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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)

ANNOUNCEMENT ON CONNECTED TRANSACTION ACQUISITION OF 100% EQUITY INTEREST IN EQUIPMENT TECHNOLOGY COMPANY HELD BY ERQI LOCOMOTIVE BY CRRC CHANGCHUN

ENTERING INTO OF THE EQUITY TRANSFER AGREEMENT

To develop the high-end intelligent equipment manufacturing demonstration base of the Company in Beijing, expand our presence in the urban rail transit market in Beijing, and support our needs in the development of strategic emerging industries, on 30 October 2025, CRRC Changchun, a non-wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Erqi Locomotive, pursuant to which, CRRC Changchun agreed to acquire and Erqi Locomotive agreed to sell 100% equity interest in Equipment Technology Company at a consideration of RMB186.2090 million. Upon completion of the Transaction, Erqi Locomotive will no longer hold any equity interest in Equipment Technology Company, and Equipment Technology Company will become a wholly-owned subsidiary of CRRC Changchun.

Before the Transaction, CRRC GROUP has provided financial assistance of RMB2.533 billion to Equipment Technology Company, with an annualised interest rate ranging from 2.4% to 2.6% (determined based on the actual loan term and not exceeding the benchmark lending rate for the same period as stipulated by the People's Bank of China), for a term not exceeding five years. Upon completion of the Transaction, Equipment Technology Company will become a wholly-owned subsidiary of CRRC Changchun and will be included in the scope of the consolidated financial statements of the Company. The above financial assistance will constitute a financial assistance to Equipment Technology Company by a connected person. CRRC Changchun will subsequently support Equipment Technology Company in repaying the financial assistance through capital increases, loans and other means.

IMPLICATIONS OF THE HONG KONG LISTING RULES

As at the date of this announcement, Erqi Locomotive is a wholly-owned subsidiary of CRRC GROUP, and CRRC GROUP is the controlling Shareholder directly holding 51.45% of the shares of the Company, therefore Erqi Locomotive is a connected person of the Company under the Hong Kong Listing Rules. Therefore, the entering into of the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of the transactions contemplated under the Equity Transfer Agreement exceeds 0.1% but is less than 5%, the Transaction is subject to reporting and announcement requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Given that the financial assistance provided by CRRC GROUP to Equipment Technology Company is on normal or better commercial terms, and that the Group (including Equipment Technology Company) will not pledge any assets in connection with such financial assistance, the relevant financial assistance is exempt from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

1. INTRODUCTION

To develop the high-end intelligent equipment manufacturing demonstration base of the Company in Beijing, expand our presence in the urban rail transit market in Beijing, and support our needs in the development of strategic emerging industries, on 30 October 2025, CRRC Changchun, a non-wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Erqi Locomotive, pursuant to which, CRRC Changchun agreed to acquire and Erqi Locomotive agreed to sell 100% equity interest in Equipment Technology Company at a consideration of RMB186.2090 million. Upon completion of the Transaction, Erqi Locomotive will no longer hold any equity interest in Equipment Technology Company, and Equipment Technology Company will become a wholly-owned subsidiary of CRRC Changchun.

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2. EQUITY TRANSFER AGREEMENT

2.1 Date

30 October 2025

2.2 Parties

- (1) Erqi Locomotive, as the transferor;
- (2) CRRC Changchun, as the transferee; and
- (3) Equipment Technology Company.

2.3 Target Equity Interest

100% equity interest in Equipment Technology Company held by Erqi Locomotive.

2.4 Consideration and payment

- (1) The consideration for the Transaction is RMB186.2090 million, which was determined after arm's length negotiations between both parties with reference to the appraised value of the total equity interest attributable to shareholders of Equipment Technology Company as of the Valuation Benchmark Date as set out in the Valuation Report (i.e. RMB186.2090 million). For details of the valuation, please refer to the section headed "3. INFORMATION ON THE VALUATION" below.
- (2) The consideration for the Equity Transfer shall be paid by CRRC Changchun to the bank account designated by Erqi Locomotive within 20 working days from the effective date of the Equity Transfer Agreement. Payment shall be conditional upon the processing of all ownership certificates completed for the target real estates. If there is any ownership certificate remains unprocessed, CRRC Changchun shall have the right to withhold consideration payment of the transaction and shall bear no liability for any overdue payments.

2.5 Transitional arrangements

From 1 July 2025 and up to the completion date of equity interests (30 November 2025), any profit or loss arising from Equipment Technology Company shall be enjoyed or borne by Erqi Locomotive alone. In the event of a loss, Erqi Locomotive shall make up the loss to CRRC Changchun in cash in a lump sum within 30 working days from the effective date of the Equity Transfer Agreement.

2.6 Matters relating to the closing of the equity interest

Within 30 days after the taking effect of the Equity Transfer Agreement, the parties shall complete the industrial and commercial changes registration procedures as well as other necessary procedures relating to the change of equity interest in Equipment Technology Company, including but not limited to the making of resolutions of the relevant general meeting and other governing bodies, amendment of the Articles of Association, re-election of directors and senior management.

According to the Equity Transfer Agreement, the completion date of equity interests will be 30 November 2025, and Erqi Locomotive shall fully transfer the assets, control and management rights of Equipment Technology Company to CRRC Changchun on the completion date of equity interests, and CRRC Changchun will manage and control Equipment Technology Company.

Erqi Locomotive shall complete the handover with CRRC Changchun within 7 days after the completion of the industrial and commercial changes registration in accordance with the Handover List, and shall be responsible for the authenticity, legality, completeness and consistency of the handover contents, and shall bear all liabilities arising from concealment or misrepresentation.

All parties confirmed that among the real estates (including land use rights) contributed by Erqi Locomotive to Equipment Technology Company, 16 properties (6 factory buildings and 10 ancillary facilities) and 1 land use right have defects in their ownership registration. In particular, 5 properties and their corresponding land use rights are still registered under the name of Erqi Locomotive, and the lawful ownership certificates of 11 real estates have not yet obtained and are still processing (initial registration in the name of Erqi Locomotive, followed by transfer to Equipment Technology Company). Erqi Locomotive undertakes to ensure the acquisition of lawful ownership certificates for all aforementioned real estates and their registration in the name of Equipment Technology Company name within 90 days after the taking effect of the Equity Transfer Agreement. All associated costs (including relevant taxes) arising therefrom shall be borne by Erqi Locomotive. For payments made by Equipment Technology Company or CRRC Changchun due to other reasons, Erqi Locomotive shall reimburse such payments within 7 days of receipt of notification from CRRC Changchun.

2.7 Entering into and effectiveness of the Equity Transfer Agreement

- (1) The Equity Transfer Agreement shall be entered into upon the execution by legal representatives or authorized representatives of both parties and affix of their respective official seals.
- (2) The Equity Transfer Agreement shall take effect upon the date of entering into and approval of the Equity Transfer by the general meeting of CRRC Changchun.

As at the date of this announcement, the Equity Transfer is subject to the approval by the general meeting of CRRC Changchun.

3. INFORMATION ON THE VALUATION

(1) Approach for valuation

The approach adopted for the preparation of the Valuation Report is the asset-based approach and the income approach. The Valuer is of the view that the asset-based approach and the income approach are the most appropriate valuation approach for the asset valuation of Equipment Technology Company, reasons of which are as follows:

The asset-based approach refers to the valuation approach to determine the value of the valuation target by reasonably assessing the value of various on-balance sheet and identifiable off-balance sheet assets and liabilities of an enterprise based on the balance sheet of the appraised entity as at the Valuation Benchmark Date. The Valuer is of the view that each of the on-balance assets and liabilities in the balance sheet of Equipment Technology Company based on its balance sheet as at the Valuation Benchmark Date are identifiable and can be separately appraised using appropriate approaches, and thus the asset-based approach is applicable.

The income approach refers to the valuation approach to determine the value of the valuation target by capitalizing or discounting its anticipated income. The Valuer is of the view that the future income period and the amount of income of Equipment Technology Company can be predicted and measured in monetary terms, and the risk of obtaining the expected income can be quantified, and thus the income approach is applicable.

The market approach refers to the valuation approach to determine the value of the valuation target by comparing the valuation target with comparable listed companies or comparable transaction cases. The Valuer is of the view that, as it is difficult to identify sufficient comparable listed companies or comparable transaction cases in the same industry that are similar to the business operations and scale of Equipment Technology Company, the market approach is not applicable.

(2) Assumptions of the valuation

General assumptions

- (i) Transaction assumption: it is assumed that all the assets to be valued are in the course of transaction and the valuation assessed by the Valuer is based on a simulated market which involves the transaction conditions of the assets to be valued. The transaction assumption is one of the most fundamental assumptions for the performance of asset valuation;

- (ii) Open market assumption: it is assumed that the assets can be bought and sold freely in a fully competitive market, and that their prices depend on the judgment on the value of the assets by independent buyers and sellers in the supply situation of a certain market;
- (iii) Going concern assumption: it is assumed that the business activities of a business entity can be continued and that the business activities of the entity will not be suspended or terminated at a predictable time in the future;
- (iv) In situ utilization assumption: it is assumed that an asset continues to be used at its original place of installation in a manner and for a purpose that may remain unchanged or may change;
- (v) Highest and optimal utilization assumption: the property involved in this valuation is an industrial plant, and its statutory use is for industrial plant/industrial land purpose. The use of the property is consistent with the designated land use and legally flawless. The valuation target, as a completed property and having been actually used, is technically sufficiently safeguarded. The statutory use of the valuation target is consistent with its actual use, and matches with the urban planning and development. It can be leased out to produce economic benefits as an industrial plant, and it is economically feasible. As an industrial plant in normal use, the valuation target has high market demand, is used in its existing state and can meet the requirements of the statutory use, while being technically feasible to achieve optimal operation and use, and its value can be maximized by maintaining its use in the existing state. This valuation is conducted in accordance with its existing state and the manner of its utilization.

Special Assumptions

- (i) It is assumed that after the Valuation Benchmark Date, there will be no significant change in the laws, regulations, macro-economy, as well as political, economic, and social environment of the countries and regions where the appraised entity operates;
- (ii) It is assumed that after the Valuation Benchmark Date, there will be no other significant changes in national macro-economic, industrial and regional development policies (other than those already known to the public);
- (iii) It is assumed that there will be no significant changes in tax policy and credit policy in relation to the appraised entity and the tax rate, interest rate and policy fee rate are basically stable;

- (iv) It is assumed that after the Valuation Benchmark Date, the management of the appraised entity is responsible and stable and is capable of fulfilling the duties;
- (v) It is assumed that the appraised entity fully complies with all relevant laws and regulations and there shall be no material non-compliance that will affect the company's development and income realization;
- (vi) It is assumed that the basic information, financial information and operating information provided by the principal and the appraised entity is true, accurate, and complete;
- (vii) It is assumed that after the Valuation Benchmark Date, there are no other force majeure or unforeseeable factors that have a material adverse impact on the appraised entity;
- (viii) It is assumed that the accounting policies adopted by the appraised entity after the Valuation Benchmark Date are basically consistent with those used in preparing this asset valuation report in important aspects;
- (ix) It is assumed that after the Valuation Benchmark Date, the business scope, mode and structure of the appraised entity are basically consistent with the present conditions on the basis of the existing management mode and management level, regardless of the potential impact due to the unforeseeable changes in management, business strategy and business environment in the future;
- (x) It is assumed that after the Valuation Benchmark Date, the cash inflow of the appraised entity is the average inflow and the cash outflow is the average outflow;
- (xi) The appraised entity shall adopt a payment before use mode for rent, with payment cycles including quarterly, semi-annual and annual periods. This valuation assumes that the rent prepayment cycle is semi-annual period, and the average amount of prepaid rent collected by the appraised entity in the future under this mode shall have no significant changes;
- (xii) According to the "Real Estate Ownership Certificate" provided by the enterprise, the term of the land use right will end on 5 August 2063. The appraised entity shall have no other current business planning. It is assumed that the operating period of the appraised entity will end on 5 August 2063. The valuation conclusions in this Valuation Report are established as at the Valuation Benchmark Date under the above assumptions. When the above assumptions change more significantly, the signing asset valuers and this valuation agency shall not assume the responsibility of deriving different valuation conclusions due to any change in assumptions.

(3) Valuation conclusion

The value of total equity interest of shareholders appraised by the asset-based approach is RMB186.2090 million, while that appraised by the income approach is RMB188.2000 million, with a difference of RMB1.9910 million between both of them.

The main reason for the difference in the valuation results between the asset-based approach and the income approach is that the two valuation methods consider different perspectives. The asset-based approach considers the re-acquisition path of assets and reflects the replacement value of the enterprise's existing assets, while the income approach considers from the perspective of the future profit-making ability of an enterprise, thus reflecting the comprehensive profit-making ability of all of its assets.

All assets that have a relatively significant impact on the enterprise's value have been reflected in the books and have been appraised by appropriate approaches. The asset-based approach has been able to better reflect the fair market value of the enterprise, while the income period predicted by the income approach is 38.01 years, during which there are many uncertain factors involved. The reliability of the valuation results of the income approach is inferior to that of the asset-based approach. Therefore, the valuation results of the asset-based approach are ultimately selected as the final valuation conclusion.

Based on the above analysis, the valuation conclusion of this Valuation Report adopts the valuation results of the asset-based approach, i.e., the valuation conclusion of the value of total equity interest of shareholders of the appraised entity as of the Valuation Benchmark Date is RMB186.2090 million.

(4) Opinions of the Board

The Board has reviewed the relevant information. Having taken into full account the valuation approach adopted by the Valuer and valuation assumptions, the Board believes that the calculation results using the asset-based approach can reflect the true value of owners' equity of Equipment Technology Company, being fair and reasonable.

4. GENERAL INFORMATION ON EQUIPMENT TECHNOLOGY COMPANY

Equipment Technology Company is a limited liability company incorporated in the PRC on 23 April 2025, with registered capital of RMB2 million at the time of incorporation. In July 2025, Erqi Locomotive contributed non-monetary assets (including the industrial park assets in Doudian Town, Fangshan District, Beijing, along with related claims and liabilities) to Equipment Technology Company as a business asset package, with a capital increase amount of RMB188.802 million. Therefore, the original acquisition cost of 100% equity interest in Equipment Technology Company paid by Erqi Locomotive is RMB190.8020 million.

As at the date of this announcement, Equipment Technology Company is held as to 100% by Erqi Locomotive. Its scope of operation mainly encompasses leasing of non-residential real estates.

According to Chinese Accounting Standards for Business Enterprises, as of 31 July 2025, the audited carrying amount of total assets of Equipment Technology Company on a consolidated basis was RMB2,739.9834 million, and the carrying amount of net assets was RMB181.1938 million. According to Chinese Accounting Standards for Business Enterprises, as of 30 September 2025, the unaudited carrying amount of total assets of Equipment Technology Company on a consolidated basis was RMB2,740.0533 million, and the carrying amount of net assets was RMB169.0252 million.

The unaudited net loss of Equipment Technology Company on a consolidated basis from the date of establishment and up to 30 September 2025, before and after deducting taxes and non-recurring items was RMB21.7768 million.

5. REASONS FOR AND BENEFITS OF THE TRANSACTION

The assets of Equipment Technology Company mainly consist of the Doudian Industrial Park under its name. Through the Transaction, CRRC Changchun can effectively obtain the site and space resources needed for development, break through the bottlenecks of its current production capacity and business layout. It provides a solid vehicle and resources guarantee for the implementation of strategic new businesses such as smart equipment and new materials, as well as for achieving the development of the Company as a hub for the industry of system solutions encompassing the entire lifecycle of high-end, green, digital and intelligent rail transit and clean energy equipment in Beijing.

6. GENERAL INFORMATION OF THE COMPANY, CRRC GROUP AND PARTIES TO THE AGREEMENT

The Company

The Company is a joint stock company incorporated in the PRC with limited liability. The Group is a world-leading and diverse rolling stock supplier with advanced technologies. The main scope of business includes: research and development, design, manufacturing, refurbishment, sales, leasing and technical services of railway locomotives, MUs, urban rail transit vehicles, engineering machinery, various electromechanical equipment, electronic equipment and components, as well as electric devices and environmental protection equipment; information consultation; industry investment and management; asset management; import and export businesses.

CRRC GROUP

CRRC GROUP is a large-scale wholly state-owned enterprise established with the approval of the State Council of the PRC, and is the controlling Shareholder of the Company. The principal businesses of CRRC GROUP (through the Company) include: research and development, manufacturing, sales, refurbishment and leasing of rolling stock and key components, and the extended business relying on proprietary technologies of rolling stock.

CRRC Changchun

As at the date of this announcement, CRRC Changchun is held as to approximately 93.54% by the Company and is a non-wholly-owned subsidiary of the Company. The main businesses of CRRC Changchun include: research and development services, new manufacturing, overhaul and operation and maintenance services for railway vehicles.

Erqi Locomotive

As at the date of this announcement, Erqi Locomotive is a wholly-owned subsidiary of CRRC GROUP. The main business of Erqi Locomotive includes: sales of machinery and components for rail transit engineering; sales of parts for railway locomotives; sales of specialised equipment, key systems and components of rail transit; industrial park management services; mechanical equipment leasing; cultural venue management services.

7. IMPLICATIONS OF THE HONG KONG LISTING RULES

As at the date of this announcement, Erqi Locomotive is a wholly-owned subsidiary of CRRC GROUP, and CRRC GROUP is the controlling Shareholder directly holding 51.45% of the shares of the Company, therefore Erqi Locomotive is a connected person of the Company under the Hong Kong Listing Rules. Therefore, the entering into of the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio (as defined in the Hong Kong Listing Rules) in respect of the transactions contemplated under the Equity Transfer Agreement exceeds 0.1% but is less than 5%, the Transaction is subject to reporting and announcement requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Given that the financial assistance provided by CRRC GROUP to Equipment Technology Company is on normal or better commercial terms, and that the Group (including Equipment Technology Company) will not pledge any assets in connection with such financial assistance, the relevant financial assistance is exempt from all reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

Two Directors, namely Sun Yongcai and Wang An, hold positions in CRRC GROUP and have abstained from voting on the Board resolution approving the Equity Transfer Agreement and the Transaction thereunder. Save as stated above, none of the Directors has any material interest in the Equity Transfer Agreement and the transactions thereunder, and hence no other Director has abstained from voting on the relevant Board resolution.

All Directors (including all independent non-executive Directors) are of the view that the Equity Transfer Agreement is entered into after negotiation on arm's length basis and on normal commercial terms, and the relevant terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole. However, due to its nature the Transaction is not conducted in the usual course of business of the Group.

8. DEFINITIONS

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

“Board”	the board of directors of the Company
“Company”	CRRC Corporation Limited (中國中車股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CRRC Changchun”	CRRC Changchun Railway Vehicles Co., Ltd. (中車長春軌道客車股份有限公司), a company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of the Company as at the date of this announcement
“CRRC GROUP”	CRRC GROUP Co., Ltd. (中國中車集團有限公司), a large-scale wholly state-owned enterprise and the controlling Shareholder of the Company

“Director(s)”	the director(s) of the Company (including independent non-executive director(s))
“Equipment Technology Company”	Beijing CRRC Equipment Technology Co., Ltd.* (北京中車裝備科技有限公司), a company incorporated in the PRC with limited liability and the target company of the Transaction
“Equity Transfer” or “Transaction”	the transaction in which Erqi Locomotive transferred its 100% equity interest held in Equipment Technology Company, to CRRC Changchun under the Equity Transfer Agreement
“Equity Transfer Agreement”	the Equity Transfer Agreement entered into between Erqi Locomotive and CRRC Changchun on 30 October 2025
“Erqi Locomotive”	CRRC Beijing Locomotive Co., Ltd. (中車北京二七機車有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the CRRC GROUP as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jinzheng Shanghai” or “Valuer”	Jinzheng (Shanghai) Assets Appraisal Co., Ltd.* (金證(上海)資產評估有限公司), an independent valuation agency
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	the shareholder(s) of the Company

“Target Equity Interest”	100% equity interest in Equipment Technology Company held by Erqi Locomotive
“Valuation Benchmark Date”	the valuation benchmark date adopted by the Valuation Report, i.e. 31 July 2025
“Valuation Report”	the asset valuation report prepared by Jinzheng (Shanghai) Assets Appraisal Co., Ltd. based on the asset-based approach
“%”	per cent

By order of the Board
CRRC Corporation Limited
Sun Yongcai
Chairman

Beijing, the PRC
30 October 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Sun Yongcai and Mr. Wang An; the independent non-executive Directors of the Company are Mr. Wang Xifeng, Mr. Ngai Ming Tak, Mr. Yang Jiayi and Mr. Zhang Zhenrong; the non-executive Director of the Company is Mr. Fan Bing; and the employee Director of the Company is Ms. Yi Ran.