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中國中車股份有限公司
CRRCCORPORATIONLIMITED

*(a joint stock limited company incorporated in the People's Republic of China
with limited liability)*
(Stock code: 1766)

US\$600,000,000 Zero Coupon Convertible Bonds due 2021
Stock code: 5613

ANNOUNCEMENT

- (1) PROPOSED ISSUANCE AND PLACING OF NEW A SHARES;
(2) CONNECTED TRANSACTION:
PROPOSED SUBSCRIPTION OF NEW A SHARES BY CRRCCORPORATIONLIMITED;
AND
(3) RESUMPTION OF TRADING IN A SHARES**

PROPOSED ISSUANCE AND PLACING OF NEW A SHARES

The Board announces that on 27 May 2016, the Board approved the Proposed Placing, pursuant to which the Company shall issue not more than 1,385,681,291 new A Shares (inclusive) to five target subscribers (including CRRCCORPORATIONLIMITED) at the subscription price of RMB8.66 per A Share. The total proceeds of the Proposed Placing will be not more than RMB12 billion (inclusive).

Assuming that the number of new A Shares issuable under the Proposed Placing (i.e., 1,385,681,291 new A Shares) are fully issued and subscribed, the number of new A Shares to be issued will represent: (i) approximately 6.05% of the existing issued A Shares and approximately 5.08% of the existing total issued Share capital of the Company as at the date of this announcement; and (ii) approximately 5.70% of the enlarged issued A Shares and approximately 4.83% of the enlarged total issued Share capital of the Company immediately upon completion of the Proposed Placing.

As at the date of this announcement, the Company has 22,917,692,293 A Shares and 4,371,066,040 H Shares in issue. Pursuant to the General Mandate, the Board is authorised to issue and place not more than 4,583,538,458 A Shares and/or 874,213,208 H Shares, representing 20% of the total number of A Shares and H Shares respectively as at the date of passing the relevant resolution(s) at the general meeting of the Company.

On 27 May 2016, each of the target subscribers (including CRRC Group) entered into a subscription agreement with the Company. To the best knowledge, information and belief of the Directors, the target subscribers (other than CRRC Group) and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Proposed Placing is conditional upon, among other things, (i) consideration and approval by the Board and by the Shareholders at the AGM of all resolutions in respect of the Proposed Placing; (ii) the completion of the internal approval procedures in respect of the subscription of new A Shares under the Proposed Placing by the target subscribers; and (iii) the obtaining of approvals from SASAC and CSRC in respect of the Proposed Placing.

PROPOSED SUBSCRIPTION OF NEW A SHARES BY CRRC GROUP

As part of the Proposed Placing, on 27 May 2016, the Company entered into the CRRCG Subscription Agreement with CRRC Group, pursuant to which, CRRC Group has conditionally agreed to subscribe in cash for and the Company has conditionally agreed to allot and issue 692,840,646 new A Shares for a total consideration of RMB6 billion at the subscription price of RMB8.66 per A Share. The subscription price for CRRC Group shall be the same as that for the other target subscribers under the Proposed Placing.

Immediately upon completion of the CRRCG Subscription, CRRC Group will hold (directly and indirectly) in aggregate 15,952,421,384 A Shares, representing approximately 65.64% of the enlarged total issued A Shares and approximately 55.63% of the enlarged total issued share capital of the Company.

CRRC Group is the controlling shareholder of the Company and thus a connected person of the Company. The issuance and placing of the new A Shares to CRRC Group pursuant to the CRRCG Subscription Agreement constitutes a connected transaction of the Company and is subject to announcement, circular and Shareholders' approval requirements the Hong Kong Listing Rules. The proposal relating to the CRRCG Subscription and the CRRCG Subscription Agreement will be proposed by way of a special resolution at the AGM for the Independent Shareholders to approve. CRRC Group (holding, directly and indirectly, 55.92% of the Company's equity interest as at the date of this announcement) and its associates will abstain from voting in respect of the relevant resolutions at the AGM.

An Independent Board Committee has been formed to advise the Independent Shareholders on the terms of the CRRCG Subscription and the CRRCG Subscription Agreement. An Independent Financial Advisor, i.e. Platinum Securities Company Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

The Shareholders and potential investors should be aware that the Proposed Placing is subject to the conditions precedent set out above, and consequently the Proposed Placing may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

A circular containing, among other things, information on the Proposed Placing, the CRRCG Subscription Agreement, the letter of the Independent Financial Advisor and recommendation of the Independent Board Committee in relation to the CRRCG Subscription Agreement is expected to be despatched to the Shareholders no later than 1 June 2016.

RESUMPTION OF TRADING IN A SHARES

Trading in the A Shares has been suspended with effect from 16 May 2016 pending the publication of the announcement in respect of the Proposed Placing by the Company on the Shanghai Stock Exchange. The Company has applied to the Shanghai Stock Exchange for the resumption of trading in the A Shares with effect from 30 May 2016.

I. INTRODUCTION

Reference is made to the announcement of the Company dated 13 May 2016 in respect of the Company's contemplation of the non-public issuance of A shares and the announcement of the Company dated 20 May 2016 in respect of the progress of the non-public issuance of A shares.

On 27 May 2016, the Board approved the Proposed Placing, pursuant to which the Company shall issue not more than 1,385,681,291 new A Shares (inclusive) to five target subscribers (including CRRC Group) and therefore the aggregate nominal value of the A Shares to be issued shall not exceed RMB1,385,681,291. The total proceeds to be raised from the Proposed Placing shall not exceed RMB12 billion (inclusive).

As part of the Proposed Placing, on 27 May 2016, the Company entered into the CRRCG Subscription Agreement with CRRC Group, pursuant to which, among other things, CRRC Group has conditionally agreed to subscribe in cash for and the Company has conditionally agreed to allot and issue 692,840,646 new A Shares with a nominal value of RMB1.00 per A Share for a total consideration of RMB6 billion.

II. PROPOSED ISSUANCE AND PLACING OF NEW A SHARES

1. Class and nominal value of Shares to be issued

The Shares to be issued under the Proposed Placing are A Shares with a nominal value of RMB1.00 per A Share.

2. Method and time of issuance

All new A Shares under the Proposed Placing will be offered to target subscribers by way of non-public issuance, which shall be issued within six months from the date of obtaining the approval from CSRC in respect of the Proposed Placing.

3. Target subscribers

The new A Shares under the Proposed Placing is proposed to be issued to five target subscribers including CRRC Group, China Development Bank Capital Corporation Limited* (國開金融有限責任公司), China Development Bank Investment and Development Fund Management (Beijing) Co., Ltd* (國開投資發展基金管理(北京)有限責任公司), Shanghai Xinghan Asset Management Company Limited* (上海興瀚資產管理有限公司) and Shanghai China Merchant Equity Investment Fund Management Co., Ltd.* (上海招銀股權投資基金管理有限公司). Among the target subscribers, China Development Bank Investment and Development Fund Management (Beijing) Co., Ltd. will subscribe for the new A Shares through two private investment funds it manages, i.e. China Development Bank Jingcheng (Beijing) Investment Fund Co., Ltd.* (國開精誠(北京)投資基金有限公司) and China Development Bank Siyuan (Beijing) Investment Fund Co.,

Ltd.* (國開思遠(北京)投資基金有限公司). On 27 May 2016, each of the target subscribers (including CRRC Group) entered into a subscription agreement with the Company.

The table below sets forth the details of the target subscribers and the number of new A Shares to be subscribed for by each of them:

Name of target subscriber	Number of A Shares to be subscribed for by the target subscriber	Background information of the target subscriber
CRRC Group	692,840,646	It is a large-scale wholly state-owned enterprise incorporated in the PRC and the controlling shareholder of the Company.
China Development Bank Capital Corporation Limited*	173,210,161	It is a company incorporated in the PRC which mainly engages in investment business and investment management business, and a wholly-owned subsidiary of China Development Bank, a state-owned enterprise.
China Development Bank Investment and Development Fund Management (Beijing) Co., Ltd. *	173,210,161 (among which, 115,473,441 A Shares will be subscribed for by China Development Bank Jingcheng (Beijing) Investment Fund Co., Ltd.* and 57,736,720 A Shares will be subscribed for by China Development Bank Siyuan (Beijing) Investment Fund Co., Ltd.*	It is a company incorporated in the PRC which mainly engages in investment management business and consulting business, and a wholly-owned subsidiary of China Development Bank Capital Corporation Limited. It will subscribe for the A Shares to be issued by the Company under the Proposed Placing through two investment funds it manages, details of which are set out in the left column.

Name of target subscriber	Number of A Shares to be subscribed for by the target subscriber	Background information of the target subscriber
Shanghai Xinghan Asset Management Company Limited*	230,946,882	It is a company incorporated in the PRC which mainly engages in asset management business, with its ultimate controller being the State-owned Assets Supervision and Administration Commission of Fujian Province. It will subscribe for the A Shares to be issued by the Company under the Proposed Placing through Xinghan Ziguan - Xingying No.5 Single Client Asset Management Plan (興瀚資管-興贏5號單一客戶資產管理計劃), an asset management plan it manages. The settler of such asset management plan is China Industrial International Trust Limited* (興業國際信託有限公司).
Shanghai China Merchant Equity Investment Fund Management Co.,Ltd.*	115,473,441	It is a company incorporated in the PRC which mainly engages in investment business, and an indirect subsidiary of China Merchants Bank Co., Ltd. (招商銀行股份有限公司).
Total	1,385,681,291	

In accordance with the relevant provisions of the Implementation Rules of Non-public Issue of Shares by Listed Companies (《上市公司非公開發行股票實施細則》), the target subscribers for the Proposed Placing are determined by the Board and shall be approved by the Shareholders.

Based on the number of A Shares to be subscribed for by each of the target subscribers listed in the table above, CRRC Group will remain as the controlling shareholder of the Company holding, directly and indirectly, approximately 55.63% equity interests in the Company after the subscription of A Shares under the Proposed Placing by the target subscribers (including CRRC Group). Therefore, the Proposed Placing will not result in a change in control of the Company.

To the best knowledge, information and belief of the Directors, the target subscribers (other than CRRC Group) and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

4. Subscription price and pricing principle

The Price Determination Date of the Proposed Placing shall be the date of the announcement on the Shanghai Stock Exchange of the Board's resolutions in respect of the Proposed Placing approved at the fourteenth meeting of the first session of the Board, i.e. 28 May 2016. As at 28 May 2016, the average trading price of the A Shares for the last 20 trading days is RMB9.62. The average trading price of A Shares for the 20 trading days prior to the Price Determination Date is the total value of A Shares traded for the 20 trading days prior to the Price Determination Date divided by the total volume of A Shares traded for the 20 days prior to the Price Determination Date.

The subscription price for the Proposed Placing is RMB8.66 per A Share, which is not less than 90% of the average trading price of the A Shares for the 20 trading days prior to the Price Determination Date.

Within six months of obtaining the approval from CSRC in respect of the Proposed Placing, if the subscription price as determined above equals to or exceeds 70% of the average trading price of the A Shares during the 20 trading days prior to the date of issuance, the Company shall launch the Proposed Placing and issue the payment notice to the target subscribers in respect of the Proposed Placing; however, if the subscription price as determined above is less than 70% of the average trading price of the A Shares during the 20 trading days prior to the date of issuance, the subscription price in respect of the Proposed Placing shall be adjusted to equal to 70% of the average trading price of the A Shares during the 20 trading days prior to the date of issuance, and the number of new A Shares to be issued under the Proposed Placing shall be adjusted based on the total subscription price of the new A Shares originally committed to by the target subscribers.

The subscription price shall be adjusted correspondingly if there is any ex-rights or ex-dividend event such as dividend distribution, bonus issue and capitalization of the capital reserve between the Price Determination Date and the date of issuance.

If the relevant PRC laws and regulations and regulatory documents or the regulatory and approval policies of CSRC in respect of the non-public issuance of shares have different requirements in respect of matters such as subscription price and pricing method, the Proposed Placing will be implemented in accordance with such requirements.

The Board shall ensure that, in any event, the subscription price (adjusted subscription price, if applicable) shall not represent a discount of 20% or more to the benchmarked price provided under Rule 13.36(5) of the Hong Kong Listing Rules.

The net price to the Company of each new A Share to be issued under the Proposed Placing will be determined and disclosed upon completion of the Proposed Placing and the determination of the relevant expenses incurred or to be incurred in relation to the Proposed Placing in accordance with the requirements of the Hong Kong Listing Rules.

The terms of issuance under the Proposed Placing were finalized as at the date of this announcement. As at 13 May 2016 (i.e. the latest trading day preceding the suspension of trading of A Shares before publishing this announcement), the closing price of the A Shares was RMB9.10 per A Share.

5. Number of Shares to be issued

Based on the subscription price of RMB8.66 per A Share, the number of new A Shares to be issued under the Proposed Placing will be not more than 1,385,681,291 A Shares (inclusive), among which CRRC Group proposes to subscribe for 692,840,646 new A Shares, China Development Bank Capital Corporation Limited* proposed to subscribe for 173,210,161 new A Shares, China Development Bank Investment and Development Fund Management (Beijing) Co., Ltd* proposes to subscribe for 173,210,161 new A Shares, Shanghai Xinghan Asset Management Company Limited* proposes to subscribe for 230,946,882 new A Shares and Shanghai China Merchant Equity Investment Fund Management Co., Ltd.* proposes to subscribe for 115,473,441 new A Shares.

Within the range of issuance mentioned above, the ultimate number of new A Shares to be issued and the number of new A Shares to be subscribed for by each target subscriber will be determined by the Board and the person(s) authorized by the Board according to the approvals of the competent authorities and the subscription agreements entered into by the target subscribers.

If there is any ex-rights or ex-dividend event such as dividend distribution, bonus issue and capitalization of the capital reserve between the Price Determination Date and the date of issuance, the number of new A Shares to be issued shall be adjusted by reference to the total proceeds to be raised and the subscription price (after ex-rights or ex-dividend event).

6. Method of subscription

All new A Shares to be issued under the Proposed Placing shall be subscribed for in cash.

7. Lock-up period

The new A Shares to be subscribed for by CRRC Group, China Development Bank Capital Corporation Limited*, China Development Bank Investment and Development Fund Management (Beijing) Co., Ltd*, Shanghai Xinghan Asset Management Company Limited* and Shanghai China Merchant Equity Investment Fund Management Co., Ltd.* shall not be transferred within 36 months from the date of completion of the Proposed Placing. The transfer and dealings of the new A Shares by the target subscribers after the expiration of the aforesaid lock-up period shall be in accordance with the requirements of the then applicable PRC laws and regulations, regulatory documents and rules of the Shanghai Stock Exchange.

8. Use of proceeds

The total proceeds of the Proposed Placing will be not more than RMB12 billion (inclusive), which is intended to be used for repayment of interest-bearing liabilities and replenishment of working capital of the Company, after deducting the expenses relating to the Proposed Placing. RMB6 billion of the proceeds will be used for the repayment of interest-bearing liabilities and the remaining will be used to replenish working capital.

9. Arrangement relating to the accumulated undistributed profits prior to the Proposed Placing

Upon completion of the Proposed Placing, holders of the new A Shares, together with all existing Shareholders will be entitled to all undistributed profits of the Company prior to the completion of the Proposed Placing.

10. Applications for listing of the new A Shares

The Company will apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the new A Shares pursuant to the Proposed Placing. Dealing in the new A Shares to be issued under the Proposed Placing on the Shanghai Stock Exchange will commence upon expiration of the lock-up period.

11. Validity of resolutions

The resolutions regarding the Proposed Placing shall be valid for 12 months from the date of consideration and approval of such resolutions at the AGM.

12. Conditions Precedent

The Proposed Placing is conditional upon, among other things, (i) consideration and approval by the Board and by the Shareholders at the AGM of all resolutions in respect of the Proposed Placing; (ii) the completion of the internal approval procedures in respect of the subscription of new A Shares under the Proposed Placing by the target subscribers; and (iii) the obtaining of approvals from SASAC and CSRC in respect of the Proposed Placing.

13. Amendment of Articles of Association

As a result of the Proposed Placing, the Company will amend in due course the Articles of Association to reflect the changes to its registered capital, its share capital structure and other relevant matters that need to be adjusted in relation to the Proposed Placing.

14. General Mandate to issue new A Shares

The Company will issue and place the new A Shares pursuant to the General Mandate as approved by the Shareholders. Under the General Mandate, the Board is authorized to issue and place not more than 4,583,538,458 A Shares and/or 874,213,208 H Shares.

As at the date of this announcement, the Company has not issued any A Shares or H Shares pursuant to the General Mandate.

The Directors (including the independent non-executive Directors) consider that the terms of the Proposed Placing (including the subscription price) are on normal commercial terms and are fair and reasonable taking into consideration the prevailing market conditions and are in the interests of the Company and its Shareholders as a whole.

Shareholders and potential investors should be aware that the Proposed Placing is subject to the conditions precedent set out above, and consequently the Proposed Placing may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

III. PROPOSED SUBSCRIPTION OF NEW A SHARES BY CRRC GROUP

1. New A Shares to be subscribed by CRRC Group

As part of the Proposed Placing, on 27 May 2016, the Company entered into the CRRCG Subscription Agreement with CRRC Group, pursuant to which, among other things, CRRC Group has conditionally agreed to subscribe in cash for and the Company has conditionally agreed to allot and issue 692,840,646 new A Shares for a total consideration of approximately RMB6 billion at the subscription price of RMB8.66 per A Share.

Immediately upon completion of the CRRCG Subscription, assuming that the number of new A Shares issuable under the Proposed Placing is 1,385,681,291 A Shares, CRRC Group will hold (directly and indirectly) in aggregate 15,952,421,384 A Shares, representing approximately 65.64% of the enlarged total issued A Shares and approximately 55.63% of the enlarged total issued share capital of the Company.

If, owing to reasons relating to the approval from CSRC, the number of subscription Shares eventually acquired by CRRC Group is different from (lower than) the number as disclosed in the announcement of the Board's resolutions in respect of the Proposed Placing or as agreed pursuant to the CRRCG Subscription Agreement, the Company will not be liable to issue the shortfall of the subscription Shares and will adjust the number of subscription Shares in proportion to the number of subscription Shares issuable pursuant to the approval from CSRC.

2. Subscription price and payment method

The subscription price of the new A Shares to be issued to CRRC Group under the CRRCG Subscription Agreement shall be the same as that of the new A shares to be issued to the other target subscribers, i.e. RMB8.66 per A Share, subject to the same adjustment mechanisms as set out under paragraph 4 Subscription price and pricing principle under the section headed "Proposed Issuance and Placing of New A Shares" of this announcement.

Upon the CRRCG Subscription Agreement coming into effect, CRRC Group has agreed that the subscription price will, as agreed upon in the payment notice issued by the Company and the sponsor(s) of the Proposed Placing, be paid in one lump sum in cash to the bank account specifically maintained by the sponsor(s) for the Proposed Placing. Such payments, after capital verification by the accounting firm engaged and deduction of the relevant fees, shall then be transferred to a special account of the Company designated for the proceeds raised from the Proposed Placing.

Upon payment of the subscription price by CRRC Group, the Company will register the new A Shares subscribed for by CRRC Group with the securities depository and clearing institution as soon as practicable in order for CRRC Group to become the legal holder of such A Shares.

If the Proposed Placing does not proceed, the Company will return the subscription price paid in cash by CRRC Group together with the interest calculated at the demand deposit rate during the relevant period to CRRC Group.

3. Lock-up arrangement

CRRC Group shall not transfer any of the new A Shares that it will subscribe for pursuant to the CRRCG Subscription Agreement within 36 months from the date of the completion of the Proposed Placing.

CRRC Group shall issue the relevant lock-up undertaking and handle the relevant matters for the lock-up arrangement for the new A Shares that it will subscribe for pursuant to the Proposed Placing in accordance with the relevant PRC laws and regulations, the relevant requirements of CSRC and the Shanghai Stock Exchange, and the requirements of the Company.

4. Conditions precedent

The CRRCG Subscription Agreement shall become effective after being signed and sealed by the legal representatives or authorised representatives of CRRC Group and the Company, and upon the satisfaction of the following conditions:

- (a) consideration and approval by the Board and by the Shareholders at the AGM of all resolutions in respect of the Proposed Placing (including but not limited to the consideration and approval of the CRRCG Subscription Agreement and all connected transactions contemplated thereunder by the Independent Shareholders);

- (b) the completion of the internal approval procedure in respect of the subscription of part of new A Shares of the Proposed Placing by CRRC Group; and
- (c) the obtaining of approvals from SASAC and CSRC in respect of the Proposed Placing.

5. General Information on the Parties to the CRRCG Subscription Agreement

(a) *The Company*

The Company is a joint stock limited company incorporated in the PRC with limited liability. 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 include: research and development, design, manufacturing, repairs, sales, leasing and technical services of locomotives, multiple units, 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.

(b) *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, repairs and leasing of rolling stock and key components, and the extended businesses relying on the proprietary technology of rolling stock.

6. Implications under the Hong Kong Listing Rules

CRRC Group is the controlling shareholder of the Company and thus a connected person of the Company. The issuance and placing of new A Shares to CRRC Group pursuant to the CRRCG Subscription Agreement constitutes a connected transaction of the Company and is subject to announcement, circular and Shareholders' approval requirements under the Hong Kong Listing Rules. The proposal relating to the CRRCG Subscription and the CRRCG Subscription Agreement will be proposed by way of a special resolution at the AGM for the Independent Shareholders to approve. As required by the Hong Kong Listing Rules, CRRC Group (holding, directly and indirectly, 55.92% of the Company's equity interest as at the date of this announcement) and its associates will abstain from voting in respect of the relevant resolutions at the AGM.

Five Directors, namely Cui Dianguo, Zheng Changhong, Liu Hualong, Xi Guohua and Fu Jianguo (who hold positions in CRRC Group), have abstained from voting on the Board resolution in respect of the transactions contemplated under the CRRCG Subscription Agreement and will abstain from voting on the same resolution at the AGM. Save as stated above, none of the Directors have a material interest in the CRRCG Subscription and hence no other Director has abstained from voting on such resolution.

The terms of the CRRCG Subscription Agreement were determined after arm's length negotiations between the Company and CRRC Group. The Directors (including the independent non-executive Directors) consider that the terms of the CRRCG Subscription Agreement (including the subscription price) are on normal commercial terms and are fair and reasonable taking into consideration the prevailing market conditions and are in the interests of the Company and its Shareholders as a whole.

An Independent Board Committee has been formed to advise the Independent Shareholders on the terms of the CRRCG Subscription Agreement. An Independent Financial Advisor, i.e. Platinum Securities Company Limited, has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same. For details of such advice, please refer to the circular which is expected to be despatched no later than 1 June 2016 by the Company.

IV. EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Proposed Placing and the subscription by the target subscribers (including the CRRCG Subscription) are set out in the table below:

As at the date of this announcement

Name of Shareholder	Number of Shares held	Percentage of the issued Share capital of the Company	Percentage of the total issued share capital of the Company
CRRC Group and its associates (<i>Note 1</i>)	15,259,580,738 A Shares	66.58%	55.92%
Public	7,658,111,555 A Shares	33.42%	28.06%
	4,371,066,040 H Shares	—	16.02%
Total	<u>27,288,758,333 Shares</u>	<u>100%</u>	<u>100%</u>

Immediately after completion of the Proposed Placing and the subscription by the target subscribers (including the CRRCG Subscription)

Assuming that (1) a total of 1,385,681,291 A Shares to be issued under the Proposed Placing are being fully subscribed by the target subscribers (including the CRRC Group); and (2) no other Shares will be issued or transferred from the date of this announcement until completion of the Proposed Placing and the CRRCG Subscription:

Name of Shareholder	Number of Shares held	Percentage of	
		the issued A Share capital of the Company	the total issued share capital of the Company
CRRC Group and its associates <i>(Note 1)</i>	15,952,421,384 A Shares	65.64%	55.63%
China Development Bank Capital Corporation Limited*	173,210,161 A Shares	0.71%	0.60%
China Development Bank Investment and Development Fund Management (Beijing) Co., Ltd.*	173,210,161 A Shares	0.71%	0.60%
• <i>China Development Bank Jingcheng (Beijing) Investment Fund Co., Ltd.* (Note 2)</i>	115,473,441 A Shares	0.48%	0.40%
• <i>China Development Bank Siyuan (Beijing) Investment Fund Co., Ltd.* (Note 2)</i>	57,736,720 A Shares	0.24%	0.20%
Shanghai Xinghan Asset Management Company Limited*	230,946,882 A Shares	0.95%	0.81%
Shanghai China Merchant Equity Investment Fund Management Co., Ltd.*	115,473,441 A Shares	0.48%	0.40%
Public (other than the target subscribers)	7,658,111,555 A Shares 4,371,066,040 H Shares	31.51% —	26.71% 15.24%
Total	28,674,439,624 Shares	100%	100%

Note 1: 380,172,012 A Shares and 93,085,715 A Shares are held by CRRC Financial and Securities Investment Co., Ltd. and CSR Capital Company respectively, which are wholly-owned subsidiaries of CRRC Group.

Note 2: China Development Bank Jingcheng (Beijing) Investment Fund Co., Ltd.* and China Development Bank Siyuan (Beijing) Investment Fund Co., Ltd.* are managed by China Development Bank Investment and Development Fund Management (Beijing) Co., Ltd.*.

Shareholders and potential investors should be aware that the CRRCG Subscription is subject to the conditions precedent set out above, and consequently the CRRCG Subscription may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Company.

V. REASONS FOR AND BENEFITS OF THE PROPOSED PLACING AND CRRCG SUBSCRIPTION

The Directors believe that following the completion of the Proposed Placing (including the CRRCG Subscription), the capital strength of the Company will increase, its capital structure will be optimized and its pressure on repayment of liabilities will be alleviated to a certain degree, and the Company's resilience against financial risks will be effectively boosted.

The Board had considered various other means of fund raising which is on a pro-rata manner, such as rights issue and open offer. However, after due and careful consideration by the Board, the Board is of the view that the Proposed Placing by way of a non-public issuance of new A Shares is the most preferable method over others, as non-public issuance, as compared with rights issue and open offer, presents less uncertainties and risks given the current capital market situation and in terms of the PRC approval process. In addition, the Board expects that the non-public issuance, coupled with the relatively long lock-up period, will have less adverse effect on the share price of the Company. Further, subscription by other long term investors in the non-public issuance demonstrates the recognition of the value of the Company and confidence such investors place in the Company which may help stabilize the share price of the Company. Therefore, the Board considers that the Proposed Placing is in the best interests of the Company and its investors as a whole.

In addition, the CRRCG Subscription also demonstrates the confidence CRRC Group places in the Company and its support to the development of the Company's business, which is conducive to enhancing the market image of the Company and stabilizing the trading price of the Company's Shares.

VI. FUNDS RAISING IN THE TWELVE MONTHS

Date of completion	Fund raising activity	Net proceeds raised	Use of net proceeds
5 February 2016	The issue of zero coupon convertible bonds convertible into H Shares of the Company under the general mandate granted to the Board at the extraordinary general meeting of the Company held on 30 October 2015	Approximately USD595.8 million	An amount of USD47 million of the net proceeds raised has been utilised, among which, an amount of USD17 million has been utilised to repay the loans and an amount of USD30 million has been utilised to meet the operational needs of the Company. The remaining net proceeds not utilised are currently kept in its term deposit bank account. The Company currently intends to use (i) approximately HK\$1 billion to increase the capital of CRRC (Hong Kong) Co. Limited (中國中車(香港)有限公司) (a wholly-owned subsidiary of the Company); (ii) and approximately USD 250 million to fund overseas projects of its subsidiaries by way of loans. For the remaining proceeds, the Company currently has no specific plan for their use, but will utilise them in accordance with the use of proceeds disclosed in its announcement dated 26 January 2016, i.e., to satisfy the production and operation needs of the Company, adjust its debt structure, increase the capital contribution to subsidiaries, replenish working capital and project investments etc.

Save for the fund raising activity disclosed above, the Company has not conducted any other fund raising activities by way of issue of equity securities within the 12 months immediately prior to the date of this announcement.

VII. RESUMPTION OF TRADING IN A SHARES

Reference is made to the announcement dated 13 May 2016 in respect of the Company's contemplation of the non-public issuance of A shares and the announcement of the Company dated 20 May 2016 in respect of the progress of the non-public issuance of A shares. Trading in the A Shares has been suspended with effect from 16 May 2016 pending the publication of the announcement in respect of the Proposed Placing by the Company on the Shanghai Stock Exchange. The Company has applied to the Shanghai Stock Exchange for the resumption of trading in the A Shares with effect from 30 May 2016.

VIII. GENERAL

A circular containing, among other things, information on the Proposed Placing, the CRRCG Subscription Agreement, the letter of the Independent Financial Advisor and recommendation of the Independent Board Committee in relation to the CRRCG Subscription Agreement is expected to be despatched to the Shareholders no later than 1 June 2016.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

IX. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the 2015 annual general meeting of the Company to be held at 2:00 p.m. (registration will begin at 1:30 p.m.) on Thursday, 16 June 2016 at Empark Grand Hotel, No. 69 Banjing Road, Haidian District, Beijing, the PRC
“A Share(s)”	domestic share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange (stock code: 601766)
“A Shareholder(s)”	holder(s) of A Share(s)

“Articles of Association”	the articles of association of the Company
“associates”	has the meaning ascribed to it under the Hong Kong Listing Rules
“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 A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
“Company Law”	the Company Law of the People’s Republic of China, as amended from time to time
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CRRC Group” or “CRRCG”	CRRC Group (中國中車集團公司), a large-scale wholly state-owned enterprise and the controlling shareholder of the Company
“CRRCG Subscription”	the proposed subscription of 692,840,646 new A Shares for a total consideration of approximately RMB6 billion by CRRC Group pursuant to the CRRCG Subscription Agreement
“CRRCG Subscription Agreement”	the conditional subscription agreement entered into between the Company and CRRC Group on 27 May 2016 in respect of the CRRCG Subscription
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Directors”	the directors of the Company, including the independent non-executive directors

“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to the special resolution passed at the extraordinary general meeting of the Company held on 30 October 2015, which will be renewed at the AGM by way of passing of a special resolution in respect thereof
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested shares in the share capital of the Company, with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in HK\$ (stock code: 1766)
“H Shareholder(s)”	the holder(s) of H shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	the lawful currency of Hong Kong
“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”	the independent committee of the Board, the members of which consist of the independent non-executive Directors, formed to advise the Independent Shareholders with respect to the CRRCG Subscription Agreement and the CRRCG Subscription
“Independent Financial Adviser”	Platinum Securities Company Limited, the independent financial adviser, licensed to conduct Type 1 (dealings in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the CRRCG Subscription Agreement and CRRCG Subscription

“Independent Shareholders”	Shareholders other than (i) CRRC Group and its associates; and (ii) all other connected persons (if any) who have a material interest in the CRRCG Subscription and the CRRCG Subscription Agreement
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Regions and Taiwan
“Price Determination Date”	28 May 2016, i.e. the date of the announcement on the Shanghai Stock Exchange of the Board’s resolutions in respect of the Proposed Placing
“Proposed Placing”	the proposed non-public issuance and placing of not more than 1,385,681,291 new A Shares (inclusive) by the Company to five target subscribers (including CRRC Group), and the total proceeds to be raised therefrom shall not exceed RMB12 billion;
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	A Shareholder(s) and H Shareholder(s)
“trading day”	a day on which the Shanghai Stock Exchange is open for dealing or trading in securities
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
CRRC Corporation Limited
Cui Dianguo
Chairman

Beijing, the PRC
27 May 2016

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

** For identification purpose only.*