
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CRRC Corporation Limited**, you should at once hand this circular, the enclosed form of proxy and reply slip for attending the AGM and the 2017 annual report (if applicable) to the purchaser or the transferee or to the bank, licensed dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

ANNUAL GENERAL MEETING

A notice convening the AGM of CRRC Corporation Limited to be held at Empark Grand Hotel, No. 69 Banjing Road, Haidian District, Beijing, the PRC at 2:00 p.m. (registration will begin at 1:30 p.m.) on Thursday, 31 May 2018 is set out on pages 6 to 9 of this circular.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, on or before Friday, 11 May 2018.

Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM. If you intend to attend the AGM by proxy, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, in person or by post not less than 24 hours before the time stipulated for convening the AGM or any adjourned meeting thereof in any event. Completion and return of the form of proxy will not preclude you from attending, and voting at, the AGM or at any adjourned meeting if you so wish.

16 April 2018

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DEFINITIONS

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

“A Share(s)”	domestic share(s) with a nominal value of RMB 1.00 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 Shares
“AGM”	the annual general meeting of the Company to be held at Empark Grand Hotel, No. 69 Banjing Road, Haidian District, Beijing, the PRC at 2:00 p.m. (registration will begin at 1:30 p.m.) on Thursday, 31 May 2018
“Articles of Association”	the Articles of Association of the Company
“Board”	the Board of Directors of the Company
“Company” or “CRRC”	CRRC Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, whose H Shares and A Shares 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
“CRRC GROUP”	CRRC GROUP Co., Ltd. (中國中車集團有限公司), a large-scale wholly State-owned enterprise and controlling shareholder of the Company
“CSRC”	China Securities Regulatory Commission
“Debenture(s)”	one or a portfolio of debt financing instruments proposed to be issued by the Company, including corporate bonds, ultra-short-term debentures, short-term debentures, medium-term notes, perpetual bonds, assets-backed debentures (including but not limited to ABN and ABS), overseas bonds denominated in RMB, bonds denominated in USD, A Share convertible bonds, H Share convertible bonds or other new types of bonds issued in the PRC or overseas in one or multiple tranches, with the total outstanding balance of all types of debentures in issue not exceeding the equivalent of RMB70 billion
“Director(s)”	the director(s) of the Company

DEFINITIONS

“H Share(s)”	overseas listed foreign share(s) 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 dollars (Stock Code: 1766)
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK dollars”	Hong Kong dollars, 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 Non-executive Director(s)” or “Independent Director(s)”	the independent non-executive Director(s)
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedure for the Board”	the Rules of Procedure for the Board of the Company
“Rules of Procedure for General Meetings”	the Rules of Procedure for general meetings of the Company
“Rules of Procedure for the Supervisory Committee”	the Rules of Procedure for the Supervisory Committee of the Company
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“SSE”	the Shanghai Stock Exchange
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	A Shareholder(s) and H Shareholder(s)
“Supervisory Committee”	the supervisory committee of the Company
“USD”	United States dollars, the lawful currency of the United States of America

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Liu Hualong
Mr. Sun Yongcai
Mr. Xu Zongxiang

Non-executive Director

Mr. Liu Zhiyong

Independent Non-executive Directors

Mr. Li Guo'an
Mr. Wu Zhuo
Mr. Sun Patrick
Mr. Chan Ka Keung, Peter

Registered office:

No. 16, Central West Fourth Ring Road
Haidian District,
Beijing,
PRC
Postal code: 100036

Place of Business in Hong Kong

Unit H,
41/F, Office Tower,
Convention Plaza,
No. 1, Harbour Road,
Hong Kong

16 April 2018

To the H Shareholders

Dear Sirs,

1. INTRODUCTION

On behalf of the Board, I hereby invite you to attend the AGM to be held at Empark Grand Hotel, No. 69 Banjing Road, Haidian District, Beijing, the PRC at 2:00 p.m. (registration will begin at 1:30 p.m.) on Thursday, 31 May 2018.

The purpose of this circular is to provide you with the notice of the AGM and to provide you with all the information reasonably necessary to enable you to make informed decisions on whether to vote for or against the proposed resolutions at the AGM.

2. MATTERS TO BE CONSIDERED AT THE AGM

The matters to be considered at the AGM are described in detail in the notice of AGM set out in pages 6 to 9 of this circular. At the AGM, the following will be proposed for approval as ordinary resolutions: (1) the 2017 Work Report of the Board of the Company; (2) the 2017 Work Report of the Supervisory Committee of the Company; (3) the resolution in relation to the 2017 final financial accounts report of the Company; (4) the resolution in relation to the arrangement of guarantees by the Company for 2018; (5) the resolution in relation to the 2017 profit distribution plan of the Company; (6) the resolution in relation to the remuneration of the Directors of the Company for 2017; (7) the resolution in relation to the remuneration of the supervisors of the Company for 2017,

LETTER FROM THE BOARD

and the following will be proposed for approval as special resolutions: (8) the resolution in relation to the amendments to the Articles of Association; (9) the resolution in relation to the amendments to the Rules of Procedure for General Meetings; (10) the resolution in relation to the amendments to the Rules of Procedure for the Board; (11) the resolution in relation to the amendments to the Rules of Procedure for the Supervisory Committee; (12) the resolution in relation to the issuance of debt financing instruments by the Company for 2018; and (13) the resolution in relation to the grant of general mandate to the Board to issue additional A Shares and H Shares of the Company.

In order to enable you to have a better understanding on the resolutions to be proposed at the AGM and to make informed decisions thereof with sufficient and necessary information, we have provided the Shareholders with detailed information in Appendix I to this circular, including information and explanations of the resolutions to be proposed at the AGM for approval.

Pursuant to the requirements under the Rules of Shareholders' General Meeting of Listed Companies issued by the CSRC, each of the Independent Directors shall prepare a work report for the preceding year at the AGM. Such report will be submitted to the Shareholders for consideration but not for approval at the general meeting.

3. AGM

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, on or before Friday, 11 May 2018.

If you intend to attend the AGM by proxy, you are required to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, in person or by post not less than 24 hours before the time stipulated for convening the AGM or any adjourned meeting thereof in any event. The Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8555). Completion and return of the form of proxy will not preclude you from attending, and voting at, the AGM or any adjourned meeting if you so wish.

4. VOTING BY WAY OF POLL

In accordance with the requirements of the Hong Kong Listing Rules, the resolutions set out in the notice of the AGM will be voted by way of poll. Voting results will be uploaded to the website of the Company at www.crrgc.cc and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk upon the conclusion of the AGM.

LETTER FROM THE BOARD

5. RECOMMENDATION

The Directors (including Independent Non-executive Directors) consider that the resolutions as set out in the notice of the AGM are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the above proposed resolutions.

Yours faithfully,
By order of the Board of
CRRC Corporation Limited
Lui Hualong
Chairman

NOTICE OF THE ANNUAL GENERAL MEETING

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)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting for the financial year ended 31 December 2017 (the “AGM” or “**Annual General Meeting**”) of CRRC Corporation Limited (the “**Company**”) will be held at Empark Grand Hotel, No. 69 Banjing Road, Haidian District, Beijing, the PRC at 2:00 p.m. (registration will begin at 1:30 p.m.) on Thursday, 31 May 2018 for the purpose of considering and approving, if appropriate, the following resolutions (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 16 April 2018):

ORDINARY RESOLUTIONS

1. To consider and approve the 2017 Work Report of the Board of the Company
2. To consider and approve the 2017 Work Report of the Supervisory Committee of the Company
3. To consider and approve the resolution in relation to the 2017 final financial accounts report of the Company
4. To consider and approve the resolution in relation to the arrangement of guarantees by the Company for 2018
5. To consider and approve the resolution in relation to the 2017 profit distribution plan of the Company
6. To consider and approve the resolution in relation to the remuneration of the Directors of the Company for 2017
7. To consider and approve the resolution in relation to the remuneration of the supervisors of the Company for 2017

SPECIAL RESOLUTIONS

8. To consider and approve the resolution in relation to the amendments to the Articles of Association
9. To consider and approve the resolution in relation to the amendments to the Rules of Procedure for General Meetings

NOTICE OF THE ANNUAL GENERAL MEETING

10. To consider and approve the resolution in relation to the amendments to the Rules of Procedure for the Board
11. To consider and approve the resolution in relation to the amendments to the Rules of Procedure for the Supervisory Committee
12. To consider and approve the resolution in relation to the issuance of debt financing instruments by the Company for 2018
13. To consider and approve the resolution in relation to the grant of general mandate to the Board to issue additional A Shares and H Shares of the Company

REPORTING MATTER

The Independent Directors of the Company will submit their 2017 work report to the Shareholders for consideration but not for approval at the AGM.

By order of the Board
Liu Hualong
Chairman

16 April 2018

Notes:

1. Details of the above resolutions are set out in Appendix I to this circular dated 16 April 2018 regarding the AGM of the Company.
2. Pursuant to the requirements under the Rules of Shareholders' Meeting of Listed Companies issued by the CSRC, the Independent Directors shall issue a duty report for the preceding year at the AGM. Such report will be submitted to the Shareholders for consideration but not for approval at the general meeting.
3. The Board has recommended a final dividend of RMB0.15 per Share (tax inclusive) for the year ended 31 December 2017. If such dividend is declared by the Shareholders upon passing the resolution No. 5, the final dividend is expected to be paid on a certain business day (excluding Saturday, Sunday or public holidays in Hong Kong and the PRC) on or before 26 July 2018 to those Shareholders whose names appear on the register of members of the Company on Tuesday, 12 June 2018.

Under relevant regulations of China Securities Depository and Clearing Corporation Limited Shanghai Branch and in line with the market practice regarding dividend distribution of A Shares, the Company will publish a separate announcement in respect of its final dividend distribution to holders of A Shares after the Company's AGM, which will set out the record date and ex-dividend date for final dividend distribution to holders of A Shares.

Timetable arrangements such as the record date, the ex-dividend date and the date of distribution of cash dividend for the investors of northbound trading under Shanghai-Hong Kong Stock Connect will be the same as holders of A Shares of the Company. Timetable arrangements such as the record date, the ex-dividend date and the date of distribution of cash dividend for the investors of southbound trading under Shanghai-Hong Kong Stock Connect will be the same as holders of H Shares of the Company.

NOTICE OF THE ANNUAL GENERAL MEETING

To determine the identity of the Shareholders entitled to receive the final dividend, **the Company's register of members will be closed from Thursday, 7 June 2018 to Tuesday, 12 June 2018 (both days inclusive), during which period no transfer of H Shares will be registered.** In order to be entitled to the final dividend, H Shareholders of the Company who have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong **no later than 4:30 p.m. on Wednesday, 6 June 2018.**

According to the Law on Enterprise Income Tax of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementing rules which came into effect on 1 January 2008 and the Notice of the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Shareholders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation (Guo Shui Han [2008] No. 897), the Company is required to withhold enterprise income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders as appearing on the H Share register of members of the Company. The enterprise income tax shall be withheld for the dividends of any H shares under the name of non-individual shareholders (any H shares of the Company registered in the name of HKSCC Nominees Limited, other nominees and trustees, or other organizations and institutions, shall be deemed as shares held by non-resident enterprise shareholders, hence enterprise income tax will be deducted from the amount of dividend payable).

According to Guo Shui Han [2011] No. 348 issued by the State Administration of Taxation, the Company shall withhold and pay the individual income tax for the dividend payable to individual H Shareholders. At the same time, the individual H Shareholders are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements between the countries where they are residents and China or the tax arrangements between mainland China and Hong Kong (Macau). If the individual H Shareholders are Hong Kong or Macau residents or residents of the countries having an agreed dividend tax rate of 10% with China, the Company shall withhold and pay the individual income tax at a rate of 10%. If the individual H Shareholders are residents of the countries having an agreed dividend tax rate of less than 10% with China, the Company would apply for entitlement of the relevant agreed preferential tax treatment on their behalf in accordance with the Notice of the State Administration of Taxation in Relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative) (Guo Shui Fa [2009] No. 124) (《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》). If the individual H Shareholders are residents of the countries having an agreed dividend tax rate exceeding 10% but lower than 20% with China, the Company shall withhold and pay the individual income tax at the actual agreed rate. In case the individual H Shareholders are residents of the countries that have not entered into any tax agreement with China or otherwise, the Company shall withhold and pay the individual income tax at a rate of 20%.

According to the current practice of the Inland Revenue Department of Hong Kong, dividends paid by the Company in Hong Kong are not subject to taxation.

The Company shall take the registered address (hereinafter the "**Registered Address**") as recorded in the register of members of the Company on 12 June 2018 to determine the residence of the individual H Shareholders, and accordingly withhold and pay the individual income tax. If the residence of any individual H Shareholder is inconsistent with the Registered Address, he/she should notify the Company's H Share Registrar on or before 4:30 p.m. on 6 June 2018 and provide the relevant supporting documents, and the correspondence details are as follows: Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (Tel: (852) 2862 8555). If such individual H Shareholder has failed to provide the relevant supporting documents to the Company's H Share Registrar within the time period as stated above, the Company will determine his/her residence according to the Registered Address as recorded in the register of members on 12 June 2018.

The Company assumes no responsibility and will not entertain any claims arising from any delay in the determination, or inaccurate determination, of the status of the Shareholders or any dispute over the arrangement of withholding and payment of tax.

NOTICE OF THE ANNUAL GENERAL MEETING

4. In accordance with the requirements of the Hong Kong Listing Rules, the resolutions set out in the notice of the AGM will be voted by way of poll. Voting results will be uploaded to the website of the Company at www.crrgc.cc and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk upon the conclusion of the AGM.
5. Any Shareholder who is entitled to attend and vote at the AGM convened by the above notice shall be entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not be a Shareholder of the Company.
6. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authorization document, if any, under which it is signed, or a notarially certified copy of such power of attorney or authorization document, should be completed and deposited at the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders), at least 24 hours before the scheduled time to convene the AGM or any adjourned meeting thereof. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the proxy form will not preclude a Shareholder from attending in person and voting at the AGM or any adjourned meeting thereof should he/she so wish.
7. For the purpose of determining H Shareholders' entitlement to attend the AGM, **the H Share register of members of the Company will be closed from Tuesday, 1 May 2018 to Thursday, 31 May 2018 (both days inclusive), during which no transfer of H Shares will be registered.** In order to attend the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong **no later than 4:30 p.m. on Monday, 30 April 2018.** H Shareholders whose names appear on the register of members of the Company maintained by Computershare Hong Kong Investor Services Limited on or before the above date will be eligible to attend the AGM.
8. In the case of joint shareholding and more than one joint shareholder is attending the AGM in person or by proxy, the vote cast by the senior joint shareholder, whether in person or by proxy, will be accepted as the sole vote cast on behalf of all other joint shareholders. For this purpose, the order of seniority will be determined by the order in which the names of the joint shareholders appear in the register of members of the Company in respect of the joint shareholding.
9. Shareholders who intend to attend the AGM in person or by proxy should return the reply slip for the AGM to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, by hand, by post or by fax on or before Friday, 11 May 2018. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8555).
10. The AGM is expected to last for about half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when they attend the AGM.

ORDINARY RESOLUTIONS:**1. The 2017 Work Report of the Board of the Company**

In accordance with the relevant provisions of the Articles of Association, the Rules of Procedure for General Meetings and the Rules of Procedure for the Board, the Board of the Company reported the working status of the Board for the year 2017, details of which are set out in Annex A to this circular.

2. The 2017 Work Report of the Supervisory Committee of the Company

In accordance with the provisions of the Articles of Association, the supervisory committee of the Company reported the working status of the supervisory committee for the year 2017, details of which are set out in Annex B to this circular.

3. The 2017 Final Financial Accounts Report of the Company

The Company has prepared its financial statements and the notes thereto for the year 2017 in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, and engaged Deloitte Touche Tohmatsu CPA LLP to audit the consolidated balance sheets and the balance sheet of the Company as at 31 December 2017, the consolidated statements of profit or loss and the statement of profit or loss of the Company for the period from 1 January 2017 to 31 December 2017, the consolidated statements of cash flows and the statement of cash flows of the Company, the consolidated statements of changes in equity and the statement of changes in equity of the Company and the notes of the financial statements. Deloitte Touche Tohmatsu CPA LLP is of the opinion that the financial statements are prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC in all material aspects, fairly reflect the consolidated financial position and the financial position of the Company as at 31 December 2017, the consolidated operating results and the operating results of the Company, as well as the consolidated cash flow and the cash flow of the Company for the year 2017. For details of the above statements, please refer to the financial report of the Company in section 13 of the 2017 annual report of the Company published on the SSE website and the website of the Company.

The abovementioned resolution in relation to the 2017 final financial accounts report was considered and approved by the Board on 28 March 2018 and is hereby submitted to the AGM for consideration and approval.

4. The resolution in relation to the arrangement of guarantees by the Company for 2018

Based on the daily production and operation needs of its subsidiaries, the Company and its direct wholly-owned subsidiaries propose to provide guarantees for subsidiaries of the Company in respect of their financing and credit business, such as bank credit facilities and letters of guarantee from insurance companies, for 2018 and provided parent guarantees to certain subsidiaries of the Company in respect of their business such as domestic and overseas bidding and contract performance, with a total guarantee amount of RMB139.96 billion. The specific arrangement is as follows:

(1) Guarantee amount

- (i) The Company provided guarantee of RMB43.32 billion to its subsidiaries in respect of their financing and credit business and undertakes joint liabilities for debts arising from the various businesses of the guaranteed parties involving the use of credit. The details of the guarantees are set out below:

Name of Guaranteed Party (on consolidated basis)	Guarantee amount (RMB10,000)
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	140,000
CRRC Datong Co., Ltd. (中車大同電力機車有限公司)	100,000
CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)	100,000
CRRC Qishuyan Co., Ltd. (中車戚墅堰機車有限公司)	40,000
CRRC Beijing Erqi Locomotive Co., Ltd. (中車北京二七機車有限公司)	40,000
CRRC Ziyang Co., Ltd. (中車資陽機車有限公司)	180,000
CRRC Changchun Railway Vehicle Co., Ltd. (中車長春軌道客車股份有限公司)	350,000
CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)	350,000
CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)	300,000
CRRC Nanjing Puzhen Co., Ltd. (中車南京浦鎮車輛有限公司)	250,000
CRRC Sifang Co., Ltd. (中車四方車輛有限公司)	80,000
CRRC Qiqihaer Co., Ltd. (中車齊齊哈爾交通裝備有限公司)	100,000
CRRC Shijiazhuang Co., Ltd. (中車石家莊車輛有限公司)	50,000
CRRC Shenyang Co., Ltd. (中車瀋陽機車車輛有限公司)	70,000
CRRC Shandong Co., Ltd. (中車山東機車車輛有限公司)	90,000
CRRC Xi'an Co., Ltd. (中車西安車輛有限公司)	40,000
CRRC Guiyang Co., Ltd. (中車貴陽車輛有限公司)	30,000
CRRC Taiyuan Co., Ltd. (中車太原機車車輛有限公司)	30,000
CRRC Meishan Co., Ltd. (中車眉山車輛有限公司)	40,000
CRRC Yangtze Co., Ltd. (中車長江車輛有限公司)	60,000
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	300,000
CRRC Sifang Institute Co., Ltd. (中車青島四方車輛研究所有限公司)	70,000
CRRC Yongji Motor Co., Ltd. (中車永濟電機有限公司)	100,000
CRRC Zhuzhou Motor Co., Ltd. (中車株洲電機有限公司)	80,000

Name of Guaranteed Party (on consolidated basis)	Guarantee amount (RMB10,000)
CRRC Qishuyan Institute Co., Ltd. (中車戚墅堰機車車輛工藝研究所有限公司)	50,000
CRRC Dalian Institute Co., Ltd. (中車大連機車研究所有限公司)	20,000
CRRC Dalian R&D Co., Ltd. (中車大連電力牽引研發中心有限公司)	20,000
CRRC Beijing Nankou Co., Ltd. (中車北京南口機械有限公司)	10,000
CRRC Construction Engineering Co., Ltd. (中車建設工程有限公司)	150,000
CRRC Information Technology Co., Ltd. (中車信息技術有限公司)	2,000
Beijing CNR CR Railway Transportation Equipment Co., Ltd. (北京北車中鐵軌道交通裝備有限公司)	0
CRRC Investment & Leasing Co., Ltd. (中車投資租賃有限公司)	250,000
CRRC Finance Co., Ltd. (中車財務有限公司)	100,000
CRRC Hong Kong Co., Ltd. (中國中車(香港)有限公司)	100,000
CRRC Shenzhen Capital Management Co., Ltd. (中車深圳資本管理有限公司)	20,000
CRRC Hong Kong Capital Management Co., Ltd. (中國中車香港資本管理有限公司)	100,000
CRRC Logistics Co., Ltd. (中車物流有限公司)	250,000
CRRC International Co., Ltd. (中車國際有限公司)	50,000
South Africa CRRC Co., Ltd. (南非中車車輛有限公司)	150,000
CRRC Industrial Institute Co., Ltd. (中車工業研究院有限公司)	0
CRRC Capital Management Co., Ltd. (中車資本管理有限公司)	<u>20,000</u>
Total	<u><u>4,332,000</u></u>

Note: The affiliates of direct wholly-owned subsidiaries of the Company that use the credit facility of the Company will be consolidated with the corresponding direct wholly-owned subsidiaries for credit amount management, including the Company's directly invested enterprises that are entrusted to the direct wholly-owned subsidiaries for management and included in the scope of consolidation of the direct wholly-owned subsidiaries.

- (ii) The direct wholly-owned subsidiaries of the Company and the Company provided guarantee of RMB16.24 billion to subsidiaries in respect of their financing and credit business and undertake joint guarantee liabilities for debts arising from the various businesses of the guaranteed parties involving the use of credit, the details of which are set out below:

Name of Guaranteed Party (Headquarter)	Guarantee amount (RMB10,000)
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	350,000
CRRC Datong Co., Ltd. (中車大同電力機車有限公司)	10,000
CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)	10,000
CRRC Qishuyan Co., Ltd. (中車戚墅堰機車有限公司)	5,000
CRRC Ziyang Co., Ltd. (中車資陽機車有限公司)	20,000
CRRC Changchun Railway Vehicle Co., Ltd. (中車長春軌道客車股份有限公司)	200,000
CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)	200,000
CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)	20,000
CRRC Nanjing Puzhen Co., Ltd. (中車南京浦鎮車輛有限公司)	20,000
CRRC Sifang Co., Ltd. (中車四方車輛有限公司)	20,000
CRRC Qiqihaer Co., Ltd. (中車齊齊哈爾交通裝備有限公司)	20,000
CRRC Shijiazhuang Co., Ltd. (中車石家莊車輛有限公司)	20,000
CRRC Shandong Co., Ltd. (中車山東機車車輛有限公司)	20,000
CRRC Meishan Co., Ltd. (中車眉山車輛有限公司)	5,000
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	490,000
CRRC Sifang Institute Co., Ltd. (中車青島四方車輛研究所有限公司)	10,000
CRRC Yongji Motor Co., Ltd. (中車永濟電機有限公司)	4,000
CRRC Zhuzhou Motor Co., Ltd. (中車株洲電機有限公司)	40,000
CRRC Qishuyan Institute Co., Ltd. (中車戚墅堰機車車輛工藝研究所有限公司)	20,000
CRRC Construction Engineering Co., Ltd. (中車建設工程有限公司)	40,000
CRRC Investment & Leasing Co., Ltd. (中車投資租賃有限公司)	100,000
Total	<u>1,624,000</u>

- (iii) CRRC Finance Co., Ltd. (中車財務有限公司) provided guarantee of RMB2.2 billion for member enterprises stated in the consolidated statements of the Company, including domestic financing guarantee, payment guarantee, bidding bond, performance bond, contracting warrant, advance receipt (prepayment) refund guarantee, project maintenance guarantee, quality assurance, retention money guarantee, delay payment guarantee and instalment payment guarantee;
- (iv) The Company provided parent guarantee of RMB78.2 billion to subsidiaries in respect of their domestic and overseas bidding and contract performance businesses and undertook guarantee liability within the scope agreed under the guarantee contract. Depending on the equity level of the actual signing entity within the internal organization of the Company, part of the parent guarantee may be signed by the direct wholly-owned subsidiaries;
- (v) The validity period of the guarantee amounts mentioned above will commence from the date of approval at the 2017 AGM until the date on which the 2018 annual general meeting is convened;
- (vi) The guarantee amounts mentioned above are based on the estimate of the current business conditions. Based on possible changes, if the guarantor is the same party, the guarantee provided by it to the prescribed guaranteed party under the abovementioned guarantee plan may be adjusted within the total guarantee amount;
- (vii) As the total amount of the abovementioned guarantee plan has reached the level that is required to be submitted to the general meeting of the Company for consideration according to the relevant laws, regulations and regulatory documents as well as the rules of the internal system of the Company, therefore, the abovementioned guarantee plan must be submitted to the AGM for consideration.

(2) Basic status of the guaranteed party

Unit: RMB10,000

Name of Entity	Balance of assets at the end of the period	Balance of liabilities at the end of the period	Balance of owners' equity at the end of the period	Balance of	Percentage of shareholding (%)
				owners' equity attributable to the parent company at the end of the period	
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	2,921,804	1,993,817	927,988	803,801	100
CRRC Datong Co., Ltd. (中車大同電力機車有限公司)	663,070	490,453	172,616	143,752	100
CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)	2,012,512	1,388,975	623,537	622,479	100

APPENDIX I
MATTERS TO BE CONSIDERED AT THE AGM

Name of Entity	Balance of assets at the end of the period	Balance of liabilities at the end of the period	Balance of owners' equity at the end of the period	Balance of	Percentage of shareholding (%)
				owners' equity attributable to the parent company at the end of the period	
CRRC Qishuyan Co., Ltd. (中車戚墅堰機車有限公司)	396,492	291,903	104,589	99,753	100
CRRC Beijing Erqi Locomotive Co., Ltd. (中車北京二七機車有限公司)	348,238	351,183	-2,944	-2,995	100
CRRC Ziyang Co., Ltd. (中車資陽機車有限公司)	495,187	437,567	57,620	42,694	99.61
CRRC Changchun Railway Vehicles Co., Ltd. (中車長春軌道客車股份有限公司)	5,553,951	3,861,225	1,692,725	1,598,879	93.54
CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)	5,226,316	3,744,170	1,482,146	1,325,565	97.81
CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)	2,570,985	1,585,435	985,550	983,746	100
CRRC Nanjing Puzhen Co., Ltd. (中車南京浦鎮車輛有限公司)	1,520,104	1,107,457	412,647	268,955	100
CRRC Sifang Co., Ltd. (中車四方車輛有限公司)	1,731,946	1,257,158	474,787	269,977	100
CRRC Qiqihaer Co., Ltd. (中車齊齊哈爾交通裝備有限公司)	762,455	446,659	315,796	315,479	100
CRRC Shijiazhuang Co., Ltd. (中車石家莊車輛有限公司)	352,649	231,783	120,866	66,108	100
CRRC Shenyang Co., Ltd. (中車瀋陽機車車輛有限公司)	293,760	216,664	77,096	77,096	100
CRRC Shandong Co., Ltd. (中車山東機車車輛有限公司)	688,686	498,325	190,361	184,556	100
CRRC Xi'an Co., Ltd. (中車西安車輛有限公司)	291,954	165,539	126,415	126,415	100
CRRC Guiyang Co., Ltd. (中車貴陽車輛有限公司)	166,141	68,090	98,051	95,693	100
CRRC Taiyuan Co., Ltd. (中車太原機車車輛有限公司)	439,185	415,741	23,444	22,244	100
CRRC Meishan Co., Ltd. (中車眉山車輛有限公司)	224,118	142,843	81,275	76,842	100
CRRC Yangtze Co., Ltd. (中車長江車輛有限公司)	467,438	315,136	152,302	146,241	100

APPENDIX I
MATTERS TO BE CONSIDERED AT THE AGM

Name of Entity	Balance of assets at the end of the period	Balance of liabilities at the end of the period	Balance of owners' equity at the end of the period	Balance of	Percentage of shareholding (%)
				owners' equity attributable to the parent company at the end of the period	
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	4,922,191	2,098,425	2,823,766	1,579,430	100
CRRC Sifang Institute Co., Ltd. (中車青島四方車輛研究所有限公司)	865,317	547,421	317,896	312,350	100
CRRC Yongji Motor Co., Ltd. (中車永濟電機有限公司)	985,248	644,295	340,953	281,547	100
CRRC Zhuzhou Motor Co., Ltd. (中車株洲電機有限公司)	742,105	508,490	233,615	222,099	100
CRRC Qishuyan Institute Co., Ltd. (中車戚墅堰機車車輛工藝研究所有限公司)	619,985	347,333	272,652	262,631	100
CRRC Dalian Institute Co., Ltd. (中車大連機車研究所有限公司)	215,341	142,344	72,998	71,922	100
CRRC Dalian R&D Co., Ltd. (中車大連電力牽引研發中心有限公司)	109,003	64,507	44,495	44,495	100
CRRC Beijing Nankou Co., Ltd. (中車北京南口機械有限公司)	153,198	153,357	-159	-159	100
CRRC Construction Engineering Co., Ltd. (中車建設工程有限公司)	578,834	387,394	191,440	191,440	100
CRRC Information Technology Co., Ltd. (中車信息技術有限公司)	14,004	8,099	5,905	5,905	51
Beijing CNR CR Railway Transportation Equipment Co., Ltd. (北京北車中鐵軌道交通裝備有限公司)	72,206	119,831	-47,625	-47,625	51
CRRC Investment & Leasing Co., Ltd. (中車投資租賃有限公司)	1,469,089	1,080,207	388,881	261,225	100
CRRC Finance Co., Ltd. (中車財務有限公司)	5,469,960	5,113,976	355,984	355,984	91.36
CRRC Hong Kong Co., Ltd. (中國中車(香港)有限公司)	600,501	430,108	170,393	170,393	100
CRRC Shenzhen Capital Management Co., Ltd. (中車深圳資本管理有限公司)	53,197	243	52,955	52,955	100
CRRC Hong Kong Capital Management Co., Ltd. (中國中車香港資本管理有限公司)	716,360	531,205	185,155	185,155	100

Name of Entity	Balance of assets at the end of the period	Balance of liabilities at the end of the period	Balance of owners' equity at the end of the period	Balance of owners' equity	Percentage of shareholding (%)
				attributable to the parent company at the end of the period	
CRRC Logistics Co., Ltd. (中車物流有限公司)	1,185,613	1,120,031	65,582	64,782	100
CRRC International Co., Ltd. (中車國際有限公司)	118,162	49,550	68,612	67,936	100
South Africa CRRC Co., Ltd. (南非中車車輛有限公司)	111,626	119,375	-7,749	-7,749	66
CRRC Industrial Institute Co., Ltd. (中車工業研究院有限公司)	24,545	3,172	21,373	21,373	100
CRRC Capital Management Co., Ltd. (中車資本管理有限公司)	202,689	501	202,188	202,188	100

(3) Total Amount of Guarantees and Amount of Overdue Guarantees

As at 31 December 2017, the Company provided RMB42.061 billion in total amount of guarantees to its subsidiaries and provided RMB7.441 billion in total amount of guarantees to invested project companies, representing in aggregate 43.25% of the audited net assets as at the end of 2017. The Company and its subsidiaries did not have overdue external guarantees.

The above resolution in relation to the arrangement of guarantees for 2018 has been considered and approved by the Board on 28 March 2018, and is hereby submitted to the AGM for consideration and approval.

5. The resolution in relation to the 2017 profit distribution plan of the Company

According to the requirements from the relevant regulatory authorities, the Articles of Association and relevant laws and regulations, after fully taking into account the net profits for 2017, the financial affordability and the development needs of the Company, the Board proposed the 2017 profit distribution plan as follows:

- (1) The profit distribution of the Company for the year 2017 will be carried out by way of cash dividend;
- (2) Based on the Company's total share capital of 28,698,864,088 Shares, a cash dividend of RMB0.15 per Share (including tax) will be distributed to all Shareholders. Total cash required for the dividend distribution amounts to RMB4,305 million. The remaining undistributed profit will be carried forward to the next year for distribution;

- (3) For holders of A Shares, the dividend will be denominated, declared and paid in Renminbi; for holders of H Shares, the dividend will be denominated and declared in Renminbi and paid in HK dollars. The actual amount distributed in HK dollars will be calculated based on the average benchmark exchange rate between Renminbi and HK dollar as published by the People's Bank of China for five working days prior to the date for convening the general meeting for considering the profit distribution plan;
- (4) For the profit distribution, the amount of cash dividends to be paid to Qualified Foreign Institutional Investors (“**QFII**”) of A Shares, other institutional investors of A Shares (excluding the aforesaid QFII) and individual investors of A Shares is RMB0.15/Share (tax inclusive, with appropriate income tax to be withheld and paid by the Company according to the applicable taxation laws and regulations of the PRC upon dividends distribution). The amount of cash dividends to be paid to non-resident enterprise shareholders of H Shares and individual investors of H shares is RMB0.15/Share (tax inclusive, with appropriate income tax to be withheld and paid by the Company according to the applicable taxation laws and regulations of the PRC upon dividends distribution);
- (5) Matters in relation to profit distribution to investors of Shanghai — Hong Kong Stock Connect:
- 1) Northbound Trading: For investors of The Stock Exchange of Hong Kong Limited (including corporates and individuals) investing in the A Shares of the Company through northbound trading (“**Investors of Northbound Trading**”), their dividends will be distributed in Renminbi by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. Taxes shall be withheld pursuant to the Notice of MOF, SAT and CSRC on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Cai Shui [2014] No. 81). The Company shall withhold income tax at the rate of 10%, the actual cash dividends after tax to be distributed will be RMB0.135 per Share. For Investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authority of the Company for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authority, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded;
 - 2) Southbound Trading: For investors of the SSE (including corporates and individuals) investing in the H Shares of the Company through southbound trading (“**Investors of Southbound Trading**”), the Company will sign the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading (港股通H股股票現金紅利派發協議) with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited will, as the nominee of the Investors of Southbound Trading, receive all cash dividends distributed by the Company and distribute the cash

dividends to the relevant investors of Southbound Trading through its depositary and clearing system. The cash dividends for the Investors of Southbound Trading will be paid in Renminbi. Taxes shall be withheld pursuant to the Notice of MOF, SAT and CSRC on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Cai Shui〔2014〕No. 81). For dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share company shall withhold individual income tax at the rate of 20% on behalf of such investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The H-share company shall not withhold income tax on dividends for domestic corporate investors and those domestic corporate investors shall report and pay the relevant tax by themselves;

- (6) Matters in relation to profit distribution to investors of southbound trading under Shenzhen-Hong Kong Stock Connect: For investors of the Shenzhen Stock Exchange (including corporates and individuals) investing in the H Shares of the Company through Southbound Trading, the Company will sign the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading (港股通H股股票現金紅利派發協議) with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited will, as the nominee of the Investors of Southbound Trading, receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of Southbound Trading through its depositary and clearing system. The cash dividends for the Investors of Southbound Trading will be paid in Renminbi. Taxes shall be withheld pursuant to the Notice of MOF, SAT and CSRC on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (財政部、國家稅務總局、證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) (Cai Shui〔2016〕No. 127). For dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share company shall withhold individual income tax at the rate of 20% on behalf of such investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The H-share company shall not withhold income tax on dividends for domestic corporate investors and those domestic corporate investors shall report and pay the relevant tax by themselves.

The above 2017 profit distribution plan was considered and approved by the Board on 28 March 2018 and is hereby submitted to the general meeting for consideration and approval. Meanwhile, the Board proposes that the Board be generally and unconditionally authorized by the AGM to implement the relevant matters in respect of the distribution of the profit and the Board be asked to further delegate the above authorization to the Company's chairman and president to be responsible for specific implementation and to handle the withholding of tax and other matters according to applicable laws and regulations and the requirements of relevant regulatory authorities.

6. The resolution in relation to the remuneration of the Directors of the Company for 2017

According to the relevant requirements of the SASAC and requirements of the Remuneration Plan of Directors and Supervisors of CRRC Corporation Limited, remuneration of Directors of the Company for 2017 is hereby submitted to the AGM for consideration.

(1) Remuneration of Independent Non-executive Directors

The annual remuneration of Independent Directors, comprising basic remuneration and meeting allowance, was based on the standards set out in the “Notice Regarding the Adjustment of Standards of Remuneration of Independent Directors” issued by SASAC (Guo Zi Ting Fen Pei〔2009〕No.328) and the “Notice on Relevant Issues Regarding Work Subsidy of External Directors Who Resigned as Central Enterprise Principals” issued by SASAC (Guo Zi Ting Fen Pei〔2016〕No.531). The specific remuneration is shown in the table below:

Unit: RMB’0,000		
Name	Title	Remuneration
Li Guo’an	Independent Director	10.38
Zhang Zhong (held office until 20 June 2017)	Independent Director	7.38
Wu Zhuo	Independent Director	9.98
Sun Patrick	Independent Director	14.80
Chan Ka Keung, Peter	Independent Director	15.10

Note:

1. According to the relevant requirements of SASAC, Liu Zhiyong, a non-executive Director, did not receive remuneration and allowance from the Company.
2. The annual basic remuneration of Independent Directors for January to June 2017 was RMB80,000/person/year, which was based on the standards set out in document Guo Zi Ting Fen Pei〔2009〕No.328; and the annual basic remuneration of Independent Directors serving as chairman at special committees concurrently was RMB100,000/person/year. The allowance for meetings of Board: RMB3,000/person/meeting; the allowance for meetings of special committees: RMB2,000/person/meeting.
3. Effective from 20 June 2017, pursuant to the “Notice on Relevant Issues Regarding Work Subsidy of External Directors Who Resigned as Central Enterprise Principals” issued by SASAC (Guo Zi Ting Fen Pei〔2016〕No.531), Li Guo’an and Wu Zhuo are directors who resigned as central enterprise principals. According to the Resolution on the Remuneration Plan for External Directors of CRRC Corporation Limited considered and approved at the 2016 annual general meeting convened by the Company on 20 June 2017, their work subsidy would be granted based on the standard of RMB5,000 (income before tax) per person per month instead. The original standard would still be implemented for Sun Patrick and Chan Ka Keung, Peter.
4. Zhang Zhong resigned from the Company on 20 June 2017.

(2) Remuneration of Executive Directors

The Company's Chairman Liu Hualong, executive Director Sun Yongcai, executive Director Xu Zongxiang and former Vice Chairman Xi Guohua are all persons in charge of central enterprises managed by SASAC, whose remuneration comprises 2017 annual basic remuneration and 2017 performance-based salary and is based on the payment requirements of 2017 annual basic remuneration for persons in charge of central enterprises managed by SASAC and the standards set out in the "Report on the Submission of Remuneration Plan in Respect of Persons in Charge of CRRC Group Co., Ltd. for 2016" (CRRC Group Lao Zi [2017] No.248) which has been submitted to SASAC for approval. The specific remuneration is set out in the table below:

Unit: RMB'0,000

Name	Title	Performance-		Total
		Basic remuneration	based salary for the year	
Liu Hualong	Chairman	0	0	0
Sun Yongcai	Executive Director (holds office starting from 20 June 2017)	17.15	45.03	62.18
Xu Zongxiang	Executive Director (holds office starting from 20 June 2017)	6.88	44.54	51.42
Xi Guohua	Vice chairman (holds office until 26 July 2017)	10.82	50.04	60.86

Note:

1. Liu Hualong's remuneration for 2017 was paid by CRRC GROUP.
2. Xu Zongxiang's remuneration from January to July 2017 was paid by CRRC GROUP.

The abovementioned resolution in relation to the remuneration and welfare payment of the Directors of the Company for 2017 was considered and approved by the Board on 28 March 2018 and is hereby submitted to the AGM for consideration and approval.

7. Resolution in relation to the remuneration to the supervisors of the Company for 2017

According to the relevant requirements of the SASAC and requirements of the Remuneration Plan of Directors and Supervisors of CRRC Corporation Limited, remuneration of supervisors of the Company for 2017 is hereby submitted to the AGM for consideration.

The Company's chairman of the supervisory committee, Wan Jun, is a person in charge of central enterprises managed by SASAC, whose remuneration comprises 2017 annual basic remuneration and 2017 performance-based salary and is based on the payment requirements of 2017 annual basic remuneration by persons in charge of central enterprises managed by SASAC and the standards set out in the "Report on the Submission of Remuneration Plan in Respect of Persons in Charge of CRRC

Group for 2016” (CRRC Group Lao Zi〔2017〕No.248) which was approved by SASAC. The remuneration of members of supervisory committee, Chen Fangping and Qiu Wei, is administered under the remuneration system for the employees in the head office of the Company. The specific remuneration is set out in the table below:

Unit: RMB’0,000

Name	Title	Basic remuneration	Performance based salary for the year	Total
Wan Jun	Chairman of the Supervisory Committee	16.69	45.03	61.72
Chen Fangping	Supervisor	38.92	34.89	73.81
Qiu Wei	Employee representative supervisor	39.00	34.89	73.89

The abovementioned resolution in relation to the remuneration to the supervisors of the Company for 2017 was considered and approved by the Supervisory Committee on 28 March 2018 and is hereby submitted to the AGM for consideration and approval.

SPECIAL RESOLUTIONS:

8. Resolution on amendments to the Articles of Association

The details of the proposed amendments to the Articles of Association are as follows:

(1) Article 14 of the existing Articles of Association:

“The Company shall comply with laws and regulations, strengthen risk control, promote the system of general counsel and reinforce the culture of an honest business.”

is proposed to be amended to read:

“In accordance with the Company Law and the Constitution of the Communist Party of China, the Company shall set up Party organizations and related working organs, and shall maintain an adequate level of staffing to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations. The Party organizations shall play the role of the leadership core and political core in the Company.

The Company shall comply with laws and regulations, strengthen risk control, promote the system of general counsel and reinforce the culture of an honest business.”

(2) Sub-paragraph (5) Article 46 of the existing Articles of Association:

“(5) other items to be contained as required by the Company Law, the Special Regulations as well as the securities regulatory authority and the stock exchange of the place(s) where the Company’s shares are listed;”

is proposed to be amended to read:

“(5) other items to be contained as required by the Company Law, the Special Regulations as well as the securities regulatory authorities of the place(s) where the Company’s shares are listed;”

(3) Article 47 of the existing Articles of Association:

“The share certificates shall be signed by the chairman. Where the securities regulatory authority and the stock exchange of the place(s) where the Company’s shares are listed requires the share certificates to be signed by the president or other senior management members of the Company, the share certificates shall also be signed by the president or other relevant senior management members. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall only be affixed with the Company’s seal under the authorization of the Board. The signatures of the chairman, the president or other relevant senior management members of the Company on the share certificates may also be in printed form.

Where the shares of the Company are issued and traded in a paperless form, it shall comply with regulations otherwise stipulated by the securities regulatory authority and the stock exchange of the place where the Company’s shares are listed.”

is proposed to be amended to read:

“The share certificates shall be signed by the chairman. Where the securities regulatory authorities of the place(s) where the Company’s shares are listed requires the share certificates to be signed by the president or other senior management members of the Company, the share certificates shall also be signed by the president or other relevant senior management members. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall only be affixed with the Company’s seal under the authorization of the Board. The signatures of the chairman, the president or other relevant senior management members of the Company on the share certificates may also be in printed form.

Where the shares of the Company are issued and traded in a paperless form, it shall comply with regulations otherwise stipulated by the securities regulatory authority of the place where the Company’s shares are listed.”

(4) Article 69 of the existing Articles of Association:

“The general meeting may exercise the following functions and powers:

.....

(13) to consider proposals submitted by shareholders individually or jointly holding not less than 3% of the shares carrying voting rights of the Company;

.....

- (15) to consider matters relating to the purchases, disposals, swap of the Company's material assets within one year which exceed 20% of the latest audited total assets of the Company;
- (16) to consider matters relating to the fixed asset investment, technology development, technology import and other investment projects within one year which exceed 20% of the latest audited total assets of the Company;
- (17) to consider matters relating to external investment, asset pledge, entrusted wealth management and entrusted loans of the Company within one year which for a single transaction or on an aggregate basis exceed 20% of the latest audited total assets of the Company;
- (18) to consider the connected transactions amounting to RMB30 million or above and exceeding 2.5% of the absolute value of the latest audited net assets of the Company (excluding the provision of guarantees by the Company and the receipt of endowment in cash assets);

.....

- (20) to consider the share incentive plan(s);
- (21) to consider other matters as required by laws, regulations, departmental rules, the securities laws of the place(s) where the Company's shares are listed and the Articles of Association to be resolved at the general meeting."

is proposed to be amended to read:

"The general meeting may exercise the following functions and powers:

.....

- (13) to consider and approve proposals submitted by shareholders individually or jointly holding not less than 3% of the shares carrying voting rights of the Company;
-
- (15) to consider and approve matters relating to the purchases and disposals of the Company's assets within one year which exceed 30% of the latest audited total assets of the Company;
 - (16) to consider and approve matters relating to external investment, asset pledge, entrusted wealth management and entrusted loans of the Company within one year which exceed 30% of the latest audited total assets of the Company;
 - (17) to consider and approve matters relating to leasing, renting, entrusted operations, being entrusted to manage or joint management with others within one year which exceed 30% of the latest audited total assets of the Company;

- (18) to consider and approve the connected transactions amounting to over RMB30 million or above and exceeding 5% of the absolute value of the latest audited net assets of the Company (excluding the provision of guarantees by the Company and the receipt of endowment in cash assets); for connected transaction matters which can be exempted from or waived for consideration and disclosure as connected transactions under relevant provisions of laws, regulations, departmental rules and the listing rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions

under relevant provisions;

.....

- (20) to consider and approve the share incentive plan(s);
- (21) to consider and approve other matters as required by laws, regulations, departmental rules, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association to be resolved at the general meeting.

(5) Article 71 of the existing Articles of Association:

“The following external guarantees provided by the Company are subject to the consideration and approval at the general meeting.

- (1) any guarantees provided after the total amount of external guarantees of the Company and its subsidiaries has reached or exceeded 25% of the latest audited net assets of the Company;
- (2) any guarantees provided after the total amount of external guarantees of the Company has reached or exceeded 15% of the latest audited total assets of the Company;

.....

- (4) a single guarantee with the amount exceeding 5% of the latest audited net assets of the Company;”

is proposed to be amended to read:

“The following external guarantees provided by the Company are subject to the consideration and approval at the general meeting.

- (1) any guarantees provided after the total amount of external guarantees of the Company and its subsidiaries has reached or exceeded 50% of the latest audited net assets of the Company;

- (2) any guarantees provided after the total amount of external guarantees of the Company has reached or exceeded 30% of the latest audited total assets of the Company;

.....

- (4) a single guarantee with the amount exceeding 10% of the latest audited net assets of the Company;”

(6) Paragraph 4 under Article 111 of the existing Articles of Association:

“The Board, independent Directors and shareholders who meet the relevant requirements are entitled to solicit shareholders’ voting rights. The solicitation of voting rights shall be conducted on a nil consideration basis with full disclosure of information to the shareholders whose voting rights are being solicited.”

is proposed to be amended to read:

“The Board, independent Directors and shareholders who meet the relevant requirements are entitled to solicit shareholders’ voting rights. The solicitation of voting rights shall be conducted on a nil consideration basis with full disclosure of information to the shareholders whose voting rights are being solicited, and no minimum shareholding limitation shall be imposed for soliciting voting rights.”

(7) Add one paragraph after paragraph 2 under Article 121 of the existing Articles of Association as paragraph 3, and the existing paragraph 3 shall be re-numbered as paragraph 4:

“Where significant matters affecting the interests of minority investors are considered at the general meeting, the votes cast by minority investors shall be counted separately.”

(8) Sub-paragraph (7) under Article 155 of the existing Articles of Association:

“(7) other duties and powers under the provisions of the laws, regulations, rules, listing rules of the overseas stock exchange where the shares of the Company are listed and the Articles of Association.”

is proposed to be amended to read:

“(7) other duties and powers under the provisions of the laws, regulations, rules, listing rules of the place(s) where the shares of the Company are listed and the Articles of Association.”

(9) Paragraph 1 under Article 160 of the existing Articles of Association:

“The Board established by the Company consists of nine (9) to thirteen (13) Directors with one (1) Chairman and one (1) to two (2) Vice Chairman (if any). At least one third (1/3) of the Board members shall be independent Directors. At least one (1) independent Director shall be an accounting professional (accounting professionals refer to those who hold senior titles or qualifications as a certified public accountant).”

is proposed to be amended to read:

“The Board established by the Company consists of seven (7) to thirteen (13) Directors with one (1) Chairman and one (1) to two (2) Vice Chairman (if any). At least one third (1/3) of the Board members shall be independent Directors. At least one (1) independent Director shall be an accounting professional (accounting professionals refer to those who hold senior titles or qualifications as a certified public accountant).”

(10) Add one paragraph under Article 161 of the existing Articles of Association as the last paragraph:

“When making decisions on significant matters such as direction of reform and development, key objectives, and priority operational arrangements of the Company, the Board should seek advice from the Party organization. When the Board appoints the management personnel of the Company, the Party organization shall consider and provide comments on the candidates for management positions nominated by the Board or the president, or recommend candidates to the Board and/or the president.”

(11) Article 164 of the existing Articles of Association:

“For the following matters subject to the determination of the Board under the authorisation of the general meeting, the Board should set the scope of power for investments, acquisitions or disposals of assets, pledge of assets, external guarantees, entrusted wealth management, entrusted loans and connected transactions and establish stringent examination and decision-making procedures; and specialists or professionals shall be organised to assess and examine any material investment projects, and such investment projects shall be submitted to the general meeting for approval. The Board is entitled to make decision on the following matters of the Company (including the subsidiaries):

- (1) Acquisition, disposal, swap and pledge of assets, which is not more than 20% of the latest audited total assets of the Company;
- (2) Entrusted wealth management, entrusted loans and external investment, which is not more than 20% of the latest audited total assets of the Company;
- (3) Investment projects of fixed asset investment, technology development and technology import, which is not more than 20% of the latest audited total assets of the Company;
- (4) Leasing, entrusted management and joint management with others of the Company’s assets, which is not more than 20% of the latest audited total assets of the Company.
- (5) Connected transactions (excluding provision of guarantees and the receipt of endowment in cash assets) whose transaction amount is less than RMB30 million or not more than 2.5% of the absolute value of the latest audited net assets of the Company. For connected transaction matters which can be exempted from or waived for consideration and disclosure

as connected transactions under relevant provisions of the stock exchanges where the Company is listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions.

- (6) External guarantees other than that stipulated in Article 71 in the Articles of Association.

The Board will authorize the president within the abovementioned authorisation to exercise the rights as follows:

- (1) Deciding on the single investment project which is not more than 0.5% of the latest audited net assets of the Company;
- (2) Deciding on the temporary financing which is not more than 0.5% of the latest audited net assets of the Company;
- (3) Deciding on entrusted wealth management investment with use of fund for one single transaction or an aggregate basis, within one year, which is not more than 0.5% of the latest audited total assets of the Company.

Save as the above matters, other investments, disposal of assets, external guarantees, entrusted wealth management, entrusted loans and connected transactions shall be approved at the general meeting.

If the relevant laws, regulations and regulatory documents, the listing rules of the places where the Company is listed and the securities regulatory authorities of the places where the Company is listed have different requirements, the Company shall undertake the relevant matters in accordance with the standard which is stricter.”

is proposed to be amended to read:

“The Board is entitled to make decision on the following matters of the Company (including subsidiaries):

- (1) Acquisition and disposal of assets, which is not more than 30% of the latest audited total assets of the Company;
- (2) Entrusted wealth management, entrusted loans, external investment and pledge of assets, which is not more than 30% of the latest audited total assets of the Company;
- (3) Leasing, renting, entrusted management, being entrusted to manage or joint management with others of the Company’s assets, which is not more than 30% of the latest audited total assets of the Company;
- (4) Connected transactions (excluding provision of guarantees and the receipt of endowment in cash assets) whose transaction amount is not more than 5% of the absolute value of the

latest audited net assets of the Company. For connected transaction matters which can be exempted from or waived for consideration and disclosure as connected transactions under relevant provisions of laws, regulations, departmental rules and the listing rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions;

- (5) External guarantees other than that stipulated in Article 71 in the Articles of Association;
- (6) Other matters as required by laws, regulations, departmental rules, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association to be decided by the Board.

The Board will authorize the president within the abovementioned authorization to exercise the rights as follows:

- (1) Deciding on the matters of acquisition or disposal of assets with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;
- (2) Deciding on the matters of external investment, pledge of asset, entrusted wealth management and entrusted loans with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;
- (3) Deciding on the matters of leasing, renting, entrusted management, being entrusted to manage or joint management with others of the Company's assets with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;
- (4) Deciding on the connected transactions with the amount of not more than 0.1% of the latest audited net assets of the Company (excluding the provision guarantees and the receipt of endowment in cash assets);
- (5) Other duties and powers authorized to the Board under the Articles of Association."

(12) Paragraph 3 under Article 175 of the existing Articles of Association:

"The means of the voting on Board resolutions are: open ballot, or other means permitted by laws, administrative regulations, securities regulatory authorities and stock exchanges of the place(s) where the shares of the Company are listed."

is proposed to be amended to read:

"The means of the voting on Board resolutions are: open ballot, or other means permitted by laws, administrative regulations and securities regulatory authorities of the place(s) where the shares of the Company are listed."

(13) Add one sub-paragraph after sub-paragraph (5) under Article 183 of the existing Articles of Association as sub-paragraph (6):

“(6) to promote the construction of the rule of law of the Company.”

(14) Article 193 of the existing Articles of Association:

“Persons who hold positions other than Directors in any entity of the controlling shareholder or actual controller of the Company shall not be appointed as the president and other senior management members of the Company.”

is proposed to be amended to read:

“Persons who hold positions other than Directors in any entity of the controlling shareholder or actual controller of the Company shall not be appointed as the president and other senior management members of the Company, except where a waiver is granted by the securities regulatory authority of the place(s) where the Company’s shares are listed.”

(15) Article 201 of the existing Articles of Association:

“The president may resign prior to the expiry of his term of office. The specific procedures and methods of resignation of the president shall be governed by the employment contract between the president and the Company.”

is proposed to be amended to read:

“The president and other senior management members of the Company may resign prior to the expiry of their terms of office, and the resignation will be effective from the date on which the written resignation is served to the Board.”

(16) Article 313 of the existing Articles of Association:

“The Articles of Association is drafted in Chinese. In case of any discrepancies among the various versions in different languages, the latest Chinese version approved by and registered with the Beijing Municipal Administration for Industry and Commerce shall prevail.”

is proposed to be amended to read:

“Any matters not covered in the Articles of Association or any conflicts between the Articles of Association and laws, regulations and the listing rules of the place(s) where the Company’s shares are listed that were promulgated or amended after the effective date of the Articles of Association, shall be dealt with in accordance with such laws, regulations and the listing rules of the place(s) where the Company’s shares are listed.

The Articles of Association is drafted in Chinese. In case of any discrepancies among the various versions in different languages, the latest Chinese version filed and registered with the competent industrial and commercial administration authority shall prevail.”

(17) Paragraph 1 under Article 314 of the existing Articles of Association:

“Upon the consideration and approval at the general meeting, the Articles of Association will take effect from the date on which it is filed and registered with the industrial and commercial administration authority.”

is proposed to be amended to read:

“The Articles of Association will take effect after it is considered and approved at the general meeting and shall be filed and registered with the competent industrial and commercial administration authority.”

The above resolution in relation to amendments to the Articles of Association has been considered and approved by the Board on 28 March 2018, and is hereby submitted to the AGM for consideration and approval. Meanwhile, the Board proposes to the AGM of the Company to agree on authorizing the Board to handle relevant changes in business registration and/or filing procedures, and directly delegate the chairman of the Company and the person designated by the chairman to exercise the authority provided that the Board has already obtained such authority.

9. Resolution on amendments to the Rules of Procedure for General Meetings

The details of the proposed amendments to the Rules of Procedure for General Meetings are as follows:

(1) Article 8 of the existing Rules of Procedure for General Meetings:

“The general meeting may exercise the following functions and powers:

.....

(13) to consider proposals submitted by shareholders individually or jointly holding not less than 3% of the shares carrying voting rights of the Company;

.....

(15) to consider matters relating to the purchases, disposals, swap of the Company’s material assets within one year which exceed 20% of the latest audited total assets of the Company;

(16) to consider matters relating to the fixed asset investment, technology development, technology import and other investment projects within one year which exceed 20% of the latest audited total assets of the Company;

(17) to consider matters relating to external investment, asset pledge, entrusted wealth management and entrusted loans within one year which, for a single transaction or on an aggregate basis, exceed 20% of the latest audited total assets of the Company;

- (18) to consider the connected transactions amounting to RMB30 million or above and exceeding 2.5% of the absolute value of the latest audited net assets of the Company (excluding the provision of guarantees by the Company and the receipt of endowment in cash assets);

.....

- (20) to consider the share incentive plan(s);
- (21) to consider other matters as required by laws, regulations, departmental rules, the securities laws of the place(s) where the Company's shares are listed and the Articles of Association to be resolved at the general meeting."

is proposed to be amended to read:

"The general meeting may exercise the following functions and powers:

.....

- (13) to consider and approve proposals submitted by shareholders individually or jointly holding not less than 3% of the shares carrying voting rights of the Company;

.....

- (15) to consider and approve matters relating to the purchases and disposals of the Company's assets within one year which exceed 30% of the latest audited total assets of the Company;

- (16) to consider and approve matters relating to external investment, asset pledge, entrusted wealth management and entrusted loans of the Company within one year which exceed 30% of the latest audited total assets of the Company ;

- (17) to consider and approve matters relating to leasing, renting, entrusted operations, being entrusted to manage or joint management with others within one year which exceed 30% of the latest audited total assets of the Company ;

- (18) to consider and approve the connected transactions amounting to RMB30 million or above and exceeding 5% of the absolute value of the latest audited net assets of the Company (excluding the provision of guarantees by the Company and the receipt of endowment in cash assets); for connected transaction matters which can be exempted from or waived for consideration and disclosure as connected transactions under relevant provisions of laws, regulations, departmental rules and the listing rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions;

.....

(20) to consider and approve the share incentive plan(s);

(21) to consider and approve other matters as required by laws, regulations, departmental rules, the listing rules of the place(s) where the Company's shares are listed and the Articles of Association to be resolved at the general meeting.

(2) Article 60 of the existing Rules of Procedure for General Meetings:

“The Board, independent Directors and shareholders who meet the relevant requirements are entitled to solicit shareholders' voting rights. The solicitation of voting rights shall be conducted on a nil consideration basis with full disclosure of information to the shareholders whose voting rights are being collected.”

is proposed to be amended to read:

“The Board, independent Directors and shareholders who meet the relevant requirements are entitled to solicit shareholders' voting rights. The solicitation of voting rights shall be conducted on a nil consideration basis with full disclosure of information to the shareholders whose voting rights are being solicited, and no minimum shareholding limitation shall be imposed for soliciting voting rights.”

(3) Add one paragraph after paragraph 2 under Article 70 of the existing Rules of Procedure for General Meetings as paragraph 3, and the existing paragraph 3 shall be re-numbered as paragraph 4:

“Where significant matters affecting the interests of minority investors are considered at the general meeting, the votes cast by minority investors shall be counted separately.”

(4) Revise some terms in the following articles:

- (i) Proposed to revise the term “Shanghai Listing Rules” in Article 1 of the existing Rules of Procedure for General Meetings to “Shanghai Stock Exchange Listing Rules”;
- (ii) Proposed to revise the term “the Rules of Procedure” in Article 1 of the existing Rules of Procedure for General Meetings to “the Rules”; and
- (iii) Proposed to revise the term “this Articles of Association” in the Chinese version of Articles 8, 14, 24 and 36 of the existing Rules of Procedure for General Meetings to “the Articles of Association”.

The abovementioned resolution in relation to amendments to the Rules of Procedure for General Meetings was considered and approved by the Board on 28 March 2018 and is hereby submitted to the AGM for consideration and approval.

10. Resolution on amendments to the Rules of Procedure for the Board

The details of the proposed amendments to the Rules of Procedure for the Board are as follows:

(1) Article 3 of the existing Rules of Procedure for the Board:

“The Company shall establish a Board which is composed of nine (9) to thirteen (13) Directors.”

is proposed to be amended to read:

“The Company shall establish a Board which is composed of seven (7) to thirteen (13) Directors.”

(2) Article 5 of the existing Rules of Procedure for the Board:

(i) Sub-paragraph (12):

“(12) to decide on the establishment of internal management organizations of the Company;”

is proposed to be amended to read:

“(12) to decide on the establishment of internal management organizations of the Company; to decide on the establishment or the cancellation of branches of the Company;”

(ii) Add one sub-paragraph after sub-paragraph (12) as sub-paragraph (13), and the subsequent sub-paragraphs shall be re-numbered accordingly:

“(13) to decide on the establishment, merger, division, reorganization or dissolution of the directly held subsidiaries of the Company;”

(iii) Add one paragraph under this Article as the last paragraph:

“The Board shall seek advice from the Party organization before deciding on significant issues of the Company including, among others, the reform and development direction, primary objectives and targets and key work arrangements. For the appointment of management of the Company by the Board, the Party organization shall consider and provide advice and suggestion on the candidates proposed by the Board or the president, or recommend candidates to the Board or the president.”

(3) Article 8 of the existing Rules of Procedure for the Board:

“For the following matters subject to the determination of the Board under the authorisation of the general meeting, the Board should set the scope of power for investments, acquisitions or disposals of assets, pledge of assets, external guarantees, entrusted wealth management, entrusted loans and

connected transactions and establish stringent examination and decision-making procedures; and specialists or professionals shall be organised to assess and examine any material investment projects, and such investment projects shall be submitted to the general meeting for approval. The Board is entitled to make decision on the following matters of the Company (including the subsidiaries):

- (1) Acquisition, disposal, swap and pledge of assets, which is not more than 20% of the latest audited total assets of the Company;
- (2) Entrusted wealth management, entrusted loans and external guarantees, which is not more than 20% of the latest audited total assets of the Company;
- (3) Investment projects of fixed asset investment, technology development and technology import, which is not more than 20% of the latest audited total assets of the Company;
- (4) Leasing, entrusted management and joint management with others of the Company's assets, which is not more than 20% of the latest audited total assets of the Company;
- (5) Connected transactions (excluding provision of guarantees and the receipt of endowment in cash assets) whose transaction amount is less than RMB30million or not more than 2.5% of the absolute value of the latest audited net assets of the Company. For connected transaction matters which can be exempted from or waived for consideration and disclosure as connected transactions under relevant provisions of the stock exchanges where the Company is listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions.
- (6) External guarantees other than that stipulated in Article 71 in the Articles of Association.”

is proposed to be amended to read:

“The Board is entitled to make decision on the following matters of the Company (including the subsidiaries):

- (1) Acquisition and disposal of assets, which is not more than 30% of the latest audited total assets of the Company;
- (2) Entrusted wealth management, entrusted loans, external investment and pledge of assets, which shall be not more than 30% of the latest audited total assets of the Company;
- (3) Leasing, renting, entrusted management, being entrusted to manage or joint management with others of the Company's assets, which is not more than 30% of the latest audited total assets of the Company;
- (4) Connected transactions (excluding provision of guarantees and the receipt of endowment in cash assets) whose transaction amount is not more than 5% of the absolute value of the latest audited net assets of the Company. For connected transaction matters which can be

exempted from or waived for consideration and disclosure as connected transactions under the laws, regulations, departmental rules and the listing rules of the place(s) where the Company's shares are listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions;

- (5) External guarantees other than that stipulated in Article 71 in the Articles of Association;
- (6) Other matters as required by laws, regulations, departmental rules, the listing rules of the place(s) where the Company's shares are listed and Articles of Association to be decided by the Board."

(4) Article 9 of the existing Rules of Procedure for the Board:

"The Board shall authorize the president to exercise the following functions within the scope authorized in the Article 8 of the Rules:

- (1) Deciding on the single investment project which is not more than 0.5% of the latest audited net assets of the Company;
- (2) Deciding on the temporary financing matter which is not more than 0.5% of the latest audited net assets of the Company;
- (3) Deciding on entrusted wealth management investment with use of fund, for one single transaction or on an aggregate basis, within one year, which is not more than 0.5% of the latest audited total assets of the Company.

Save as the above matters, other investments, disposal of assets, external guarantees, entrusted wealth management, entrusted loans and connected transactions shall be approved at the general meeting.

If the relevant laws, regulations and regulatory documents, the listing rules of the places where the Company is listed and the securities regulatory authorities of the places where the Company is listed have different requirements, the Company shall undertake the relevant matters in accordance with the standard which is stricter."

is proposed to be amended to read:

"The Board shall authorize the president to exercise the following functions within the scope authorized in the Article 8 of the Rules:

- (1) Deciding on the matters of acquisition or disposal of assets with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;

- (2) Deciding on the matters of external investment, pledge of assets, entrusted wealth management and entrusted loans with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;
- (3) Deciding on the matters of leasing, renting, entrusted management, being entrusted to manage or joint management with others of the Company's assets with a single transaction amount of not more than 0.5% of the latest audited net assets of the Company;
- (4) Deciding on the connected transactions with the amount of not more than 0.1% of the latest audited net assets of the Company (excluding the provision of guarantees and the receipt of endowment in cash assets);
- (5) Other duties and powers authorized to the Board under the Articles of Association."

(5) Article 35 of the existing Rules of Procedure for the Board:

"The meetings of the Board shall be held on site in principle. Where necessary, a meeting of the Board or an extraordinary meeting can be held by means of telephone conference or of other similar communication equipments. Provided that all Directors participating the meeting can hear clearly and communicate with each other through such equipments, all participating Directors shall be deemed to have attended the meeting in person."

is proposed to be amended to read:

"The meetings of the Board shall be held on site in principle. Where necessary, a meeting of the Board or an extraordinary meeting can be held by means of telephone conference or of other similar communication equipments or by written resolution. Provided that all Directors participating the meeting can hear clearly and communicate with each other through telephone or other similar communication equipment, all participating Directors shall be deemed to have attended the meeting in person."

(6) Revise some terms in the following articles:

- (i) Proposed to revise the term "Shanghai Listing Rules" in Articles 1 and 51 of the existing Rules of Procedure for the Board to "Shanghai Stock Exchange Listing Rules";
- (ii) Proposed to revise the term "the Rules of Procedure" in Article 1 of the existing Rules of Procedure for the Board to "the Rules";
- (iii) Proposed to revise the term "this Articles of Association" in Article 50 of the existing Rules of Procedure for the Board to "the Articles of Association"; and
- (iv) Proposed to revise the term "Hong Kong Stock Exchange" in Article 51 of the existing Rules of Procedure for the Board to "Stock Exchange Listing Rules".

The abovementioned resolution on amendments to the Rules of Procedure for the Board has been considered and approved by the Board on 28 March 2018 and is hereby proposed to the AGM for consideration and approval.

11. Resolution on amendments to the Rules of Procedure for the Supervisory Committee

The details of the proposed amendments to the Rules of Procedure for the Supervisory Committee are as follows:

(1) Paragraph 2 under Article 27 of the existing Rules of Procedure for the Supervisory Committee:

“Where necessary, the meetings of the Supervisory Committee can be held by means of telephone conference or of other similar communication equipments. Provided that all supervisors participating the meeting can hear clearly and communicate with each other through such equipments, all participating supervisors shall be deemed to have attended the meeting in person.”

is proposed to be amended to read:

“Where necessary, the meetings of the Supervisory Committee can be held by means of telephone conference or of other similar communication equipments or by written resolution. Provided that all supervisors participating the meeting can hear clearly and communicate with each other through telephone or other similar communication equipment, all participating supervisors shall be deemed to have attended the meeting in person.”

(2) Article 41 of the existing Rules of Procedure for the Supervisory Committee:

“Any matters not covered in the Rules shall be dealt with in accordance with the Articles of Association of the Company.”

is proposed to be amended to read:

“Any matters not covered in the Rules or any conflicts between the Rules and laws, regulations, the listing rules of the place(s) where the Company’s shares are listed or the Articles of Association that promulgated or amended after the effective date of the Rules, shall be dealt with in accordance with such laws, regulations, the listing rules of the place(s) where the Company’s shares are listed and the Articles of Association.”

(3) Article 45 of the existing Rules of Procedure for the Supervisory Committee:

“The right of interpretation of the Rules belongs to the Supervisory Committee.”

is proposed to be amended to read:

“The Supervisory Committee is responsible for the interpretation of the Rules.”

(4) Revise some terms in the following articles:

- (i) Proposed to revise the term “Shanghai Listing Rules” in Article 1 of the existing Rules of Procedure for the Supervisory Committee to “Shanghai Stock Exchange Listing Rules”; and
- (ii) Proposed to revise the term “the Rules of Procedure” in Article 1 of the existing Rules of Procedure for the Supervisory Committee “the Rules”.

The abovementioned resolution on amendments to the Rules of Procedure for the Supervisory Committee has been considered and approved by the Board on 28 March 2018 and is hereby proposed to the AGM for consideration and approval.

12. Resolution in relation to the issuance of debt financing instruments by the Company for 2018

In order to satisfy the production and operation needs of the Company, to adjust the structure of liabilities, and to reduce the financing costs of the Company, according to the Company’s financing plans for 2018, the Company intends to finance by debt instruments and issue one or a portfolio of debt financing instruments in one or multiple tranches. And it has been resolved that the resolution in relation to the proposed issue of debt financing instruments above will be proposed to the AGM for Shareholders’ consideration and approval.

(1) Issue plan

The categories of the debt financing instruments proposed to be issued by the Company include corporate bonds, ultra-short-term debentures, short-term debentures, medium-term notes, perpetual bonds, asset-backed debentures (including but not limited to ABN and ABS) overseas bonds denominated in RMB, bonds denominated in USD, A Share convertible bonds, H Share convertible bonds or other new types of bonds (“**Debentures**”) issued in the PRC with the total outstanding balance of repayment amount of the Debentures not exceeding an aggregate of equivalent to RMB70 billion. In respect of the convertible bonds proposed to be issued, the A Share or H Share so converted may be issued pursuant to the general mandate to additional issue considered and passed by the general meetings of the Company in response to the application for conversion by the holders of the convertible bonds.

(2) Principal terms of issue

- (i) Issuer: the Company, and for the issuance of overseas debt financing instruments, the Company or an overseas wholly-owned subsidiary of the Company will act as the issuer.
- (ii) Size of issue: the specific size of issue will be determined in line with the capital requirements and market conditions with the total outstanding repayment amount of the Debentures not exceeding an aggregate of equivalent to RMB70 billion, provided that requirements of relevant laws and regulations and regulatory documents are complied with.

- (iii) Term(s) and category(ies): the Debentures can take the form of single term debenture or a combination of multiple categories with different terms. The specific composition of such terms and the issue size of each category with a specific term will be determined in accordance with relevant requirements and the market conditions, and the issue size of each category of debentures shall not exceed the limit applicable to the issue of such category of Debentures by the Company in accordance with relevant requirements of the PRC.
- (iv) Use of proceeds: the proceeds to be raised from such issue will be used for satisfying the production and operation needs of the Company, the adjustment of the structure of liabilities, replenishment of working capital and/or project investments.
- (v) Validity term of the resolution: the validity term of the resolution in relation to the proposed issuance of the debt financing instruments means the period from the approval date of this resolution at the AGM to the date for convening the 2018 annual general meeting of the Company. In the event that the Company has resolved to carry out such issuance within the validity term of the resolution and the Company has obtained the approval, permit or registration in relation to the issuance from the regulatory authorities within the validity term of the above resolution, the Company may complete such issuance within the validity term so far as such approval, permit or registration remains valid.

(3) Authorization

It is proposed to grant a general and unconditional mandate at the AGM to the Board to deal with the following matters within the scope of the principal terms of the issue as set out in paragraph (2) above, pursuant to relevant laws and regulations, the opinions and advices of regulatory authorities, the operation needs of the Company as well as the then market conditions:

- (i) to determine the type(s), specific category(ies), specific terms and conditions as well as other matters of the Debentures, including but not limited to all the matters in relation to the issue such as the size of issue, actual total amount, currency, issue price, interest rate or the determination method thereof, applicable issuer, place of issue, timing of issue, term(s), whether to issue in tranches and the number of tranches, whether to adopt any terms for repurchase and redemption, rating arrangements, guarantee matters, term of repayment of the principal and interests, use of proceeds, as well as listing and underwriting arrangements, share transfer arrangements;
- (ii) to carry out all necessary and incidental actions and procedures for the issue of Debentures, including but not limited to, engaging intermediary agencies to handle, on behalf of the Company, the approval, record, filing and registration procedures with relevant regulatory authorities relating to the application for the issue, executing all necessary legal documents relating to the issue and dealing with other matters relating to the issue and trading of the Debentures;
- (iii) to make relevant adjustments to the relevant matters of the issue of the Debentures and to determine whether to proceed with the issue with reference to the opinions from relevant domestic regulatory authorities and the changes in policies and market conditions, provided

that such adjustments and decision shall be within the scope of the authorization of the general meeting and shall be subject to re-voting at a general meeting of the Company if otherwise required by the relevant laws and regulations and the Articles of Association of CRRC Corporation Limited;

- (iv) to deal with other specific matters in relation to the issue of the Debentures and to execute all the required documents;
- (v) to approve the Board's further delegation of the aforesaid authorization to the Chairman of the Board and the president of the Company for the implementation of the issue.

The abovementioned resolution in relation to the issuance of the debt financing instruments in 2018 was considered and approved by the Board on 28 March 2018 and is hereby proposed to the AGM for consideration and approval.

13. Resolution in relation to the grant of general mandate to the Board to issue additional A Shares and H Shares of the Company.

The Board hereby proposes to the AGM for approval by way of a special resolution in relation to the grant of an unconditional general mandate to the Board to, subject to market condition and the requirements of the Company, separately or concurrently issue, allot and deal with, by share capital or equity linked instruments (as defined below), new shares not exceeding 20% of each of the issued domestic shares (A Shares) and/or overseas listed foreign invested shares (H Shares) of the Company at the time of passing this resolution at the AGM. According to requirements of relevant PRC laws and regulations and regulatory documents, the Board shall seek approval from the general meeting for each issuance of new A Shares even if the general mandate has been granted to the Board. Details of the general mandate include but are not limited to the following matters:

1. to formulate and implement the detailed issue proposal which includes, without limitation, the class of new shares to be issued, the pricing mechanism and/or the issue price (including a price range), the number of shares to be issued, the target subscribers and the use of proceeds; to determine the timing of the issue and the period of the issue, and to decide whether to place to existing shareholders or not;
2. to consider, approve and execute, on behalf of the Company, agreements relating to the issue, including but not limited to placing and underwriting agreements, engagement agreements with intermediaries;
3. to consider, approve and execute, on behalf of the Company, legal documents relating to the issue which shall be submitted to the relevant regulatory authorities; to fulfill the relevant approval procedures in accordance with the requirements of the regulatory authorities and requirements at the places where the Company is listed;
4. to make necessary amendments to the relevant agreements and legal documents in items 2 and 3 above in accordance with the requirements of domestic and foreign regulatory authorities;

5. to affix the seal of the Company on the agreements and legal documents relating to the issue;
6. to engage intermediaries in connection with the issue and to approve and execute all actions, deeds, documents and such other matters that are necessary, appropriate, expedient or relevant to the issue;
7. to approve the increase of the registered capital of the Company, make relevant amendments to the Articles of Association of the Company relating to the total capital and shareholding structure, and fulfill the relevant registration and filing procedures pursuant to the domestic and overseas legal requirements, after the issue of the new shares.

Except that the Board may make or grant offers, agreements, or options during the Relevant Period in relation to the issue of A Shares and/or H Shares, which might require further promotion or implementation after the end of the Relevant Period, the period of the above mandate shall not exceed the Relevant Period. The Relevant Period means the period from the date of granting the mandate by a special resolution at the 2017 AGM until whichever is the earliest of:

1. the conclusion of the 2018 annual general meeting of the Company;
2. the expiration of the 12-month period following the passing of this resolution by a special resolution at the 2017 AGM;
3. the date on which the mandate under this resolution is revoked or varied by a special resolution at any general meeting of the Company.

For the purpose of this resolution, “equity-linked instruments” include bonds that may be converted or exchanged into A Share and/or H Share, options or other derivatives.

The abovementioned resolution in relation to the grant of a general mandate to the Board to issue new A Shares and H Shares of the Company was considered and approved by the Board on 28 March 2018 and is hereby proposed to the AGM for consideration and approval.

CRRC CORPORATION LIMITED
2017 WORK REPORT OF THE BOARD

I. BRIEF REVIEW ON THE WORK OF THE BOARD IN 2017

In 2017, with the successful convocation of the 19th National Congress of the Party, a new journey was opened for socialism with Chinese characteristics. The deepening reforms of CRRC entered a crucial period during the year, and the implementation of the “13th Five-Year Plan” development strategy entered a critical stage. The Board of the Company earnestly fulfilled the duties entrusted by the Company Law of the PRC and the Articles of Association, took the maximization of shareholders’ value as its own responsibility, actively explored effective ways to play its role as the Board, and promoted the improvement of corporate governance standards and the development of the Company’s business operations. All Directors of the Company conscientiously performed their duties, worked diligently and did a lot of work for the Company’s major decisions and the normative operation of the Board.

(I) Persisting in fulfilling duties to effectively promote the normative operation of “Three Meetings and One Level”

In 2017, the Board conscientiously fulfilled its responsibilities and made scientific decisions in a timely manner on major issues such as the Company’s operating plan, investment plan and reform and development in accordance with the requirements of the regulatory authorities and the development needs of the Company. During the year, one general meeting was organized and convened. Through on-site voting in combination with online voting, the Company considered and approved 13 resolutions including the Resolution on the Work Report of the Board of CRRC Corporation Limited for 2016.

The Board organized and convened 11 Board meetings and considered and approved 55 resolutions in respect of periodic reports, connected transactions, PPP projects, etc. Details are as follows:

- (1) On 23 January 2017, the Company convened the 20th meeting of the first session of the Board, at which 3 resolutions, including the Resolution on the Repayment of Interest-bearing Liabilities with Proceeds instead of Self-owned Funds, were considered and approved.
- (2) On 29 March 2017, the Company convened the 21st meeting of the first session of the Board, at which 27 resolutions, including the Resolution in Relation to the 2016 Annual Report of CRRC Corporation Limited, were considered and approved.
- (3) On 27 April 2017, the Company convened the 22nd meeting of the first session of the Board, at which 4 resolutions, including the Resolution in Relation to the 2017 First Quarterly Report of CRRC Corporation Limited, were considered and approved.

- (4) On 22 May 2017, the Company convened the 23rd meeting of the first session of the Board, at which 3 resolutions, including the Resolution on the Nomination of Candidates for Directors for the First Session of the Board, were considered and approved.
- (5) On 27 June 2017, the Company convened the 24th meeting of the first session of the Board, at which 2 resolutions, including the Resoluitiion on the Appointment of Additional Members of Special Committees of the First Session of the Board of CRRC Corporation Limited, were considered and approved.
- (6) On 25 August 2017, the Company convened the 25th meeting of the first session of the Board, at which 2 resolutions, including the Resolution in Relation to the 2017 Interim Report of CRRC Corporation Limited, were considered and approved.
- (7) On 12 October 2017, the Company convened the 26th meeting of the first session of the Board, at which 3 resolutions, including the Resolution on the Appointment of President of CRRC Corporation Limited, were considered and approved.
- (8) On 27 October 2017, the Company convened the 27th meeting of the first session of the Board, at which 6 resolutions, including the Resolution in Relation to the 2017 Third Quarterly Report of CRRC Corporation Limited, were considered and approved.
- (9) On 10 November 2017, the Company convened the 28th meeting of the first session of the Board, at which the Resolution on Optimizing the Functions of the Headquarters and the Adjustment of the Establishment of Some Institutions of CRRC Corporation Limited was considered and approved.
- (10) On 20 November 2017, the Company convened the 29th meeting of the first session of the Board, at which the Resolution on the Reorganization Plan for the Truck Business of CRRC Corporation Limited was considered and approved.
- (11) On 20 December 2017, the Company convened the 30th meeting of the first session of the Board, at which 3 resolutions, including the Resolution on the Appointment of Joint Company Secretaries of CRRC Corporation Limited, were considered and approved.

During the year, the Board organized and convened 14 special committee meetings of the Board, of which, one by the strategy committee, which considered the operation plan of CRRC for 2017; seven by the audit and risk management committee, which reviewed the financial management of the Company; four by the nomination committee, which conducted a preliminary review of the candidates for appointment and dismissal by the Board and made recommendations, and two by the remuneration and assessment committee, which considered the Resolution in Relation to the Remuneration of the Directors and Supervisors of CRRC Corporation Limited for 2016 and other resolutions.

(II) Persisting in supplementing and adjusting members of the Board and special committees

The Board of the Company is composed of 8 Directors. The Board members have rich experience and the structure of the members is reasonable, which provide an important guarantee for the Board to make scientific decisions. Among them, there are three executive Directors, namely chairman Liu Hualong, president Sun Yongcai, and Xu Zongxiang; one non-executive Director, Liu Zhiyong; and four Independent Non-executive Directors, namely Li Guo'an, Wu Zhuo, Sun Patrick and Chan Ka Keung, Peter. The Board of the Company has four committees, namely strategy committee, audit and risk management committee, remuneration and assessment committee and nomination committee. Other than the strategy committee which is chaired by the chairman of the Company, the other three committees are all chaired by Independent Non-executive Directors. The audit and risk management committee and the remuneration and assessment committee are all composed of non-executive Directors, and non-executive Directors account for the majority of the nomination committee, which ensures that non-executive Directors could fully express their opinions and effectively participate in corporate governance, and guarantees the normative, scientific and effective operation of the Board. On 20 June 2017, Sun Yongcai and Xu Zongxiang were elected as non-executive Directors of the Company at the 2016 annual general meeting. On 20 June 2017, Zhang Zhong resigned as an Independent Non-executive Director, member of the audit and risk management committee and the remuneration and assessment committee, and vice chairman and member of the nomination committee of the Company due to his age. On 27 June 2017, the 24th meeting of the first session of the Board appointed Sun Yongcai, Xu Zongxiang and Li Guo'an as additional members of the strategy committee, appointed Wu Zhuo as additional member of the audit and risk management committee, appointed Sun Patrick as additional member of the nomination committee, and appointed Liu Zhiyong as additional member of the remuneration and assessment committee. On 26 July 2017, Xi Guohua resigned from his position as vice chairman, executive Director and president of the Company as well as member of the strategy committee and the nomination committee due to other work commitment. On 27 October 2017, the 27th meeting of the first session of the Board appointed Sun Yongcai as additional member of the nomination committee.

(III) Persisting in advancing with the times, and constantly improving the work system of the Board

At the beginning of its establishment, CRRC focused on the normative, scientific and effective operation of the Board. It has formulated the Articles of Association, the Rules of Procedure for the Board, the Working Rules for the Special Committees of the Board, the Working Rules for the President, etc., forming the basic regimes and systems of "Articles of Association+29 Basic Systems+212 Basic and Supporting Systems", and clearly setting out the core content such as the establishment of the Company's organizations and bodies, the terms of reference, rules of procedure, and right and obligation systems of the Company's general meeting, the Board and special committees. In 2017, in accordance with the regulatory requirements and corporate governance needs, the Articles of Association, the Working Rules for the President of CRRC Corporation Limited, the Rules for the Management of Connected Transactions of CRRC Corporation Limited (A Shares) and the Working Rules for the Remuneration and Assessment Committee of the Board of CRRC Corporation Limited were amended, which further improved the regimes and systems.

(IV) Persisting in smooth communication to ensure decision-making information support for non-executive Directors

To ensure that non-executive Directors regularly receive major operation information from the Company so as to provide important support for scientific decision making, the Company formulated the Communication Rules for Independent Directors which categorised the communication into four groups: daily communications, communications concerning meetings and resolutions, communications concerning annual reports and communications of significant events. Non-executive Directors regularly obtained information such as corporate management, market expansion, product development, technical innovation, selection and recruitment of talents and financial management to gain an understanding of the operation and development of the Company. Subject to the specific needs of a meeting, non-executive Directors actively communicated with the management before such Board meetings were officially convened and even before the determination of proposals to be considered. They kept abreast of significant events of the Company and regularly read notified matters in aspects of major investments, research and development projects as well as market expansion of the Company to learn and keep abreast of more information. In addition, they actively attended important meetings convened by the Company's management to gain an understanding of the Company's operations. The Measures on Investigations and Studies by Non-executive Directors (《非執行董事調研考察管理辦法》) has been formulated, which expressly sets out that non-executive Directors shall inspect subsidiaries not less than two times per year. In 2017, the Board went to 19 subsidiaries at various levels including Ziyang Company, Shijiazhuang Company, Lanzhou Company, Guiyang Company and Hong Kong Company for investigation and study for six times in succession and went to Malaysia, Australia and New Zealand to inspect, investigate and study the projects of the Company, and understand the development of the enterprises, the progress of major investment projects and the development of the Company's international business.

(V) Persisting in compliance with laws and regulations, with increasing transparency of information disclosure

The Board of the Company is committed to increasing the transparency of information disclosure, fulfilling its information disclosure obligations in accordance with laws and regulations, carefully reviewing the disclosed information through emails, WeChat, meetings, etc., and disclosing information in a true, accurate, complete and timely manner in compliance with the requirements for "regulation according to law, strict regulation, and comprehensive regulation" of regulatory authorities. In 2017, the Company published 130 disclosure documents in Chinese, 72 disclosure documents in English, among which are two periodical reports and four results announcements for each, i.e., 202 disclosure documents in aggregation, on The Stock Exchange of Hong Kong Limited. The Company published 121 ad hoc announcements, four periodical reports, two summary announcements of periodical reports, i.e., 127 announcements, on the Shanghai Stock Exchange. The Board focused on completing the information disclosure of the non-public offering of A Shares and 4 non-daily connected transactions. In accordance with the newly formulated private equity fund information disclosure guidelines, the Company completed six announcements in relation to the establishment of private equity funds, and published the announcements in relation to corporate bond interest payment and follow-up rating and the announcement in relation to the first-time international credit rating. In 2017, the Company obtained Grade A in the evaluation of information disclosure of listed companies in the Shanghai Stock Exchange.

(VI) Persisting in the supremacy of shareholders and being proactive in investor relations management

The Board of the Company is committed to protecting the interests of all the Shareholders, actively managing investor relations and making timely responses to the appeals of the Shareholders. The Company established an investor relations management team of three tiers. Senior management, which comprised the chairman, president, vice president and the secretary to the Board of the Company, would be responsible for decision-making and planning of major events of investor relations. The Board office of the Company, which is the execution department, would be responsible for day-to-day communications with investors, non-transaction road shows, Shareholders' analysis, capital market monitoring and collection of information feedback. The support department, which comprised the business departments of the Company and all its subsidiaries, would be responsible for providing the information necessary for investor relations management. Through two years of investor relations management practice, the establishment of a good relationship between the Company and investors, institutions and media was promoted, which has maintained the enhancement of the Company's market value and image. In 2017, the Company organized in total 1 series of roadshows and 1 series of reverse roadshows, received in total 97 series of 490 visitors, convened 74 conference calls, arranged 16 series of subsidiary inspections, participated in 25 strategy events organized by securities institutions, and answered more than 650 phone calls (not including personal mobile phone) based on available statistics. At the end of 2017, the price of the Company's A Shares and H Shares rose by 23.95% and 19.83% respectively as compared with the same period of 2016, and its market value increased by 29.48%.

(VII) Persisting in climbing with loads to gradually reverse the unfavourable business situation

In 2017, being confronted with a grim and complicated operating situation, the Board of the Company strengthened target leading, took vigorous measures, paid close attention to the implementation of responsibilities, and strived to digest various unfavourable factors such as price reductions in respect of the construction and repair of EMUs, cleaning up financing trade, making provision for impairment, addressing the problems of "zombie enterprises and enterprises with difficulties" (處僵治困) and personnel placement, gradually reversing the unfavorable business situation. The Company achieved an operating income of RMB211.013 billion for the year and total profit of RMB15.399 billion.

In the past year, all the Directors put forward ideas and plans for the Company with due diligence, considered every resolution and gave careful, objective and fair advices. With thorough understanding of the on-site production and operation of the Company and active participation in decision making of the Board, interests of the Company and the shareholders have been safeguarded. As the level of corporate governance of CRRC has been constantly increasing, the Company has been awarded with the following honors in the capital market consecutively: 17 important awards, including "Most Influential Listed Company Leader" (最具影響力上市公司領袖獎), "Listed Company with the Best Brand Value" (最具品牌價值上市公司獎) and "Best secretary of the Board of Directors of Listed Company" (最佳上市公司董秘獎) by Golden Bauhinia on Securities in China (中國證券金紫荊獎); Hong Kong Corporate Governance Excellence Award (香港上市公司管治卓越獎), ranking 42nd in Asia Pacific Region in "2016 Vision Awards Annual Report Competition" of and "Gold Winner — Equipment, Machinery & Instruments" (裝備機械儀器行業金獎) from League of American Communications Professionals (LACP).

II. 2018 WORK ARRANGEMENT OF THE BOARD

The year 2018 is the first year for the Company to implement the spirit of the 19th National Congress of the Communist Party and is the year for taking aggressive actions in deepening reforms in the new era. It's also a key year for making continued efforts in implementing the 13th Five-Year Plan. The Board of the Company will continue to work hard to create better results to reward the society, the Shareholders and the investors.

1. Persisting in target leading to ensure that the Company achieves its annual business objectives. In 2018, in view of the macro-economic situation, the Company set its primary goal to ensure the stability and growth of operation income and net profits attributable to owners of the parent company. The Company will, through the main line of comprehensive budget, the approach of refined management and with an aim to improve quality and enhance efficiency, endeavour to reinforce operation management, enhance corporate governance and expedite international operation to ensure the stability and growth of its operation and efficiency and lay a solid foundation for the Company to become a respectable international company in the new era, by focusing on the three themes of “quality, efficiency and momentum”, the three driving forces of “innovation, reform and integration” and the ten tasks of “improving quality, controlling risks, boosting transform, optimizing service, expanding business, reinforcing support, making up for deficiencies, making joint efforts, bearing tasks and establishing reputation”.

2. Persist in compliant operation and continue to strengthen Board construction. Strengthen the sense of responsibility and constantly enhance the level of scientific decision-making by the Board, take a variety of forms to strengthen the business theory study of members of the Board, understand and grasp the latest regulatory policies. First, organize Board members to conduct investigations and research into subsidiaries or key investment projects, further improve the level for the Board to perform duties according to the law; second, earnestly implement the legal procedures, such as the risk assessment of decision-making of major issues, legitimacy review, profit outlook assessment, collective discussion decisions, etc.; third, successfully complete the re-election of the Board. In 2018, the term of office of the first session of the Board of CRRC will expire. We will carefully summarize the experience and lessons in respect of the work of the first session of the Board and continue to improve the work of the Board. Meanwhile, in accordance with the Company Law and the relevant provisions of the Articles of Association, we will carefully organize the re-election so as to make the composition and knowledge structure of the Board more reasonable, and constantly increase the decision-making level of the Board.

3. Persist in the construction of the internal control system and constantly improve the basic systems of the Company. First, constantly improve the construction of the internal control system, strengthen risk management and control, identify risks and assess risks at any time, and formulate countermeasures to ensure that all types of risks associated with the Company's production, operation and management are under control; second, taking into account the requirement for state-owned enterprises to include party building in their articles of association and the adjustments to the Company's organization structure, organize making amendments to the basic systems such as the Articles of Association, constantly improve the corporate governance system, and in particular, organize to make amendments to the Articles of Association. On the basis of drawing on the experience of other state-owned enterprises, formulate and organize the implementation of specific amendment schedules in accordance with the actual situation of corporate governance.

4. Promote market value management and strive to enhance the image of the capital market. First, in respect of information disclosure, in accordance with the requirements for “regulation according to law, strict regulation, and comprehensive regulation” of regulatory authorities, follow the principle of “timely, fair, true, accurate and complete”, take the initiative to increase voluntary disclosure, enhance the Company’s transparency in the capital market; second, in respect of investor relations management, attach great importance to daily investor visits and field research reception work, plan and organize the performance promotion and roadshow activities in a good manner, maintain positive interaction with investors, maintain and enhance the Company’s image in the capital market.

The Board of CRRC Corporation Limited

Note: All the financial data provided in this report were prepared under the PRC Accounting Standards; and unless stated otherwise, the currency used for book-keeping was Renminbi.

CRRC CORPORATION LIMITED
2017 WORK REPORT OF THE SUPERVISORY COMMITTEE

In 2017, strictly in accordance with the relevant provisions of the Company Law of the PRC and other laws and regulations and the Articles of Association and the Rules of Procedure for the Supervisory Committee, from the interests of all shareholders, all members of the Supervisory Committee of the Company conducted supervision and examination on the legal compliance of the Company's financial affairs, the implementation of the resolutions of the Shareholders' general meeting, the major decision-making procedures of the Board and the operation and management activities of the Company, and the performance of the duties of Directors and senior management, promoting the Company's sustainable and healthy development. All supervisors seriously performed their duties, actively and effectively carried out the work of the Supervisory Committee for the year 2017.

I. WORK OF THE SUPERVISORY COMMITTEE

In 2017, the Supervisory Committee summoned and convened the meetings of the Supervisory Committee pursuant to the laws and regulations and according to the operation of the Company, and mainly carried out works in the following aspects:

1. Meetings of the Supervisory Committee in 2017

During the Reporting Period, the Supervisory Committee held 7 meetings to consider 20 proposals. The meetings were convened in strict accordance with the relevant provisions of the Company Law of the PRC, the Articles of Association and the Rules of Procedures for the Supervisory Committee. Details of the meetings are as follows:

On 22 January 2017, the 12th meeting of the first session of the Supervisory Committee was convened in the form of on-site meeting, at which 3 resolutions, including the Resolution on the Repayment of Interest-bearing Liabilities with Proceeds instead of Self-owned Funds, were considered and approved.

On 29 March 2017, the 13th meeting of the first session of the Supervisory Committee was convened in the form of on-site meeting, at which 10 resolutions, including the Resolution in Relation to the 2016 Annual Report of CRRC Corporation Limited, were considered and approved.

On 27 April 2017, the 14th meeting of the first session of the Supervisory Committee was convened in the form of on-site meeting, at which the Resolution in Relation to the 2017 First Quarterly Report of CRRC Corporation Limited was considered and approved.

On 24 August 2017, the 15th meeting of the first session of the Supervisory Committee was convened in the form of on-site meeting, at which 2 resolutions, including the Resolution in Relation to the 2017 Interim Report of CRRC Corporation Limited, were considered and approved.

On 12 October 2017, the 16th meeting of the first session of the Supervisory Committee was convened in the combined form of on-site meeting and telecommunication, at which the Resolution on the Land Circulation Plan for the Self-changed Region of the Chenghua Plant Area of CRRC Chengdu Co., Ltd. was considered and approved.

On 27 October 2017, the 17th meeting of the first session of the Supervisory Committee was convened in the form of on-site meeting, at which 2 resolutions, including the Resolution in Relation to the 2017 Third Quarterly Report of CRRC Corporation Limited, were considered and approved.

On 20 December 2017, the 18th meeting of the first session of the Supervisory Committee was convened in the form of on-site meeting, at which the Resolution on the Transfer of 100% Equity Interest Held in Beijing Erqi Vehicle Co., Ltd. to CRRC GROUP Co., Ltd. was considered and approved.

2. Attendance of Members of the Supervisory Committee at the Company's Other Meetings

In 2017, members of the Supervisory Committee attended the 2016 annual general meeting, presented as non-voting attendees at 9 Board meetings and 21 office meetings of president convened by the Company in 2017, and attended the Company's annual work meeting and operational management meeting.

In accordance with the Articles of Association, the Supervisory Committee conducted effective supervision on, among others, the convening procedures of the Company's shareholders' general meeting and the Board meeting, issues and voting procedures. During the voting, a supervisor was sent to supervise the implementation of the resolution of the shareholders' general meeting by Directors and senior management.

During their participation in the aforesaid meetings, members of the Supervisory Committee communicated with the relevant departments when necessary, investigated and made enquiries on key proposals and offered opinions and recommendations on key issues to ensure that the various tasks are in compliance with the relevant laws and regulations.

3. The Special Research Organized by the Supervisory Committee

In 2017, in accordance with the provisions of the Rules of Procedure for the Supervisory Committee of the Company, the Supervisory Committee's right to know shall be protected, ensuring the supervisors' effective supervision, inspection and evaluation on the Company's financial status and operation and management. The Supervisory Committee organized one in-depth enterprise field investigation. On 16 to 25 November 2017, the Supervisory Committee carried out a research inspecting the Company's Kuala Lumpur Maintenance Project, Melbourne Urban Rail Metro Project, the business management and market development of CRRC Australia Pty Ltd. and New Zealand Locomotive Project, etc. Through the in-depth enterprise site investigation, supervisors were able to further understand the financial operating situation of the enterprises.

II. OPINION OF THE SUPERVISORY COMMITTEE REGARDING COMPLIANCE OF THE COMPANY'S OPERATIONS

The Supervisory Committee supervised over and checked on the legal performance of duties, establishment of the internal control system of the Company as well as its sound and consistent implementation during the reporting period.

The Supervisory Committee is of the following opinion: The Board and the senior management of the Company were able to conduct its operations legally and strictly in compliance with the requirements of the Company Law of the PRC and the Articles of Association as well as other relevant laws, regulations and rules. The Board and the senior management performed their own duties in a faithful and diligent manner and implemented the resolutions and mandates of the general meetings and the Board earnestly. None of them was found to have engaged in any act undermining the interests of the Company or Shareholders, breached the laws and regulations, the Articles of Association and rules and systems.

III. OPINION OF THE SUPERVISORY COMMITTEE REGARDING INSPECTION ON THE COMPANY'S FINANCIAL CONDITIONS

Through attending presentations by the Company's financial representative, reviewing the Company's financial statements, and deliberating on the Company's regular reports and the auditor's audit report as well as conducting field trips for the major investment projects undertaken by the Board during the reporting period, members of the Supervisory Committee conducted inspection and supervision on the Company's financial operations.

The Supervisory Committee is of the following opinion: the Company's financial system is comprehensive and the financial system is sound. The financial report of the Company gave a true, fair and full picture of the financial position and operating results of the Company and its various expenses and disbursements were reasonable. Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) performed an audit on the Company's financial report for 2016 and issued a standard unqualified opinion in its audit report. It was of the opinion that the Company's financial statements were prepared in all material respects in accordance with the requirements of the corporate accounting principles promulgated by the Ministry of Finance of the PRC and presented a fair view of the Company's financial position and cash flow as of 31 December 2016. The Supervisory Committee has reviewed the report.

IV. OPINION OF THE SUPERVISORY COMMITTEE REGARDING THE MANAGEMENT AND USE OF THE FUNDS RAISED BY THE COMPANY

The Supervisory Committee supervised the use of the funds raised during the reporting period, and is of the following opinion: the Company managed and used the funds raised strictly in compliance with the requirements under Measures for the Management of Funds Raised of CRRC Corporation Limited, the actual allocation of the funds raised was in compliance with the stipulations of the PRC's relevant laws and regulations as well as the Articles of Association, and there was no act which undermined the interests of the Company or its Shareholders.

The Supervisory Committee will continue to supervise and inspect the progress regarding the use of the funds raised.

V. OPINION OF THE SUPERVISORY COMMITTEE REGARDING THE ACQUISITION AND DISPOSAL OF ASSETS BY THE COMPANY

During the reporting period, the Company made reasonable pricing decisions and followed procedures in compliance in its asset acquisition or disposal transactions, and there were no circumstances in which the Company's assets were lost or the interests of its Shareholders were undermined.

VI. OPINION OF THE SUPERVISORY COMMITTEE REGARDING THE STATUS OF THE COMPANY'S CONNECTED TRANSACTIONS

The Supervisory Committee conducted supervision over the Company's connected transactions which occurred during the reporting period, and is of the following opinion: in relation to all of the Company's related party transactions, the Company strictly followed the laws and regulations as the Company Law of the PRC, the Securities Law of the PRC, the listing rules of the place where the Company's shares are listed as well as stipulations in the Articles of Association and Management Measures on Connected Transactions of CRRC Corporation Limited, and such connected transactions were entered into upon sufficient discussion and investigation and prudent decision-making by the Board and management of the Company, where pricing was determined in accordance with principles such as government pricing and fair market pricing, did not violate the principles of openness, fairness and impartiality, and there were no circumstances in which the interests of the Company or the interests of its minority Shareholders were undermined.

VII. OPINION OF THE SUPERVISORY COMMITTEE REGARDING EVALUATION OF THE INTERNAL CONTROL OF THE COMPANY

During the reporting period, upon review of the Assessment Report on Internal Control of CRRC Corporation Limited for 2016, the Supervisory Committee has no objections to the report. Deloitte Touche Tohmatsu CPA LLP audited the internal control of the Company for 2016, and issued an audit report on the internal control of CRRC Corporation Limited for 2017, which believed that the Company maintained effective internal control of financial report in all material respects in accordance with the Basic Practices of Internal Control of Enterprises and the relevant requirements as at 31 December 2016.

In 2018, the Supervisory Committee will continue to diligently perform its duties strictly in accordance with the Company Law of the PRC, the Articles of Association and other relevant requirements, adequately express its opinion, and carefully and independently considered resolutions and cast its vote in order to facilitate the sound and sustainable development of the Company.

The Supervisory Committee of CRRC Corporation Limited