).
- (7) 30% equity interest of CNR Rolling Stock Africa Proprietary Limited is held by Endinamix (Pty) Limited, the connected person of our Company, and the other 4% equity interest are equally held by Cadiz Corporation Solutions and Global Railway Africa (Proprietary) Limited, Independent Third Parties.
- (8) 49% equity interest of Beijing Tsinghua Software Information Technology Co., Ltd. is held by the connected persons of our Company, consisting of 39% held by Beijing Yingtai Shuimu Investment Management Co., Ltd.* (北京英泰水木投資管理有限公司) and 10% held by Tsinghua Holdings Co., Ltd.* (清華控股有限公司).

The details of the 29 subsidiaries directly held by our Company are as follows:

No.	Name of Subsidiaries directly held by our Company	Place of Incorporation	Date of Incorporation	Registered Capital ⁽¹⁾ (RMB Million)	Effective shareholding of our Company	Main Scope of Business
1.	Beijing Feb. 7th Railway Transportation Equipment Co., Ltd.* (北京二七軌道交 通裝備有限責任公司)	PRC	9 July 2007	396	100%	Manufacture of railway vehicles and urban rapid transit vehicles
2.	Beijing Nankou Railway Transportation Machinery Co., Ltd.* (北京南口軌道交 通機械有限責任公司)	PRC	9 July 2007	305	100%	Manufacture of locomotives components
3.	Changchun Railway Vehicle Co., Ltd.* (長春軌道客車股份有限公司)	PRC	18 March 2002	2,453	93.54%	Design and manufacture of passenger coaches, high-speed MUs, rapid transit vehicles and components
4.	CNR Construction and Engineering Co., Ltd.* (北車建設工程有限責任公司)	PRC	10 February 2012	300	100%	Project management contracting, sales of machinery and construction materials and leasing of machinery equipment
5.	CNR Dalian Locomotive & Rolling Stock Co., Ltd.* (中國北車集團大 連機車車輛有限公司)	PRC	1 January 1981	2,443	100%	Manufacture and refurbishment of locomotives and components

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6.	Beijing CNR Railway Transportation Equipment Co., Ltd.* (北京北車中鐵軌 道交通裝備有限公司)	PRC	6 January 2009	20	51%	Manufacture of locomotive components; import and export of goods and project management contracting
7.	CNR Dalian Locomotive Research Institute Co., Ltd.* (中國北車集團大 連機車研究所有限公司)	PRC	24 September 1995	186	100%	Research and development, and manufacture of locomotives, machinery and electronic devices
8.	CNR Dalian Electric Traction R&D Center Co., Ltd.* (北車大連電力牽 引研發中心有限公司)	PRC	16 October 2013	388	100%	Research and development of electric traction and control technologies and manufacture and sales of applicant services and related products
9.	CNR Datong Electric Locomotive Co., Ltd.* (中國北車集團大 同電力機車有限責任公司)	PRC	28 February 2003	656	100%	Manufacture and refurbishment of locomotives and components
10.	CNR Financial Corp., Ltd.* (中國北車集團財務有限公司)	PRC	30 November 2012	1,200	91.66%	Take deposits and provide entrusted loans within our Group and CNRG Group
11.	Shanghai Railway Transportation Equipment Development Co., Ltd.* (上海軌道交通設 備發展有限公司)	PRC	27 February 2003	676	51%	Manufacture and refurbishment of rapid transit vehicles
12.	CNR (Hong Kong) Corporation, Ltd. (北車(香港)有限公司)	Hong Kong	25 August 2010	31	100%	Manufacture and refurbishment of railway vehicles (including MUs), rapid transit vehicles and merger and acquisition
13.	CNR Import & Export Corp., Ltd.* (北車進出口有限公司)	PRC	1 June 1998	100	100%	Sales of rolling stock equipment
14.	Jinan Railway Vehicle Equipment Co., Ltd.* (濟南軌道交通裝 備有限責任公司)	PRC	9 July 2007	1,089	100%	Manufacture and refurbishment of locomotives, freight wagons and components
15.	CNR Lanzhou Locomotive Co., Ltd.* (北車蘭州機車有限公司)	PRC	9 July 2007	229	100%	Refurbishment of diesel and electric locomotives

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No.	Name of Subsidiaries directly held by our Company	Place of Incorporation	Date of Incorporation	Registered Capital ⁽¹⁾ (RMB Million)	Effective shareholding of our Company	Main Scope of Business
16.	CNR Investment & Leasing Corp., Ltd.* (北車投資租賃有限公司)	PRC	11 January 2008	800	100%	Leasing and sales of transportation vehicles and machinery equipment
17.	Beijing CNR Logistics Development Corp., Ltd.* (北京北車物流發展有限責任公司)	PRC	4 April 2002	300	92%	Logistics services, agent of international freight and trading of raw materials
18.	CNR MA Corporation (北車(美國)公司)	U.S.	17 March 2014	0.5 ⁽²⁾	51%	Provide technology service and consultancy, program planning with respect to railway vehicles, purchase, sale and leasing of railway vehicles and components
19.	Qingdao Sifang Rolling Stock Research Institute Co., Ltd.* (青島四方車輛研究所有限公司)	PRC	10 June 1994	606	100%	Research and development and manufacture of vehicles, components and related equipment
20.	CNR Shenyang Locomotive & Rolling Stock Co., Ltd.* (中國北車集團瀋陽機車車輛有限責任公司)	PRC	25 November 1979	952	100%	Manufacture and refurbishment of freight wagons
21.	CNR Rolling Stock Africa Proprietary Limited (北車(南非)公司)	South Africa	27 January 2014	100 ⁽³⁾	66%	Purchase, sale of diesel locomotives
22.	CNR Southern Co., Ltd.* (北車南方有限公司)	PRC	27 September 2013	500	100%	Research and development, design and sales of railway vehicles (including MUs) and rapid transit vehicles
23.	Taiyuan Railway Transportation Equipment Co., Ltd.* (太原軌道交通裝備有限責任公司)	PRC	9 July 2007	327	100%	Manufacture and refurbishment of locomotives and components
24.	Tangshan Railway Vehicle Co., Ltd.* (唐山軌道客車有限責任公司)	PRC	10 July 2007	2,257	100%	Manufacture of railway transportation equipment, high-speed MUs, rapid transit vehicles and components

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

No.	Name of Subsidiaries directly held by our Company	Place of Incorporation	Date of Incorporation	Registered Capital ⁽¹⁾ (RMB Million)	Effective shareholding of our Company	Main Scope of Business
25.	Tianjin JL Railway Transportation Equipment Co., Ltd.* (天津機軌軌道交 通裝備有限責任公司)	PRC	9 July 2007	166	100%	Manufacture of rail transportation equipment; manufacturing of locomotives components
26.	Xi'an Railway Vehicles Equipment Co., Ltd.* (西安軌道交通裝備有限責任公 司)	PRC	9 July 2007	610	100%	Refurbishment of passenger coaches and freight wagons; research and development and manufacture of railway box wagons
27.	Beijing Tsinghua Software Information Technology Co., Ltd.* (北京清軟英泰信息技術有限公司)	PRC	8 July 1998	17	51%	Provide training of computer technology, basic software related services, applicant software related services, computer systematics services and data processing services
28.	CNR Qiqihar Rolling Stock Co., Ltd.* (北車齊齊哈爾鐵 路車輛有限責任公司)	PRC	26 December 2012	3,000	100%	Manufacture and refurbishment of railway transportation equipment and components
29.	Yongji Xinshisu Electric Equipment Co., Ltd.* (永濟新時速電機 電器有限責任公司)	PRC	9 July 2007	630	100%	Manufacture and refurbishment of general mechanical and electrical products

Notes:

- (1) As at the Latest Practicable Date.
- (2) In US\$ Million.
- (3) In South African Rand.

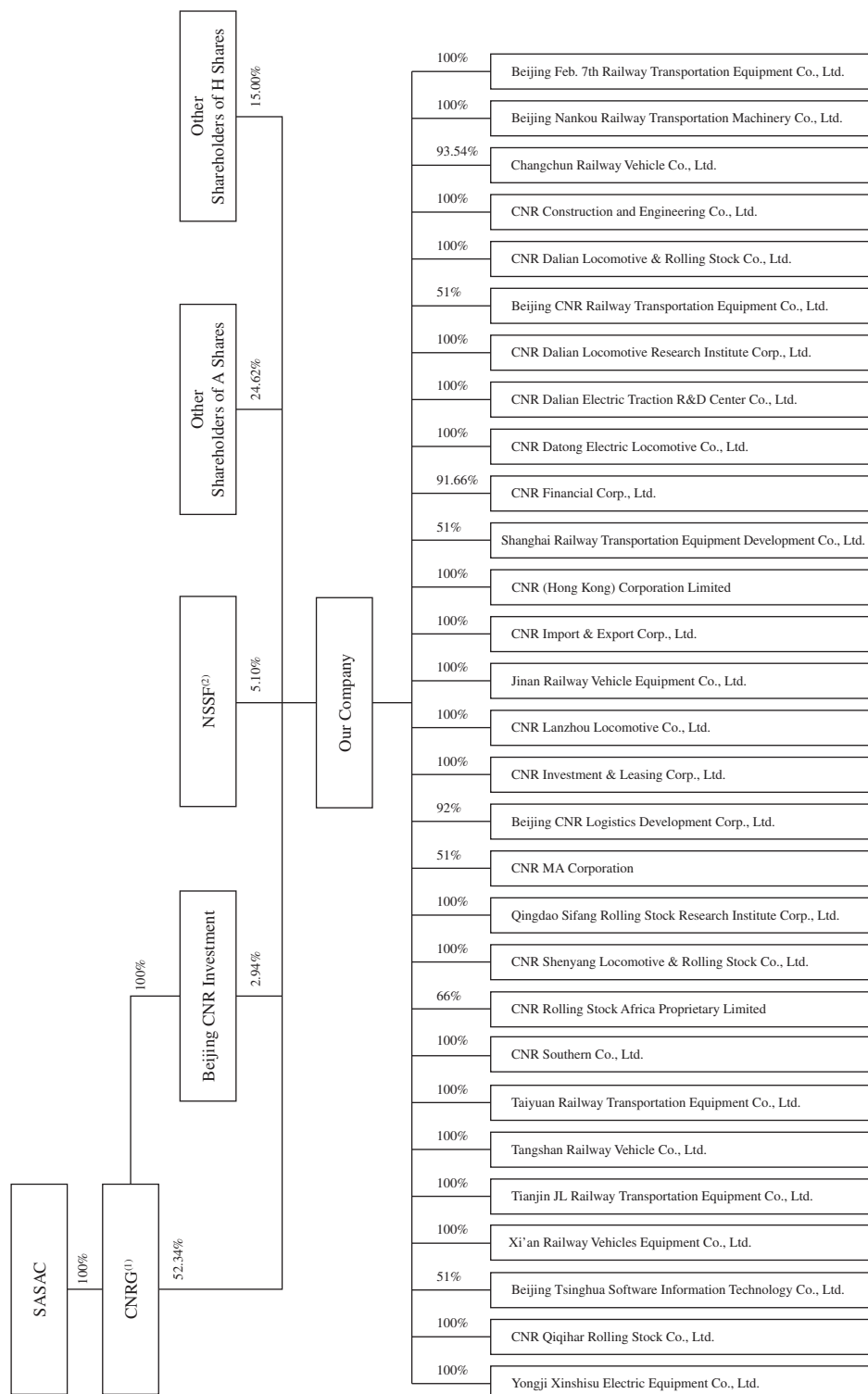
Immediately Following the Completion of the Global Offering

Our Company is seeking a listing in Hong Kong Stock Exchange in order to utilize the overseas financing platform to enhance our Company's comprehensive competitive strengths, satisfy our capital need for business development and expansion and optimize capital structure.

Immediately following completion of the Global Offering and assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued upon the exercise of the Share Option Scheme, CNRG will directly hold approximately 52.34% of the issued share capital of our Company and will indirectly hold approximately 2.94% of the issued share capital of our Company through Beijing CNR Investment.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following chart sets forth our simplified corporate structure immediately following completion of the Global Offering, on the assumption that: (1) the Overallotment Option is not exercised; (2) there is no change in shareholding held by each of our existing Shareholders subsequent to the Latest Practicable Date other than the conversion and transfer of the state-owned A Shares to NSSF immediately after completion of the Global Offering (see “Share Capital—Upon Completion of the Global Offering” for more details).



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Upon completion of the Global Offering and assuming that the Over-allotment Option is not exercised, CNRG is expected to directly hold 6,354,547,154 A Shares, representing approximately 52.34% of the Company's then enlarged issued share capital.
- (2) Upon completion of the Global Offering and assuming that the Over-allotment Option is not exercised and that NSSF's shareholding interest in the A Shares remains unchanged since the Latest Practicable Date, NSSF is expected to: (i) directly hold 436,515,999 A Shares (which will represent approximately 3.60% of the Company's then enlarged issued share capital); and (ii) hold 182,120,000 H Shares (to be converted from A Shares which are to be transferred to NSSF by Beijing CNR Investment in accordance with the relevant PRC regulations on reduction of state-owned shares upon the Listing, and which will represent approximately 1.50% of the Company's then enlarged issued share capital). NSSF is not a connected person of the Company, and therefore the 618,635,999 Shares held and to be held by it are considered to be held in public hands for the purpose of the Hong Kong Listing Rules.