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中國南車股份有限公司
CSR CORPORATION LIMITED

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

(Stock code:1766)

**REVISION ON THE ANNUAL CAPS OF THE CONTINUING
CONNECTED TRANSACTIONS FOR 2015 AND 2016 UNDER
THE RENEWED FINANCIAL SERVICES AGREEMENT**

CSR Finance entered into the Renewed Financial Services Agreement with CSRG on 25 October 2013 for an effective term from 1 January 2014 to 31 December 2016. Pursuant to the agreement, CSR Finance has agreed to provide deposit services, lending services and miscellaneous financial services to CSRG.

The Board has resolved on 30 March 2015 to approve the revision of the annual caps of the continuing connected transactions for 2015 and 2016 under the Renewed Financial Services Agreement, of which the cap for the lending services (calculated by reference to the maximum daily lending balance (including the accrued interests)) is increased from RMB1 billion to RMB3 billion and the cap for the fees charged for miscellaneous financial services is increased from RMB50 million to RMB200 million.

CSRG is the controlling shareholder of the Company holding 57.15% of the total issued share capital of the Company directly and indirectly as at the date of this announcement, and is therefore a connected person of the Company. CSR Finance is a non-wholly-owned subsidiary of the Company. Accordingly, the transactions contemplated under the Renewed Financial Services Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

As applicable size test percentage ratios (calculated with the revised caps) exceed 0.1% but are less than 5% in respect of the provision of lending services and miscellaneous financial services by CSR Finance to CSRG under the Renewed Financial Services Agreement for 2015 and 2016, such transactions are therefore only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement of the Hong Kong Listing Rules.

1. INTRODUCTION

Reference is made to the announcement dated 26 October 2013 in relation to, among other things, the Renewed Financial Services Agreement between CSR Finance and CSRG.

CSR Finance entered into the Renewed Financial Services Agreement with CSRG on 25 October 2013 for an effective term from 1 January 2014 to 31 December 2016. Pursuant to the agreement, CSR Finance has agreed to provide deposit services, lending services and miscellaneous financial services to CSRG.

2. REVISION ON THE ANNUAL CAPS FOR THE PROVISION OF LENDING SERVICES AND MISCELLANEOUS FINANCIAL SERVICES BY CSR FINANCE TO CSRG FOR 2015 AND 2016

As disclosed in the announcement dated 26 October 2013 in relation to the renewal of continuing connected transactions, the caps of lending services (calculated by reference to the maximum daily lending balance (including the accrued interests)) to be provided by CSR Finance to CSRG under the Renewed Financial Services Agreement for each of the three financial years ending 31 December 2016 are RMB1 billion, RMB1 billion and RMB1 billion respectively.

In respect of the provision of miscellaneous financial services by CSR Finance to CSRG under the Renewed Financial Services Agreement, the Company estimated that the service fees payable by CSRG to CSR Finance for each of the three years ending 31 December 2016 would not exceed RMB50 million.

CSRG is expected to maintain its revenue growth in the next three years as a result of the expansion in the size of its main business operations, which will bring rapid growth of capital settlement amount. The balance of deposit placed by CSRG with CSR Finance will increase significantly in the future as compared with previous years. Accordingly, CSRG and CSR Finance both agreed that the transaction caps (calculated by reference to the maximum daily lending balance (including the accrued interests)) in respect of the provision of lending services by CSR Finance to CSRG for 2015 and 2016 shall be RMB3 billion.

In the meantime, the increase in deposit balance and lending balance by CSRG with CSR Finance will lead to an increase in business volume of miscellaneous financial services. CSRG and CSR Finance both agreed to revise the transaction caps of the fees charged in respect of the provision of miscellaneous financial services by CSR Finance to CSRG for 2015 and 2016 from RMB50 million to RMB200 million.

Based on the above, the Board resolved to revise the annual caps for 2015 and 2016 in respect of the provision of lending services and miscellaneous financial services by CSR Finance to CSRG as follows:

	Existing annual cap <i>(RMB 0'000'000)</i>	Revised annual cap
The maximum amount (calculated by reference to the maximum daily lending balance (including the accrued interests)) in respect of the provision of lending services by CSR Finance to CSRG	100	300
The maximum amount of the fees charged in respect of the provision of miscellaneous financial services by CSR Finance to CSRG	5	20

The Directors, including independent non-executive Directors, are of the view that, the above mentioned revised annual caps are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

3. IMPLICATION OF THE HONG KONG LISTING RULES

CSRG is the controlling shareholder of the Company holding 57.15% of the total issued share capital of the Company directly and indirectly as at the date of this announcement, and is therefore a connected person of the Company. CSR Finance is a non-wholly-owned subsidiary of the Company. Accordingly, the transactions contemplated under the Renewed Financial Services Agreement constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

As applicable size test percentage ratios (calculated with the revised caps) exceed 0.1% but are less than 5% in respect of the provision of lending services and miscellaneous financial services by CSR Finance to CSRG under the Renewed Financial Services Agreement for 2015 and 2016, such transactions are therefore only subject to the reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement of the Hong Kong Listing Rules.

Given that Mr. Zheng Changhong, being a director of the Company, is concurrently holding positions in CSRG, he has, therefore, abstained from voting in respect of the relevant Board resolution approving the above revised annual caps of the continuing connected transactions. Save as stated above, none of the Directors has a material interest in such continuing connected transactions nor has any of them abstained from voting in respect of the relevant Board resolution.

4. GENERAL INFORMATION OF THE PARTIES OF THE TRANSACTIONS

The Company, incorporated as a joint stock limited company in the PRC on 28 December 2007, is one of the largest rolling stock manufacturers and solutions providers in the world and is also one of the largest rolling stock manufacturers and solutions providers in China.

CSRG is a large-scale state-owned enterprise approved by the State Council, which was established on 2 July 2002, and is one of the promoters of the Company. CSRG is the controlling shareholder of the Company, therefore, it is a connected person of the Company. CSRG is primarily engaged in the production of ancillary products and the provision of social support services.

CSR Finance is a non-banking financial institution legally established with the approval of the China Banking Regulatory Commission in December 2012, and is a subsidiary of the Company which is held by the Company and CSRG as to 91% and 9%, respectively. Its principal businesses include financial consultation and lending services, security and mortgage, entrusted loan and entrusted investment services, internal fund transfer and other settlement services as well as provision of loans and finance lease to members of the Group.

5. DEFINITIONS

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

“Board”	the board of Directors of the Company;
“Company”	CSR Corporation Limited (中國南車股份有限公司), a joint stock limited 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 under the Hong Kong Listing Rules;
“Director(s)”	the director(s) of the Company, including independent non-executive directors;
“Renewed Financial Services Agreement”	the Financial Services Framework Agreement of CSRG and CSR Finance Limited renewed between CSRG and CSR Finance on 25 October 2013;
“CSRG”	CSR Group (中國南車集團公司), a large-scale wholly state-owned enterprise and the controlling shareholder and one of the promoters of the Company;
“CSR Finance”	CSR Finance Co., Ltd, a limited liability company incorporated in the PRC, which is held by the Company and CSRG as to 91% and 9%, respectively as at the date of this announcement and is a non-banking financial institution legally established with the approval of the China Banking Regulatory Commissions;
“Group”	the Company and its subsidiaries;
“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;
“PRC”	the People’s Republic of China;

“RMB” Renminbi, the lawful currency of the PRC;
“Shareholders” shareholders of the Company;
“%” percentage.

By order of the Board
CSR Corporation Limited
Zheng Changhong
Chairman

Beijing, the PRC
30 March 2015

As at the date of this announcement, the executive directors of the Company are Mr. Zheng Changhong, Mr. Liu Hualong and Mr. Fu Jianguo; the non-executive director is Mr. Liu Zhiyong; and the independent non-executive directors are Mr. Li Guo'an, Mr. Wu Zhuo and Mr. Chan Ka Keung, Peter.