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中国铁建
CRCC High-Tech Equipment Corporation Limited
中國鐵建高新裝備股份有限公司

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

(Stock Code: 1786)

ANNOUNCEMENT
CHANGE IN USE OF PROCEEDS

References are made to the prospectus of CRCC High-Tech Equipment Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 3 December 2015 (the “**Prospectus**”) in relation to the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited, the announcements of the Company dated 28 December 2016 and 9 December 2019 (the “**Announcements**”) in relation to the change in use of proceeds, and the annual report of the Group for the year ended 31 December 2022 in relation to the updates regarding use of proceeds. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus.

CHANGE IN USE OF PROCEEDS

The net proceeds from the Global Offering, after deducting the underwriting commissions and expenses payable by the Company in relation to the Global Offering, were approximately RMB2.27 billion. As disclosed in the Announcements, the net proceeds from the Global Offering were originally intended to be applied by the Company for the following purposes:

- (a) construction of “International Technology Cooperation Center” project: approximately 40% of the net proceeds from the Global Offering will be used for the construction of our “International Technology Cooperation Center” project, including acquisition of land, construction of infrastructure and purchase of equipment;
- (b) development of regional business network platform: approximately 10% of the net proceeds from the Global Offering will be used for upgrading our business network by developing our sales offices into 4S stores that integrate functions of sales, service, spare parts and survey, so as to provide comprehensive customer services and systemic solutions to our large railway track maintenance machine customers;
- (c) general domestic and overseas mergers and acquisitions: approximately 5.46% of the net proceeds from the Global Offering will be used for general domestic and overseas acquisitions that, among others, relate to the large railway track maintenance machinery industry, and will enable us to strengthen and complement our core value chain; and

- (d) working capital: not more than approximately 44.54% of the net proceeds from the Global Offering will be used to supplement working capital.

For reasons set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” of this announcement, the board of directors of the Company (the “**Board**”) has resolved to change the use of net proceeds from the Global Offering as follows: out of the amount of RMB123,962,631.67 which were originally allocated for general domestic and overseas mergers and acquisitions as set out in item (c) above and had been applied in an amount of RMB119,356,198.68 as at 31 December 2022, the remaining balance of RMB4,606,432.99 will be re-allocated to supplement the working capital of the Company. The use of net proceeds from the Global Offering in the further revised manner is set out as follows:

	Revised allocation of the net proceeds as per the Announcements		Utilisation as at 31 December 2022	Remaining balance of the net proceeds as at 31 December 2022	Revised allocation of the net proceeds	
	<i>RMB</i>	<i>% of net proceeds</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>% of net proceeds</i>
Construction of “National Large Railway Track Maintenance Machinery International Technology Cooperation Center” project	908,026,526.81	40%	908,026,526.81	0	908,026,526.81	40%
Development of regional business network platform	227,006,631.70	10%	225,491,946.52	1,514,685.18	227,006,631.70	10%
General domestic and overseas mergers and acquisitions	123,962,631.67	5.46%	119,356,198.68	4,606,432.99	119,356,198.68	5.26%
Working capital	<u>1,011,070,526.84</u>	<u>44.54%</u>	<u>1,011,070,526.84</u>	<u>0</u>	<u>1,015,676,959.83</u>	<u>44.74%</u>
Total	<u><u>2,270,066,317.02</u></u>	<u><u>100%</u></u>	<u><u>2,263,945,198.85</u></u>	<u><u>6,121,118.17</u></u>	<u><u>2,270,066,317.02</u></u>	<u><u>100%</u></u>

Save for the aforesaid changes, there are no other changes in the use of the net proceeds from the Global Offering.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

Upon investigation and research, the Company currently has not yet identified any suitable acquisition target for its domestic and overseas acquisitions. In order to rationalise the efficiency in use of proceeds, reduce finance cost and protect the interest of investors, the Board has resolved to change the use of net proceeds from the Global Offering by re-allocating the remaining balance of RMB4,606,432.99 out of the proceeds originally allocated for “General domestic and overseas mergers and acquisitions” to supplement working capital.

The Board considers that the development direction of the Company is still in line with the disclosure in the Prospectus in spite of such changes in use of proceeds as stated above. The aforesaid changes in the use of net proceeds from the Global Offering are in the interest of the Company and its Shareholders as a whole.

By Order of the Board
CRCC High-Tech Equipment Corporation Limited
Liu Feixiang
Chairman

Kunming, the PRC, 27 June 2023

As at the date of this announcement, the Board of the Company comprises Mr. Liu Feixiang, Mr. Tong Pujiang, Mr. Chen Yongxiang and Mr. Luo Jianli, as executive directors; Mr. Zhao Hui and Mr. Bai Yunfei, as non-executive directors; and Mr. Wu Yuntian, Mr. Na Pengjie and Ms. Chu Ching, as independent non-executive directors.