
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 and the enclosed form of proxy for attending the AGM 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

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 Conference Room No. 9, 2/F, 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, 15 June 2023 is set out on pages 7 to 10 of this circular.

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.

25 May 2023

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
NOTICE OF THE AGM	7
APPENDIX I – MATTERS TO BE CONSIDERED AT THE AGM	11
ANNEX A 2022 WORK REPORT OF THE BOARD	40
ANNEX B 2022 WORK REPORT OF THE SUPERVISORY COMMITTEE	47

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 RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange (Stock Code: 601766)
“A Shareholder(s)”	holder(s) of A Share(s)
“AGM”	the annual general meeting of the Company to be held at Conference Room No. 9, 2/F, 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, 15 June 2023
“Articles of Association”	the Articles of Association of CRRC Corporation Limited, as amended from time to time
“Board”	the Board of Directors of the Company
“Company” or “CRRC”	CRRC Corporation Limited (中國中車股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H Shares and the A Shares of which are listed on the Hong Kong Stock Exchange and SSE, respectively
“Company Law”	the Company Law of the People’s Republic of China, as amended from time to time
“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, enterprise bonds, ultra-short-term debentures, short-term debentures, medium-term notes, perpetual bonds, assets-backed debentures (including but not limited to ABN, ABCP 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 in one or multiple tranches, with the total outstanding balance of all types of debentures in issue not exceeding the equivalent of RMB80 billion

DEFINITIONS

“Director(s)”	the director(s) of the Company
“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 Share(s)
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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) of the Company
“Latest Practicable Date”	19 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	A Shareholder(s) and H Shareholder(s)
“SSE”	the Shanghai Stock Exchange
“Supervisory Committee”	the Supervisory Committee of the Company

DEFINITIONS

“USD” United States dollars, the lawful currency of the United States of America

“%” per cent.

Note: In this circular, the English names of the PRC entities are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

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. Sun Yongcai
Mr. Lou Qiliang
Mr. Wang An

Registered Office:

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

Non-executive Director:

Mr. Jiang Renfeng

Place of Business in Hong Kong:

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

Independent Non-executive Directors:

Mr. Shi Jianzhong
Mr. Weng Yiran
Mr. Ngai Ming Tak

25 May 2023

To the H Shareholders

Dear Sir or Madam,

ANNUAL GENERAL MEETING

I. INTRODUCTION

On behalf of the Board, I hereby invite you to attend the AGM to be held at Conference Room No. 9, 2/F, 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, 15 June 2023.

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.

II. MATTERS TO BE CONSIDERED AT THE AGM

The matters to be considered at the AGM are described in detail in the notice of the AGM set out in pages 7 to 10 of this circular. At the AGM, the following will be proposed for approval as ordinary resolutions: (1) the resolution in relation to the 2022 final financial accounts report of the Company; (2) the resolution in relation to the 2022 Work Report of the Board of the Company; (3) the resolution in relation to the 2022 Work Report of the Supervisory Committee of the Company; (4) the resolution in relation to the 2022 profit distribution plan of the Company; (5) the resolution in relation to the arrangement of guarantees by the Company for 2023; (6) the resolution in relation to the remuneration of the Directors of the Company for 2022; (7) the resolution in relation to the remuneration of

LETTER FROM THE BOARD

the Supervisors of the Company for 2022; (8) the resolution in relation to the appointment of auditors of the Company for 2023, and special resolutions: (9) the resolution to be proposed to the general meeting in relation to the grant of general mandate to the Board to issue additional A Shares and H Shares of the Company; and (10) the resolution in relation to the issuance of debt financing instruments by the Company for 2023.

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 the appendices 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 for the Shareholders' Meetings of Listed Companies issued by the CSRC, at the annual general meeting, each of the Independent Directors shall prepare a work report for the preceding year to the general meeting. Such report will be submitted to the Shareholders for consideration but not for approval at the AGM.

III. 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. 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.

IV. 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.crrcgc.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

V. RECOMMENDATION

The Directors (including the 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
CRRC Corporation Limited
Sun Yongcai
Chairman

* *For identification purpose only*

NOTICE OF THE AGM

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 2022 (the “AGM” or “Annual General Meeting”) of CRRC Corporation Limited (the “Company”) will be held at Conference Room No. 9, 2/F, 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, 15 June 2023 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 25 May 2023):

ORDINARY RESOLUTIONS

1. To consider and approve the resolution in relation to the 2022 final financial accounts report of the Company
2. To consider and approve the resolution in relation to the 2022 Work Report of the Board of the Company
3. To consider and approve the resolution in relation to the 2022 Work Report of the Supervisory Committee of the Company
4. To consider and approve the resolution in relation to the 2022 profit distribution plan of the Company
5. To consider and approve the resolution in relation to the arrangement of guarantees by the Company for 2023
6. To consider and approve the resolution in relation to the remuneration of the Directors of the Company for 2022
7. To consider and approve the resolution in relation to the remuneration of the Supervisors of the Company for 2022
8. To consider and approve the resolution in relation to the appointment of auditors of the Company for 2023

NOTICE OF THE AGM

SPECIAL RESOLUTIONS

9. To consider and approve the resolution to be proposed to the general meeting in relation to the grant of general mandate to the Board to issue additional A Shares and H Shares of the Company
10. To consider and approve the resolution in relation to the issuance of debt financing instruments by the Company for 2023

REPORTING MATTER

The Independent Directors of the Company will submit their 2022 work report to the Shareholders for consideration but not for approval at the AGM.

By order of the Board
CRRC Corporation Limited
Sun Yongcai
Chairman

25 May 2023

Notes:

1. Details of the above resolutions are set out in the appendices to this circular dated 25 May 2023 regarding the AGM of the Company.
2. Pursuant to the requirements under the Rules for the Shareholders' Meetings of Listed Companies issued by the CSRC, each of the Independent Directors shall prepare a work report for the preceding year at the annual general meeting. Such report will be submitted to the Shareholders for consideration but not for approval at the AGM.
3. The Board of the Company has recommended a final dividend of RMB0.20 per share (tax inclusive) for the year ended 31 December 2022. If such dividend is declared by the Shareholders upon passing the resolution No. 4, 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 11 August 2023 to those Shareholders whose names appear on the register of members of the Company on Friday, 30 June 2023.

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 those for 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 those for holders of H Shares of the Company.

NOTICE OF THE AGM

To determine the identity of the Shareholders entitled to receive the final dividend, the Company's register of members will be closed from Monday, 26 June 2023 to Friday, 30 June 2023 (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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 23 June 2023.

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 were amended and came into effect on 29 December 2018 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 the Notice on the Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅征管問題的通知》) (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 Chinese mainland 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 Measures for the Administration of Non-Resident Taxpayers' Enjoyment of Treaty Benefits (《非居民納稅人享受協定待遇管理辦法》) (SAT Announcement [2019] No. 35) by the State Administration of Taxation. 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 30 June 2023 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 23 June 2023 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, Wan Chai, 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 30 June 2023.

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 AGM

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.crrcgc.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 need 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 Monday, 12 June 2023 to Thursday, 15 June 2023 (both days inclusive), during which no transfer of H Shares will be registered. In order for H Shareholders 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 9 June 2023. 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. 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 resolution in relation to the 2022 final financial accounts report of the Company**

The Company has prepared its financial statements and the notes thereto for the year 2022, and engaged KPMG Huazhen LLP Certified Public Accountants to audit the consolidated balance sheet and the balance sheet of the Company as at 31 December 2022, the consolidated income statement, the Company's income statement, the consolidated cash flow statement, the Company's cash flow statement, the consolidated statement of changes in owners' equity and the Company's statement of changes in owners' equity for the period from 1 January 2022 to 31 December 2022, and the notes of the financial statements. KPMG Huazhen LLP Certified Public Accountants 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 People's Republic of China in all material aspects, fairly reflecting the consolidated financial position and the financial position of the Company as at 31 December 2022, 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 2022. For details of the above statements, please refer to the 2022 A shares annual report of the Company.

The abovementioned resolution in relation to the 2022 final financial accounts report was considered and approved by the Board on 30 March 2023 and is hereby submitted to the AGM for consideration and approval.

2. The resolution in relation to the 2022 Work Report of the Board of the Company

In accordance with the relevant provisions of the Articles of Association and the Rules of Procedure for the Board of the Company, the Board of the Company reported the working status of the Board for the year 2022, details of which are set out in Annex A to this circular.

3. The resolution in relation to the 2022 Work Report of the Supervisory Committee of the Company

In accordance with the relevant provisions of the Articles of Association, the Rules of Procedure for General Meetings of the Company and the Rules of Procedure for the Supervisory Committee of the Company, the Supervisory Committee of the Company reported the working status of the Supervisory Committee for the year 2022, details of which are set out in Annex B to this circular.

4. The resolution in relation to the 2022 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 2022, the financial affordability and the development needs of the Company, the Board proposed the 2022 profit distribution plan as follows:

- (1) The profit distribution of the Company for the year 2022 will be carried out by way of cash dividend.
- (2) As of 31 December 2022, the profit available for distribution at the end of the period of the Company is RMB6.532 billion. The Company will distribute cash dividends to all shareholders based on the total share capital registered on the registration date for dividend distribution (the specific date will be clarified in the announcement on the implementation of dividend distribution). As of 31 December 2022, the total share capital of the Company was 28,698,864,088 shares, based on which and calculating at cash dividend of RMB2.0 (tax inclusive) per 10 shares, the Company is proposed to distribute cash dividend of RMB5.740 billion (tax inclusive) in aggregate, and the remaining undistributed profit will be carried forward for next year's distribution. The Company's cash dividends for the year accounted for 49.25% of the Company's net profit attributable to shareholders of listed company in 2022. In the case where, from the date of disclosure of announcement on profit distribution plan to the date of registration date for dividend distribution, there are changes in the total share capital of the Company due to the conversion of convertible bonds, repurchase of shares, cancellation of repurchased shares granted under equity incentive schemes, cancellation of repurchased shares due to material asset restructuring, etc., the Company proposes to remain the total distribution amount unchanged, and to adjust the distribution proportion per share accordingly. If the total share capital of the Company changes subsequently, specific adjustments will be announced separately.
- (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 RMB0.20/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 RMB0.20/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, 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 RMB0.18 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 Shanghai 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 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 depository 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 depository 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 2022 profit distribution plan was considered and approved by the Board on 30 March 2023 and is hereby submitted to the AGM 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.

5. The resolution in relation to the arrangement of guarantees by the Company for 2023

Based on the daily production and operation needs of the wholly-owned and non-wholly-owned subsidiaries (the “subsidiaries”) of the Company, the Company and its subsidiaries propose to provide guarantees for subsidiaries of the Company in respect of their financing and credit business, such as bank credit facilities, for 2023 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 RMB128.83 billion (or foreign currency equivalent, hereinafter the same). The specific arrangement is as follows:

(1) Guarantee amount

- (i) The Company will provide guarantee of RMB25.8 billion to its wholly-owned subsidiaries in respect of their financing and credit business and will undertake 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	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	63.19%	80,000
CRRC Datong Co., Ltd. (中車大同電力機車有限公司)	69.81%	30,000
CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)	73.33%	80,000
CRRC Qishuyan Co., Ltd. (中車戚墅堰機車有限公司)	66.62%	40,000
CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)	56.40%	120,000
CRRC Nanjing Puzhen Co., Ltd. (中車南京浦鎮車輛有限公司)	70.77%	200,000
Qingdao CRRC Sifang Rolling Stock Co., Ltd. (青島中車四方軌道車輛有限公司)	53.94%	50,000
CRRC Qiqihar Rolling Stock Co., Ltd. (中車齊齊哈爾車輛有限公司)	51.18%	23,000
CRRC Shijiazhuang Co., Ltd. (中車石家莊車輛有限公司)	64.78%	30,000
CRRC Shenyang Co., Ltd. (中車瀋陽機車車輛有限公司)	66.22%	40,000
CRRC Shandong Co., Ltd. (中車山東機車車輛有限公司)	69.67%	20,000
CRRC Yangtze Group Co., Ltd. (中車長江運輸設備集團有限公司)	62.80%	5,000
CRRC Yangtze Co., Ltd. (中車長江車輛有限公司)	86.61%	50,000
CRRC Xi'an Co., Ltd. (中車西安車輛有限公司)	40.28%	40,000
CRRC Guiyang Co., Ltd. (中車貴陽車輛有限公司)	46.89%	45,000
CRRC Taiyuan Co., Ltd. (中車太原機車車輛有限公司)	77.62%	30,000
CRRC Meishan Co., Ltd. (中車眉山車輛有限公司)	53.47%	70,000

Name of guaranteed party	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	43.26%	90,000
CRRC Qingdao Sifang Rolling Stock Research Institute Co., Ltd. (中車青島四方車輛研究所有限公司)	48.19%	20,000
CRRC Yongji Electric Co., Ltd. (中車永濟電機有限公司)	58.84%	25,000
CRRC Zhuzhou Electric Co., Ltd. (中車株洲電機有限公司)	63.30%	30,000
CRRC Dalian Institute Co., Ltd. (中車大連機車研究所有限公司)	62.11%	20,000
CRRC Information Technology Co., Ltd. (中車信息技術有限公司)	41.12%	2,000
CRRC Hong Kong Capital Management Co., Ltd. (中國中車香港資本管理有限公司)	44.78%	20,000
CRRC Hong Kong Co., Ltd. (中國中車(香港)有限公司)	78.57%	100,000
CRRC Logistics Co., Ltd. (中車物流有限公司)	101.36%	500,000
CRRC International Co., Ltd. (中車國際有限公司)	88.73%	50,000
CRRC Dalian R&D Co., Ltd. (中車大連電力牽引研發中心有限公司)	73.43%	14,000
CRRC Luoyang Co., Ltd. (中車洛陽機車有限公司)	70.27%	20,000
CRRC Harbin Rolling Stock Co., Ltd. (中車哈爾濱車輛有限公司)	56.07%	12,000
CRRC Lanzhou Co., Ltd. (中車蘭州機車有限公司)	82.34%	20,000
CRRC Shandong Wind Power Co., Ltd.* (中車山東風電有限公司)	79.11%	80,000
Jilin CRRC Wind Power Equipment Co., Ltd.* (吉林中車風電裝備有限公司)	86.88%	48,000
Shandong CRRC Tongli Steel Structure Co., Ltd.* (山東中車同力鋼構有限公司)	86.20%	33,000
Shandong CRRC Tonglida Smart Equipment Co., Ltd.* (山東中車同力達智能裝備有限公司)	50.96%	1,000
Jiangsu CRRC Huateng Environmental Protection Technology Co., Ltd.* (江蘇中車華騰環保科技有限公司)	55.69%	5,000
Changzhou CRRC Auto Parts Co., Ltd. (常州中車汽車零部件有限公司)	58.15%	25,000
Changzhou CRRC Ruitai Equipment Technology Co., Ltd. (常州中車瑞泰裝備科技有限公司)	33.26%	25,000
Dalian CRRC Daqi Container Co., Ltd.* (大連中車大齊集裝箱有限公司)	22.73%	5,000
CRRC Brake System Co., Ltd. (中車制動系統有限公司)	47.30%	5,000
Tianjin CRRC Sifangsuo Technology Co., Ltd.* (天津中車四方所科技有限公司)	8.79%	1,000

Name of guaranteed party	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRC Xi'an Yongdian Jieli Wind Energy Co., Ltd. (西安中車永電捷力風能有限公司)	55.98%	120,000
Xi'an CRRC Yongdian Electric Co., Ltd. (西安中車永電電氣有限公司)	42.43%	500
CRRC Changzhou Vehicle Co., Ltd.* (中車常州車輛有限公司)	69.14%	5,000
CRRC Zhuzhou Vehicle Co., Ltd. (中車株洲車輛有限公司)	64.37%	40,000
Beijing CRRC Heavy Industry Machinery Co., Ltd.* (北京中車重工機械有限公司)	56.75%	10,000
Allowance	Managed at over 70%	300,500
Total		<u>2,580,000</u>

The guarantee amounts mentioned above are based on the estimate of the current business conditions. Based on possible changes, the Company will provide guarantee of the above total range of RMB25.8 billion to its wholly-owned subsidiaries in respect of their financing and credit business, which can be adjusted within the total amount, but subsidiaries with gearing ratios of 70% or above where the adjustment occurs can only obtain guarantee amounts from subsidiaries with a gearing ratio of 70% or more.

- (ii) The Company will provide guarantee of RMB10.74 billion to its non-wholly-owned subsidiaries in respect of their financing and credit business and will undertake 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	Shareholding	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRC Ziyang Co., Ltd. (中車資陽機車有限公司)	99.61%	88.86%	40,000
CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)	97.81%	68.14%	200,000

Name of guaranteed party	Shareholding	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRC Finance Co., Ltd. (中車財務有限公司)	91.36%	91.27%	100,000
CRRC Intelligent Transportation Engineering Technology Co., Ltd.* (中車智能交通工程技術有限公司)	50.00%	57.96%	30,000
Chongqing CRRC Construction Engineering Co., Ltd. (重慶中車建設工程有限公司)	50.00%	50.73%	10,000
Jiangsu CRRC Electromechanical Technology Co., Ltd.* (江蘇中車機電科技有限公司)	50.00%	43.64%	60,000
Jiangsu CRRC Urban Development Co., Ltd. (江蘇中車城市發展有限公司)	50.00%	72.78%	250,000
CRRC Voith Transmission Technology (Beijing) Co., Ltd.* (中車福伊特傳動技術(北京)有限公司)	51.00%	110.14%	10,000
Nanjing CRRC Puzhen Rapid Transit Vehicles Co., Ltd. (南京中車浦鎮城軌車輛有限責任公司)	95.00%	85.00%	24,000
CRRC Massachusetts Co., Ltd. (美國中車麻省公司)	94.14%	101.69%	250,000
Allowance		Managed at over 70%	100,000
Total			<u>1,074,000</u>

The guarantee amounts mentioned above are based on the estimate of the current business conditions. Based on possible changes, the Company will provide guarantee of the above total range of RMB10.74 billion to its non-wholly-owned subsidiaries in respect of their financing and credit business, which can be adjusted within the total amount and in accordance with the relevant regulations, but subsidiaries with a gearing ratio of 70% or above where the adjustment occurs can only obtain guarantee amounts from subsidiaries with a gearing ratio of 70% or more.

- (iii) The direct wholly-owned subsidiaries of the Company, the listed company and CRRC Hong Kong Co., Ltd. (中國中車(香港)有限公司) will provide guarantee of RMB19.65 billion to subsidiaries in respect of their financing and credit business and will 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 guarantor	Name of guaranteed party	Shareholding	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	CRRC Zhuzhou Locomotive (Europe) Co., Ltd. (中車株機(歐洲)有限責任公司)	100.00%	90.11%	52,000
	Vossloh Rolling Stock GmbH	100.00%	79.37%	332,000
	Mexican Rail Transit Equipment Consortium* (墨西哥軌道交通裝備聯合體公司)	49.00%	76.45%	74,665
	Mexico Rail Transit Equipment Co., Ltd.* (墨西哥軌道交通裝備有限公司)	99.00%	79.29%	8,500
	Hunan Zhirong Technology Co., Ltd. (湖南智融科技有限公司)	100.00%	66.21%	2,000
	Allowance		Managed at over 70%	50,955
CRRC Datong Co., Ltd. (中車大同電力機車有限公司)	Datong CRRC Coal Chemical Co., Ltd.* (大同中車煤化有限公司)	100.00%	130.34%	2,500
	Century Huayang Environmental Engineering Co., Ltd. (世紀華揚環境工程有限公司)	51.00%	79.43%	9,100
CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)	Dalian CRRC Diesel Engine Co., Ltd.* (大連中車柴油機有限公司)	100.00%	60.36%	15,000
CRRC Qishuyan Co., Ltd. (中車戚墅堰機車有限公司)	Changzhou CRRC GE Diesel Engine Co., Ltd. (常州中車西屋柴油機有限公司)	50.00%	44.29%	5,000

Name of guarantor	Name of guaranteed party	Shareholding	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRRC Qishuyan Institute Co., Ltd. (中車戚墅堰機車車輛工藝研究所)	Changzhou CRRRC Diesel Parts Co., Ltd. (常州中車柴油機零部件有限公司)	100.00%	56.13%	400
	Changzhou CRRRC Auto Parts Co., Ltd. (常州中車汽車零部件有限公司)	100.00%	58.15%	23,600
	CRRRC Changzhou Tech-mark Industrial Co., Ltd. (常州中車鐵馬科技實業有限公司)	100.00%	53.12%	3,000
	Changzhou Langrui Forging Co., Ltd. (常州朗銳鑄造有限公司)	100.00%	45.91%	3,000
	Changzhou CRRRC Ruitai Equipment Technology Co., Ltd. (常州中車瑞泰裝備科技有限公司)	100.00%	33.26%	10,000
CRRRC Changchun Railway Vehicles Co., Ltd. (中車長春軌道客車股份有限公司)	CRRRC Massachusetts Co., Ltd. (美國中車麻省公司)	90.72%	101.69%	100,000
	Australia CRRRC Changke Rail Transit Equipment Co., Ltd. (澳大利亞中車長客軌道交通裝備有限公司)	100.00%	109.21%	125,000
	Allowance		Managed at over 70%	75,000
CRRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有限公司)	Wuhan CRRRC Sifang Maintenance Center Ltd. (武漢中車四方維保中心有限公司)	100.00%	45.70%	35,000
	Qingdao CRRRC Sifang Rail Transit Equipment Technology Co., Ltd. (青島中車四方軌道裝備科技有限公司)	100.00%	53.10%	35,000
	U.S.A. CRRRC Sifang Co., Ltd. (美國中車四方有限責任公司)	100.00%	27.64%	80,000

Name of guarantor	Name of guaranteed party	Shareholding	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)	Wuyi Tramways Co., Ltd (福建南平武夷有軌電車有限公司)	73.00%	72.06%	150,000
CRRC Nanjing Puzhen Co., Ltd. (中車南京浦鎮車輛有限公司)	Singapore CRRC Puzhen Vehicle Service Co., Ltd. (新加坡中車浦鎮車輛服務有限公司)	100.00%	82.16%	5,500
CRRC Qiqihar Group Co., Ltd. (中車齊車集團有限公司)	CRRC Wind Power (Xilinguole) Co., Ltd.* (中車風電(錫林郭勒)有限公司)	100.00%	61.70%	21,780
CRRC Yangtze Group Co., Ltd. (中車長江運輸設備集團有限公司)	CRRC Changzhou Vehicle Co., Ltd.* (中車常州車輛有限公司)	100.00%	69.14%	10,000
	CRRC Zhuzhou Vehicle Co., Ltd. (中車株洲車輛有限公司)	100.00%	64.37%	10,000
CRRC Yangtze Co., Ltd. (中車長江車輛有限公司)	CRRC Yangtze Tongling Co., Ltd. (中車長江銅陵車輛有限公司)	100.00%	64.33%	20,000
CRRC Meishan Co., Ltd. (中車眉山車輛有限公司)	Meishan CRRC Brake Technology Co., Ltd.* (眉山中車制動科技股份有限公司)	93.96%	29.50%	1,100
	Meishan CRRC Fastener Technology Co., Ltd.* (眉山中車緊固件科技有限公司)	100.00%	22.96%	2,000

Name of guarantor	Name of guaranteed party	Shareholding	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	Ningxia CRRC New Energy Co., Ltd.* (寧夏中車新能源有限公司)	100.00%	99.39%	40,000
	Gansu CRRC Wind Energy Technology Co., Ltd.* (甘肅中車風能科技有限公司)	100.00%	97.87%	50,000
	Hunan Lixing Power Technology Co., Ltd.* (湖南力行動力科技有限公司)	100.00%	69.14%	15,000
	Xiangyang CRRC Motor Technology Co., Ltd.* (襄陽中車電機技術有限公司)	100.00%	64.12%	18,000
	Beijing CRRC Heavy Industry Machinery Co., Ltd.* (北京中車重工機械有限公司)	100.00%	56.75%	15,000
	Shanghai CRRC Hange Marine and Offshore Engineering Co., Ltd.* (上海中車漢格船舶與海洋工程有限公司)	100.00%	33.70%	11,000
	Guangxi CRRC New Energy Equipment Co., Ltd.* (廣西中車新能源裝備有限公司)	100.00%	0.36%	60,000
	Allowance		Managed at over 70%	71,000
Zhuzhou Times New Material Technology Co., Ltd. (株洲時代新材料科技股份有限公司)	CRRC New Material Technologies GmbH	68.08%	60.55%	80,000
	Zhuzhou Times Fiber Pioneer Material Technology Co., Ltd. (株洲時代華先材料科技有限公司)	60.20%	54.20%	6,000
	Zhuzhou Times Rubber and Plastics Components Development Co., Ltd. (株洲時代橡塑元件開發有限責任公司)	100.00%	53.49%	2,000
	Allowance		Managed at over 70%	12,000

APPENDIX I

MATTERS TO BE CONSIDERED AT THE AGM

Name of guarantor	Name of guaranteed party	Shareholding	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
Zhuzhou CRRC Times Electric Co., Ltd. (株洲中車時代電氣股份有限公司)	CRRC TIMES ELECTRIC AUSTRALIA PTY LTD	100.00%	87.76%	12,000
	Soil Machine Dynamics Ltd	100.00%	121.93%	30,000
	Shanghai CRRC Esendi Marine Equipment Co., Ltd.* (上海中車艾森迪海洋裝備有限公司)	100.00%	80.84%	25,000
	Dynex Semiconductor Ltd	100.00%	69.82%	15,000
	Baoji CRRC Times Construction Machinery Co., Ltd.* (寶雞中車時代工程機械有限公司)	100.00%	66.24%	6,000
	Ningbo CRRC Times Electric Equipment Co., Ltd.* (寧波中車時代電氣設備有限公司)	100.00%	65.66%	1,000
	Hunan CRRC Times Communication Signal Co., Ltd.* (湖南中車時代通信信號有限公司)	100.00%	59.88%	500
	Ningbo CRRC Times Sensing Technology Co., Ltd.* (寧波中車時代傳感技術有限公司)	100.00%	43.56%	4,000
	Zhuzhou Times Electronic Technology Co., Ltd.* (株洲時代電子技術有限公司)	100.00%	33.58%	3,000
	Allowance		Managed at over 70%	4,400
CRRC Qingdao Sifang Rolling Stock Research Institute Co., Ltd. (中車青島四方車輛研究所有限公司)	CRRC Tianjin JL Equipment Co., Ltd. (天津中車機輛裝備有限公司)	100.00%	51.44%	2,000
CRRC Yongji Electric Co., Ltd. (中車永濟電機有限公司)	CRRC Xi'an Yongdian Jieli Wind Energy Co., Ltd. (西安中車永電捷力風能有限公司)	100.00%	55.98%	30,000
CRRC Zhuzhou Electric Co., Ltd. (中車株洲電機有限公司)	Jiangsu CRRC Electric Co., Ltd. (江蘇中車電機有限公司)	84.87%	70.83%	30,000

Name of guarantor	Name of guaranteed party	Shareholding	Guaranteed party's gearing ratio at the end of 2022	Guarantee amount (RMB'0,000)
CRRC Hong Kong Co., Ltd. (中國中車(香港)有限公司)	Mexican Rail Transit Equipment Consortium* (墨西哥軌道交通裝備聯合體公司)	51.00%	76.45%	60,000
	Allowance		Managed at over 70%	100,000
Total				<u>1,965,000</u>

The guarantee amounts mentioned above are based on the estimate of the current business conditions. Based on possible changes, where the guarantors are the same party, they may be transferred within the total amount of their guarantee in accordance with the relevant regulations, but subsidiaries with a gearing ratio of 70% or above where the adjustment occurs can only obtain guarantee amounts from subsidiaries with a gearing ratio of 70% or more.

- (iv) The Company will provide parent guarantee equivalent to RMB72.64 billion, among which RMB23.0 billion for wholly-owned subsidiaries and RMB49.64 billion for non-wholly-owned subsidiaries, to subsidiaries in respect of their domestic and overseas bidding and contract performance businesses and will undertake 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 2022 annual general meeting until the date on which the 2023 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, the guarantee provided between the wholly-owned subsidiaries or the non-wholly-owned subsidiaries under the abovementioned guarantee plan may be adjusted within the total guarantee amount in accordance with the relevant regulations.
- (vii) The Company and its subsidiaries proposed to provide guarantees in respect of the financing and credit business in a total amount of RMB56.19 billion in 2023, among which, the Company provide

RMB37.19 billion in guarantees to its subsidiaries with a gearing ratio of 70% or above, and RMB19.0 billion in guarantees to its subsidiaries with a gearing ratio of less than 70%.

- (viii) 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 general meeting of the Company for consideration.

(2) *Basic status of the guaranteed party*

Unit: RMB'0,000

Name of entity	As of 31 December 2022			Gearing ratio (%)
	Total assets (RMB'0,000)	Total liabilities (RMB'0,000)	Net assets (RMB'0,000)	
CRRC Zhuzhou Locomotive Co., Ltd. (中車株洲電力機車有限公司)	3,550,634.15	2,243,548.64	1,307,085.51	63.19
CRRC Zhuzhou Locomotive (Europe) Co., Ltd. (中車株機(歐洲)有限責任公司)	69,989.92	63,065.53	6,924.38	90.11
Vossloh Rolling Stock GmbH	193,732.42	153,760.98	39,971.44	79.37
Mexico Rail Transit Equipment Co., Ltd. (墨西哥軌道交通裝備有限公司)	31,137.25	24,687.93	6,449.32	79.29
Hunan Zhirong Technology Co., Ltd. (湖南智融科技有限公司)	10,717.09	7,096.28	3,620.81	66.21
CRRC Luoyang Co., Ltd. (中車洛陽機車有限公司)	337,143.44	236,901.53	100,241.91	70.27
CRRC Datong Co., Ltd. (中車大同電力機車有限公司)	777,445.97	542,713.67	234,732.30	69.81
Datong CRRC Coal Chemical Co., Ltd.* (大同中車煤化有限公司)	18,907.97	24,644.24	-5,736.27	130.34
Century Huayang Environmental Engineering Co., Ltd. (世紀華揚環境工程有限公司)	42,618.64	33,853.49	8,765.15	79.43
CRRC Dalian Co., Ltd. (中車大連機車車輛有限公司)	3,099,412.81	2,272,814.69	826,598.12	73.33
CRRC Lanzhou Co., Ltd. (中車蘭州機車有限公司)	455,014.44	374,650.01	80,364.43	82.34

Name of entity	As of 31 December 2022			Gearing ratio (%)
	Total assets (RMB'0,000)	Total liabilities (RMB'0,000)	Net assets (RMB'0,000)	
Dalian CRRC Diesel Engine Co., Ltd.* (大連中車柴油機有限公司)	170,823.18	103,112.81	67,710.38	60.36
CRRC Qishuyan Co., Ltd. (中車戚墅堰機車有限公司)	399,853.09	266,379.29	133,473.80	66.62
Changzhou CRRC GE Diesel Engine Co., Ltd. (常州中車西屋柴油機有限公司)	23,069.53	10,217.85	12,851.68	44.29
Changzhou CRRC Diesel Parts Co., Ltd. (常州中車柴油機零部件有限公司)	13,613.89	7,641.63	5,972.26	56.13
Changzhou CRRC Auto Parts Co., Ltd. (常州中車汽車零部件有限公司)	158,530.40	92,193.03	66,337.36	58.15
CRRC Changzhou Tech-mark Industrial Co., Ltd. (常州中車鐵馬科技實業有限公司)	66,636.02	35,396.39	31,239.62	53.12
Changzhou Langrui Forging Co., Ltd. (常州朗銳鑄造有限公司)	23,242.23	10,670.72	12,571.51	45.91
Changzhou CRRC Ruitai Equipment Technology Co., Ltd. (常州中車瑞泰裝備科技有限公司)	90,274.39	30,027.81	60,246.58	33.26
CRRC Tangshan Co., Ltd. (中車唐山機車車輛有限公司)	2,749,639.58	1,550,847.60	1,198,791.99	56.40
Wuyi Tramways Co., Ltd. (福建南平武夷有軌電車有限公司)	253,856.29	182,925.56	70,930.72	72.06
CRRC Nanjing Puzhen Co., Ltd. (中車南京浦鎮車輛有限公司)	2,518,200.58	1,782,150.46	736,050.12	70.77
Singapore CRRC Puzhen Vehicle Service Co., Ltd. (新加坡中車浦鎮車輛服務有限公司)	3,869.42	3,179.09	690.33	82.16
Nanjing CRRC Puzhen Rapid Transit Vehicles Co., Ltd. (南京中車浦鎮城軌車輛有限責任公司)	585,192.89	497,439.01	87,753.88	85.00
Qingdao CRRC Sifang Rail Vehicle Co., Ltd. (青島中車四方軌道車輛有限公司)	329,830.39	177,924.18	151,906.21	53.94
CRRC Qiqihar Rolling Stock Co., Ltd. (中車齊齊哈爾車輛有限公司)	758,912.61	388,425.31	370,487.31	51.18

Name of entity	As of 31 December 2022			Gearing ratio (%)
	Total assets (RMB'0,000)	Total liabilities (RMB'0,000)	Net assets (RMB'0,000)	
Dalian CRRC Daqi Container Co., Ltd.* (大連中車大齊集裝箱有限公司)	87,425.67	19,869.25	67,556.42	22.73
CRRC Harbin Rolling Stock Co., Ltd. (中車哈爾濱車輛有限公司)	125,385.61	70,298.71	55,086.90	56.07
CRRC Shijiazhuang Co., Ltd.* (中車石家莊車輛有限公司)	346,225.06	224,299.90	121,925.16	64.78
CRRC Shenyang Co., Ltd. (中車瀋陽機車車輛有限公司)	223,743.22	148,156.09	75,587.13	66.22
CRRC Shandong Co., Ltd. (中車山東機車車輛有限公司)	1,275,029.89	888,340.37	386,689.51	69.67
CRRC Shandong Wind Power Co., Ltd.* (中車山東風電有限公司)	672,599.61	532,070.04	140,529.57	79.11
Jilin CRRC Wind Power Equipment Co., Ltd.* (吉林中車風電裝備有限公司)	152,704.86	132,673.69	20,031.17	86.88
Shandong CRRC Tongli Steel Structure Co., Ltd.* (山東中車同力鋼構有限公司)	192,365.46	165,816.55	26,548.90	86.20
Shandong CRRC Tonglida Smart Equipment Co., Ltd.* (山東中車同力達智能裝備有限公司)	9,766.03	4,976.64	4,789.38	50.96
Jiangsu CRRC Huateng Environmental Protection Technology Co., Ltd.* (江蘇中車華騰環保科技有限公司)	92,786.40	51,674.14	41,112.26	55.69
CRRC Wind Power (Xilinguole) Co., Ltd.* (中車風電(錫林郭勒)有限公司)	39,949.07	24,647.89	15,301.18	61.70
CRRC Yangtze Group Co., Ltd. (中車長江運輸設備集團有限公司)	1,991,333.02	1,250,549.27	740,783.75	62.80
CRRC Yangtze Co., Ltd. (中車長江車輛有限公司)	497,297.03	430,713.29	66,583.73	86.61
CRRC Yangtze Tongling Co., Ltd. (中車長江銅陵車輛有限公司)	100,933.58	64,927.74	36,005.84	64.33
CRRC Xi'an Co., Ltd. (中車西安車輛有限公司)	281,271.76	113,291.62	167,980.15	40.28
CRRC Guiyang Vehicle Co., Ltd.* (中車貴陽車輛有限公司)	227,282.27	106,574.20	120,708.07	46.89

Name of entity	As of 31 December 2022			Gearing ratio (%)
	Total assets (RMB'0,000)	Total liabilities (RMB'0,000)	Net assets (RMB'0,000)	
CRRC Taiyuan Co., Ltd. (中車太原機車車輛有限公司)	509,146.11	395,179.97	113,966.13	77.62
CRRC Meishan Co., Ltd. (中車眉山車輛有限公司)	274,519.36	146,788.73	127,730.63	53.47
Meishan CRRC Brake Technology Co., Ltd.* (眉山中車制動科技股份有限公司)	42,461.20	12,526.56	29,934.64	29.50
Meishan CRRC Fastener Technology Co., Ltd.* (眉山中車緊固件科技有限公司)	39,775.27	9,131.98	30,643.30	22.96
CRRC Changzhou Vehicle Co., Ltd.* (中車常州車輛有限公司)	78,269.54	54,113.49	24,156.05	69.14
CRRC Zhuzhou Vehicle Co., Ltd. (中車株洲車輛有限公司)	228,608.64	147,159.23	81,449.40	64.37
CRRC Zhuzhou Institute Co., Ltd. (中車株洲電力機車研究所有限公司)	8,337,529.67	3,607,021.37	4,730,508.30	43.26
Ningxia CRRC New Energy Co., Ltd.* (寧夏中車新能源有限公司)	24,426.90	24,278.58	148.32	99.39
Gansu CRRC Wind Energy Technology Co., Ltd.* (甘肅中車風能科技有限公司)	23,420.37	22,921.57	498.80	97.87
Hunan Lixing Power Technology Co., Ltd.* (湖南力行動力科技有限公司)	24,150.53	16,697.10	7,453.44	69.14
Xiangyang CRRC Motor Technology Co., Ltd.* (襄陽中車電機技術有限公司)	166,477.96	106,747.62	59,730.35	64.12
Beijing CRRC Heavy Industry Machinery Co., Ltd.* (北京中車重工機械有限公司)	130,528.72	74,070.16	56,458.56	56.75
Shanghai CRRC Hange Marine and Offshore Engineering Co., Ltd.* (上海中車漢格船舶與海洋工程有限公司)	34,454.49	11,610.41	22,844.08	33.70
Guangxi CRRC New Energy Equipment Co., Ltd.* (廣西中車新能源裝備有限公司)	12,051.35	43.13	12,008.22	0.36
CRRC TIMES ELECTRIC AUSTRALIA PTY LTD	21,737.74	19,078.12	2,659.62	87.76

Name of entity	As of 31 December 2022			Gearing ratio (%)
	Total assets (RMB'0,000)	Total liabilities (RMB'0,000)	Net assets (RMB'0,000)	
Shanghai CRRC Esendi Marine Equipment Co., Ltd.* (上海中車艾森迪海洋裝備有限公司)	39,697.93	32,090.05	7,607.88	80.84
Dynex Semiconductor Ltd	28,828.46	20,128.55	8,699.91	69.82
Soil Machine Dynamics Ltd	36,138.06	44,061.70	-7,923.64	121.93
Baoji CRRC Times Construction Machinery Co., Ltd.* (寶雞中車時代工程機械有限公司)	419,479.27	277,860.59	141,618.68	66.24
Ningbo CRRC Times Electric Equipment Co., Ltd.* (寧波中車時代電氣設備有限公司)	46,589.74	30,591.36	15,998.38	65.66
Hunan CRRC Times Communication Signal Co., Ltd.* (湖南中車時代通信信號有限公司)	80,687.40	48,318.29	32,369.12	59.88
Ningbo CRRC Times Sensing Technology Co., Ltd.* (寧波中車時代傳感技術有限公司)	96,027.66	41,830.13	54,197.53	43.56
Zhuzhou Times Electronic Technology Co., Ltd.* (株洲時代電子技術有限公司)	115,785.49	38,878.32	76,907.17	33.58
CRRC New Material Technologies GmbH	495,722.99	300,150.66	195,572.33	60.55
Zhuzhou Times Fiber Pioneer Material Technology Co., Ltd. (株洲時代華先材料科技有限公司)	54,226.00	29,388.26	24,837.74	54.20
Zhuzhou Times Rubber and Plastics Components Development Co., Ltd. (株洲時代橡塑元件開發有限責任公司)	19,624.62	10,497.59	9,127.02	53.49
CRRC Qingdao Sifang Rolling Stock Research Institute Co., Ltd. (中車青島四方車輛研究所有限公司)	1,254,452.95	604,517.17	649,935.78	48.19
CRRC Tianjin JL Equipment Co., Ltd. (天津中車機輔裝備有限公司)	98,199.23	50,514.20	47,685.03	51.44
CRRC Brake System Co., Ltd. (中車制動系統有限公司)	519,927.20	245,927.94	273,999.26	47.30
Tianjin CRRC Sifangsuo Technology Co., Ltd.* (天津中車四方所科技有限公司)	30,233.42	2,657.17	27,576.25	8.79

Name of entity	As of 31 December 2022			Gearing ratio (%)
	Total assets (RMB'0,000)	Total liabilities (RMB'0,000)	Net assets (RMB'0,000)	
CRRC Yongji Electric Co., Ltd. (中車永濟電機有限公司)	1,127,443.75	663,350.55	464,093.21	58.84
CRRC Xi'an Yongdian Jieli Wind Energy Co., Ltd. (西安 中車永電捷力風能有限公司)	330,604.86	185,063.94	145,540.92	55.98
Xi'an CRRC Yongdian Electric Co., Ltd. (西安中車永電電氣有 限公司)	534,986.31	226,984.62	308,001.69	42.43
CRRC Dalian Electric Traction Research and Development Center Co., Ltd. (中車大連電力 牽引研發中心有限公司)	151,416.96	111,191.35	40,225.61	73.43
CRRC Zhuzhou Electric Co., Ltd. (中車株洲電機有限公司)	1,109,654.41	702,375.66	407,278.75	63.30
Jiangsu CRRC Electric Co., Ltd. (江蘇中車電機有限公司)	567,115.07	401,680.88	165,434.19	70.83
CRRC Dalian Institute Co., Ltd. (中車大連機車研究所有限公司)	195,068.04	121,156.66	73,911.38	62.11
CRRC Information Technology Co., Ltd. (中車信息技術有限公 司)	40,105.70	16,492.99	23,612.72	41.12
CRRC Hong Kong Capital Management Co., Ltd. (中國中 車香港資本管理有限公司)	689,277.40	308,654.07	380,623.32	44.78
CRRC Hong Kong Co., Ltd. (中 國中車(香港)有限公司)	721,987.86	567,271.99	154,715.87	78.57
Mexican Rail Transit Equipment Consortium (墨西哥軌道交通裝 備聯合體公司)	252,154.72	192,768.82	59,385.89	76.45
CRRC Logistics Co., Ltd. (中車 物流有限公司)	1,473,011.52	1,493,064.38	-20,052.86	101.36
CRRC International Co., Ltd. (中車國際有限公司)	811,616.11	720,132.11	91,484.00	88.73
CRRC Ziyang Co., Ltd. (中車資 陽機車有限公司)	353,076.46	313,742.74	39,333.72	88.86
CRRC Qingdao Sifang Co., Ltd. (中車青島四方機車車輛股份有 限公司)	6,982,796.24	4,757,804.81	2,224,991.42	68.14
Wuhan CRRC Sifang Maintenance Center Ltd. (武漢 中車四方維保中心有限公司)	21,490.66	9,821.83	11,668.84	45.70

Name of entity	As of 31 December 2022			Gearing ratio (%)
	Total assets (RMB'0,000)	Total liabilities (RMB'0,000)	Net assets (RMB'0,000)	
Qingdao CRRC Sifang Rail Transit Equipment Technology Co., Ltd. (青島中車四方軌道裝備科技有限公司)	115,815.15	61,498.43	54,316.72	53.10
U.S.A. CRRC Sifang Co., Ltd. (美國中車四方有限責任公司)	232,155.49	64,171.08	167,984.41	27.64
CRRC Finance Co., Ltd. (中車財務有限公司)	4,901,758.32	4,473,789.36	427,968.96	91.27
CRRC Intelligent Transportation Engineering Technology Co., Ltd.* (中車智能交通工程技術有限公司)	614,850.58	356,382.62	258,467.96	57.96
Chongqing CRRC Construction Engrg Co., Ltd. (重慶中車建設工程有限公司)	178,108.07	90,351.31	87,756.76	50.73
Jiangsu CRRC Electromechanical Technology Co., Ltd.* (江蘇中車機電科技有限公司)	18,725.31	8,171.52	10,553.79	43.64
Jiangsu CRRC Urban Development Co., Ltd. (江蘇中車城市發展有限公司)	310,388.46	225,907.08	84,481.38	72.78
CRRC Voith Transmission Technology (Beijing) Co., Ltd.* (中車福伊特傳動技術(北京)有限公司)	68,157.07	75,070.21	-6,913.14	110.14
CRRC Massachusetts Co., Ltd. (美國中車麻省公司)	299,761.01	304,840.78	-5,079.77	101.69
Australia CRRC Changke Rail Transit Equipment Co., Ltd. (澳大利亞中車長客軌道交通裝備有限公司)	146,421.89	159,900.56	-13,478.67	109.21

(3) Total amount of guarantees and amount of overdue guarantees

As of 31 December 2022, the Company and its subsidiaries provided RMB55.730 billion in total amount of external guarantees, representing 35.94% of the audited net assets of the Company as of 31 December 2022. As of 31 December 2022, the Company and its subsidiaries provided RMB52.155 billion in total amount of guarantees to its subsidiaries, representing 33.64% of the audited net assets of the Company as of 31 December 2022. As of 31 December 2022, the Company and its subsidiaries provided RMB1.801 billion in total amount of guarantees to its controlling shareholder and actual controller and their

related-parties, representing 1.16% of the audited net assets of the Company as of 31 December 2022. The Company and its subsidiaries did not have overdue external guarantees.

The above resolution in relation to the arrangement of guarantees for 2023 has been considered and approved by the Board on 30 March 2023, and is hereby submitted to the AGM for consideration and approval.

6. The resolution in relation to the remuneration of the Directors of the Company for 2022

According to the relevant requirements of the SASAC and requirements of the Remuneration Plan of Directors and Supervisors of CRRC Corporation Limited, the remuneration of the Directors of the Company for 2022 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) (國資委《關於調整獨立董事報酬標準的通知》(國資廳分配[2009]328號)) and the “Notice on the Standards Regarding the Adjustment of Work Subsidy of External Directors Who Resigned as Central Enterprise Principals” issued by SASAC (Guo Zi Ting Kao Fen [2020] No.187) (國資委《關於調整退出現職的中央企業負責人擔任外部董事工作補貼標準的通知》(國資廳考分[2020]187號)). The specific remuneration is shown in the table below:

Unit: RMB'0,000

Name	Title	Remuneration
Shi Jianzhong	Independent Director	10.00
Weng Yiran	Independent Director	6.17
Ngai Ming Tak	Independent Director	13.20

Notes:

- In accordance with the relevant regulations of the SASAC, Jiang Renfeng, a non-executive Director, does not receive any remuneration or allowance as a Director of the Company.
- The work subsidy of two Independent Directors, namely Shi Jianzhong and Weng Yiran, who resigned as central enterprise principals, will be dynamically adjusted annually according to the annual performance evaluation results, and will be paid at RMB5,000 per person per month in advance and will be redeemed according to the corresponding standard after the annual performance evaluation results are determined. The standard work subsidy for a result of excellent in the annual performance evaluation is RMB100,000; the standard work subsidy for a result of good in the annual performance evaluation is RMB80,000; the standard work subsidy for a result of basically competent or lower in the annual performance evaluation is RMB60,000.

3. Ngai Ming Tak is an Independent Director who is the chairman of a special committee and is not a director who resigned as a central enterprise principal, and the standard annual basic compensation is RMB100,000/person/year. The standard allowance for Board meetings: RMB3,000/person/meeting; the standard allowance for special committee meetings: RMB2,000/person/meeting.

(2) Remuneration of Executive Directors

The Company's Chairman Sun Yongcai and executive Directors Lou Qiliang, Wang An are all persons in charge of central enterprises managed by SASAC, whose remuneration comprises 2021 annual basic remuneration, annual performance-based salary, and 2019-2021 term incentive as verified by the SASAC.

The specific annual remuneration is shown in the table below:

Unit: RMB'0,000

Name	Title	Performance-based		Total
		Basic remuneration	salary for the year	
Sun Yongcai	Chairman	23.44	62.93	86.37
Lou Qiliang	Executive Director	22.27	59.78	82.05
Wang An	Executive Director	-	-	-

Specific term incentive compensation is shown in the table below:

Unit: RMB'0,000

Name	Title	Term	
		incentive	Term incentive period
Sun Yongcai	Chairman	73.70	2019.01-2021.12
Lou Qiliang	Executive Director	67.56	2019.01-2021.12
Wang An	Executive Director	-	2019.01-2021.12

Note:

1. Wang An was paid by CRRC GROUP Co., Ltd., the parent company of the Company.

The abovementioned resolution in relation to the remuneration of the Directors of the Company for 2022 was considered and approved by the Board on 30 March 2023 and is hereby submitted to the AGM for consideration and approval.

7. The resolution in relation to the remuneration of the Supervisors of the Company for 2022

According to the relevant requirements of the SASAC and requirements of the Remuneration Plan of Directors and Supervisors of CRRC Corporation Limited, the remuneration of the Supervisors of the Company for 2022 is hereby submitted to the AGM for consideration.

The remuneration of Zhao Hu, the Company's current chairman of the Supervisory Committee, and Chen Zhenhan and Chen Xiaoyi, the Supervisors, is managed according to the employee remuneration management system of the Company's head office, which implements the remuneration management system for the head office. The specific remuneration is set out in the table below:

Unit: RMB'0,000

Name	Title	Performance-based		Total
		Basic remuneration	salary for the year	
Zhao Hu	Chairman of the Supervisory Committee Employee representative Supervisor	38.90	45.36	84.26
Chen Zhenhan	Supervisor	30.23	38.23	68.46
Chen Xiaoyi	Supervisor	30.43	38.23	68.66

The abovementioned resolution in relation to the remuneration of the Supervisors of the Company for 2022 was considered and approved by the Supervisory Committee on 30 March 2023 and is hereby submitted to the AGM for consideration and approval.

8. The resolution in relation to the appointment of auditors of the Company for 2023

Pursuant to the requirements of the relevant laws and regulations and the Articles of Association, the Company is required to appoint an accounting firm to audit the annual financial statements of the Company in accordance with the applicable accounting standards as well as an accounting firm to audit the effectiveness of the internal control of the Company.

KPMG Huazhen LLP Certified Public Accountants, being the auditors of the Company for the financial statements and the internal control of the Company in 2022, audited the financial statements of the Company for 2022 and the effectiveness of internal control of the Company.

The Company proposed to re-appoint KPMG Huazhen LLP Certified Public Accountants as the auditors of the Company for the financial statements and the internal control of the Company in 2023. In addition, it is proposed to grant the Board at the AGM the authority to determine the relevant matters including its remuneration.

The abovementioned resolution in relation to the appointment of auditors of the Company for 2023 was considered and approved by the Audit and Risk Management Committee of the Board and the Board of the Company on 30 March 2023 and is hereby submitted to the AGM for consideration and approval.

SPECIAL RESOLUTIONS:

9. The resolution to be proposed to the general meeting 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 general meeting 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 general meeting. 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 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 2022 annual general meeting until whichever is the earliest of:

- (1) the conclusion of the 2023 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 2022 annual general meeting.
- (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 general mandate to the Board to issue additional A Shares and H Shares of the Company was considered and approved by the Board on 30 March 2023 and is hereby submitted to the AGM for consideration and approval.

10. The resolution in relation to the issuance of debt financing instruments by the Company for 2023

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 2023, 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, enterprise bonds, ultra-short-term debentures, short-term debentures, medium-term notes, perpetual bonds, asset-backed debentures (including but not limited to ABN, ABCP 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 (the “**Debentures**”) with the total outstanding balance of repayment amount of the Debentures not exceeding an aggregate of equivalent to RMB80 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 RMB80 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, project investments and/or purposes consistent with the relevant regulations of the issuance of the Debentures.

- (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 general meeting to the date for convening the 2023 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 general meeting 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;
- (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 for 2023 was considered and approved by the Board on 30 March 2023 and is hereby submitted to the AGM for consideration and approval.

CRRC CORPORATION LIMITED
2022 WORK REPORT OF THE BOARD

In 2022, the Board of the Company studied and implemented the spirit of the 20th Party Congress in depth, earnestly implemented the important exposition of Xi Jinping, the General Secretary, on “two persistence” and developing the state-owned economy and state-owned enterprises. It constantly enhanced its own capacities to improve the corporate governance structure. It earnestly fulfilled the duties ascribed by the Company Law and the Articles of Association, implemented the Opinions of the State Council on Further Improving the Quality of Listed Companies, gave full play to the functions in “formulating strategies, making decision and preventing risks” so as to effectively safeguard the interests of the Company and the Shareholders. The relevant details are reported as follows:

I. FOCUSING ON THE IMPLEMENTATION OF STRATEGIES TO PROMOTE SPECIAL PROJECTS

1. Strategic Planning Implementation

Focusing on the 14th Five-Year Plan of the Company, at the Board meetings and in course of investigation and research, the directors have repeatedly made requests for business restructuring and domestic and overseas market layout involving the implementation of the Company’s strategic plan, taking into account the changes in the domestic and international political and economic situation and the market pattern of the industry. Regarding the business structure of “One Core, Three Poles, Multi Points” in the strategic plan, the Board of the Company has encouraged the management to actively expand the “Three Poles” of business, namely wind power equipment, new energy vehicles and new materials, in line with the major strategic deployment of the Party Central Committee and the State Council on carbon peaking and carbon neutrality. The Board held dedicated meetings for external Directors to receive a presentation from the management on the development of the wind power industry, which the external Directors have put forward their opinion on it, with a view to strengthening the development of the rail transportation equipment business amidst the current market downturn, and the wind power industry should adhere to its positioning as a high-end equipment manufacturer and wind power business system solution provider to fully demonstrate the advantages of the industry and build a “standing high speed railway”.

2. Dedicated actions to promote implementation

The Board of the Company is concerned about the formulation and the implementation of plans by the management, focusing on the key initiatives such as building a world-class enterprise, improving the quality of controlled listed companies and the dedicated actions on integrated governance. Firstly, the Board has seriously studied the “Implementation Plan on Accelerating the Construction of a World-Class CRRC”, combined with the development strategy of the Company, put forward opinions and suggestions in terms of product excellence, branding, leading innovation and modern governance, and set out requirements for the optimization of the plan. Secondly, the Board was briefed on the “Work Plan for Improving the Quality of

Controlled Listed Companies” and proposed to comprehensively implement the requirements of the “Opinions of the State Council on Further Improving the Quality of Listed Companies” to ensure effective results. Thirdly, the Board paid attention to the progress of the dedicated actions for the “Strict Financial Discipline and Legal Compliance” integrated governance campaign. After being briefed on the progress of the campaign, the Audit and Risk Management Committee proposed to address both the root causes and symptoms, where the underlying causes should be analysed in terms of institutional mechanisms and management systems to improve the management system, standardise management processes and improve management standards continuously.

3. Continued progression on social responsibility

The Board of the Company has continued to promote the integration of social responsibility concepts into the corporate operation and management, and prepared and published the 2021 Social Responsibility Report in accordance with the requirements of SASAC, SSE and SEHK, with its ESG case being selected as one of the “Excellent ESG Practice Cases of Listed Companies” compiled by the China Listed Companies Association. The Company was also listed in the “ESG · Social Value Pioneer 50 Index for Stated-owned Enterprises”, ranking 37th out of 426 stated-owned listed companies. Through consolidating and expanding our targeted support work, the Company brought in RMB17.28 million of support funds, RMB1.70 million of non-reimbursable support funds throughout the year, attracting RMB15.00 million of investment funds and providing training to 1,350 people in various categories. Two cases were shortlisted as outstanding cases and demonstration projects in the “Blue Book on Rural Revitalisation by Stated-owned Enterprises (2022)”.

4. Stable to positive performance indicators

The management of the Company complied with the management plan set by the Board at the beginning of the year to fully implement the requirements of “economic stability and safe development”. Faced with the overlapping effects of unfavourable factors such as a sharp drop in demand for rolling stock and fluctuating raw materials prices, the management rose to the challenge and worked forward to carry out dedicated actions to enhance quality and increase efficiency. After revitalising its assets, studying and making good use of China’s economic stabilisation policy, the management launched measures to manage loss-making enterprises and resolved major risks while implementing two-way incentive assessment to stabilise the fundamentals of operation and development, with performance indicators throughout the year showing stable to positive sign.

II. FOCUSING ON BUILDING ITSELF TO SUPPORT SCIENTIFIC DECISION-MAKING

1. Scientific and rational governance structure

At the end of 2021, the election of new session of the Board of the Company has been completed. The new session of the Board is composed of seven Directors. The Board members have rich experience and the structure of the members is reasonable.

Among them, there are three executive Directors, namely Sun Yongcai, Lou Qiliang and Wang An; one non-executive Director, Jiang Renfeng; and three Independent Non-executive Directors, namely Shi Jianzhong, Weng Yiran and Ngai Ming Tak. The Board has four committees, namely Strategy Committee, Audit and Risk Management Committee, Remuneration and Evaluation 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 Evaluation Committee are all composed of non-executive Directors. 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.

2. Training and learning to enhance competence

The Board of the Company attached importance to organizing members to conduct political theory and business studies, and actively participate in various trainings to continuously improve their ability to perform their duties. Firstly, the Board members studied the spirit of the 20th Party Congress, the Party members and Directors participated in the learning sessions of their party organizations and external Directors studied through meetings to gain a deep understanding of the decisive significance of the “Two Establishments” to enhance the “Four Consciousnesses”, assert the “Four confidences” and achieve the “Two Safeguards”. Secondly, the Board members learned and implemented the spirit of the SASAC conference for stated-owned enterprises, the restructuring and upgrading of stated-owned enterprises. Thirdly, the Board members participated in the training on “Doing a good job in carbon peaking and carbon neutrality to promote high-quality development of enterprises” organised by the SASAC, the training and follow-up training for independent directors organised by the Shanghai Stock Exchange, and the training for directors and supervisors organised by the Beijing Securities Regulatory Bureau to learn about relevant policies and practices, improving their ability to perform their duties continuously.

3. Adequate access to decision-making information

The external Directors understood and grasped the Company’s information through various forms such as listening to reports, attending meetings and conducting research visits to improve the quality of decision-making. Firstly, depending on the specific circumstances of the meeting, the external Directors communicated with the management on the situation prior to the convention of the Board meeting and even before the resolution of the meeting is finalised. Secondly, two meetings for the external Directors were held, at which the external Directors listened to reports on the Company’s investment, operations, finances and the development of the wind power industry to obtain more information for decision-making. Thirdly, the external Directors participated in important meetings of the Company, such as the Company’s annual working meetings and management seminar, to exchange ideas with the management and understand the Company’s operation. Fourthly, the external Directors conducted on-site visits to the subsidiaries to gain an in-depth understanding of the production

and operation of the subsidiaries, the construction of investment projects and the implementation of the “14th Five-Year Plan”. In 2022, the external Directors visited 12 subsidiaries and conducted investigation and research work on the Company’s wind power and semi-conductor projects.

4. Making scientific decisions through compliant operation

The Board of the Company implemented the works precisely in every stage before and after decision-making to ensure the decision-making are regulated, efficient and scientific. Firstly, it planned the annual meeting arrangements and research plans. The Board members fully communicated with each other. It prepared the annual Board meeting and research plans for 2022, determined the specific time of four regular meetings, arranged the preliminary time and number of temporary meetings, to ensure that the Board members have sufficient time to perform their duties. Secondly, it considered Board resolutions precisely. The Board communicated thoroughly by way of telephone, mail, written materials and other ways with the management or the business departments of the Company. Through a combination of on-site and video to participate in the meetings, they fully expressed their opinion and the decision-making and consideration were achieved with “communication, consultation and voting”. Thirdly, it supervised the implementation of the resolutions of the meeting, required the management to regularly report the implementation of the decision-making matters, and report every unfinished matter until they are completed. The Board members also implemented the promotion of relevant decision-making matters through on-site investigation. During the year, the Board convened 1 general meeting and considered and approved 13 resolutions. The Board also convened 6 Board meetings and considered and approved 37 resolutions in respect of periodic reports, related party transactions, material investment, etc. The special committees of the Board convened 10 meetings.

III. FOCUSING ON SYSTEM IMPROVEMENT TO EFFECTIVELY RESOLVE RISKS

1. Continuous improvement of the institutional system

The Board of the Company ensured compliance operational and effective risk prevention and mitigation by improving the institution system. Firstly, the Board made more significant amendments to the Articles of Association and the Rules of Procedures of the Board of Directors in line with the amendments to the relevant rules of the SFC and the Stock Exchanges, and submitted to the general meeting for approval. Secondly, the Board revised the fundamental systems relating to the Terms of Reference for the Special Committee and the External Guarantee Management System in line with the amendments to the Articles of Association to further enhance the standard of corporate governance and to meet the relevant regulatory requirements. Thirdly, the Board improved the risk management system and promoted the reform of the risk management and control system and mechanism by focusing on “strengthening internal control, preventing risks and promoting compliance”. The “Risk Management and Internal Control Mechanism and System Reform Implementation Plan” was formulated

to strengthen the leadership of the organization, the responsibility of the risk control department and the cooperation of the functional departments, thereby establishing a sound system of risk internal control construction, supervision and management.

2. Increasing risk control efforts

The Audit and Risk Management Committee of the Board received reports on risk management and guided the Company to strengthen its risk control efforts. On the basis of optimising the risk control management framework, it increased the efforts in overseeing the risk assessment of major projects and formulated the “Local Government Debt Risk Alert Letter 2022” by consolidating information on the statutory debt risks of local governments to provide reference for investment decisions on new industries and PPP projects. It also strengthened risk identification and diagnosis in sensitive countries to provide business guidance for the development of overseas business. A seminar on new energy risks was held to share the difficulties, experiences and countermeasures of risk management and control in new industries and to provide strong support for the development of the “Three Poles” and the “Mutual Points” businesses. It also promoted the construction of the Company’s risk monitoring centre to implement real-time monitoring and early warning of important risks.

3. Promoting resolution of major risks

The Board of the Company earnestly implemented the responsibilities of risk prevention and resolution by promoting and improving the long-term mechanism of “early detection, early warning and early disposal” on major operational risks to strengthen the assessment of major operational risks and continuously enhance the scientific and accurate prevention and control of major operational risks. The Board has also stepped up the implementation of target assessment for key enterprises by signing risk resolution responsibility letters at each level to stimulate the momentum of relevant risk resolution and firmly stop the “bleeding point”. Adopting different risk response strategies for different risk events, the Board insisted on seeking benefits from risk mitigation and established a steering and support team around the three indicators of risk exposure, cash recovery and impairment write-back to supervise enterprises that have signed the responsibility letter as well as key enterprises, which has achieved good results.

IV. FOCUSING ON THE CAPITAL MARKET TO PRESENT A GOOD IMAGE

1. Legal and compliant information disclosure

The Board of the Company adhered to the principle of “authenticity, accuracy, integrity, timeliness and fairness”, carefully reviewed the disclosed information through e-mail, phone-calls, meetings and other means, performed the obligation of information disclosure in accordance with the laws and regulations. Considering the changes in the regulatory rules of Shanghai and Hong Kong, the Board has made amendments to the “Administrative Measures of Information Disclosure” to ensure that information disclosure is in compliance with the law. During the year, the Company published 75 interim publications on the SSE; published 89 announcements in traditional Chinese, 63

announcements in English, i.e., 227 announcements in aggregation, on the Hong Kong Stock Exchange. The Company has published key announcements of interest payments on corporate bonds, tracking announcements of ratings and announcements of implementation of dividends and distributions. The Company published 4 announcements in relation to signing contracts and 1 announcement in relation to overseas successful tender, disclosing a contract amount of RMB94.53 billion in total, which accounted for approximately 41.88% of the audited operating revenue of the Company in 2021. The Company has obtained Grade A rating in the evaluation of information disclosure of listed companies on the SSE for seven consecutive years.

2. Continuous improvement in market value management

The Board has revised the “Implementation Rules for Market Value Management” in accordance with the regulatory requirements to promote continuous improvement in the management of market value of the Company. Firstly, the Board continued to refine its market value management benchmarking company system to improve benchmarking system for capital market movements in terms of share price movements, volume movements, operating results, incentives and media coverage. In 2022, the Company’s share price was generally stable and outperformed the SSE, CSI 300 and Hang Seng indices. Secondly, the Board benchmarked 20 comparable listed companies in terms of net profit, gearing ratio, R&D investment intensity, operating income margin and ROE, and other efficiency indicators to launch the benchmarking process. Thirdly, the Board convened market value management working meeting on a quarterly basis and established an interactive exchange platform among the capital market, financial PR firms and relevant departments of the Company, so that the Company could be more purposeful, focused and effective in carrying out its tasks, striving to maximise the value of the Company and its shareholders and continuously improving the market value of the Company. In 2022, 4 market value management working meetings were held.

3. Continuous deepening of investor relations work

The Board of the Company focused on investor relations management and promotes the continuous development of investor relations work through various forms. Firstly, the Board increased the Company’s influence in the capital market through communication with investors and potential investors by phone and email. Secondly, the Board held 4 results calls and 3 results conferences, connecting around 200 analysts to communicate with each other on the operating situation, order situation and overseas markets in 2022 to stabilise the market expectations on the Company. Thirdly, the Board cultivated important institutional investors by conducting daily phone-calls or visits to key institutional investors to introduce them in detail the development situation of the Company and the industry, and to confirm their confidence in holding the Company’s shares. Fourthly, the Board organised domestic and overseas financial PR firms to produce daily media monitoring information, capital market daily report and PR event analysis, thereby tracking share prices and analysing shareholder structure. Fifthly, the Board updated investor profiles on a continuous basis to keep an up-to-date database of capital market analysts.

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 advice. The Board members paid in-depth on-site visits to the Company and took forward the implementation of the decision-making of the Board, by which the achievement of the Company's business objectives have been drove. As the level of corporate governance of CRRC has constantly enhanced, the Company has been awarded with various honours in the capital market. **The Company was awarded the Special Contribution Award of the China Top 100 Award of the 2022; the annual report won the highest Platinum Award of the Spotlight Awards in the United States (ranked 13th in the Top 100, the only Chinese company to receive the Platinum Award) and other important awards.**

2023 is a crucial year for driving the implementation of the 14th Five-Year Plan strategy, while focusing on “formulating strategies, making decision and preventing risks”, highlighting the construction of a strategic Board, focusing on strategic decision-making, resource allocation and risk prevention and control, and continuously strengthening its own construction, the Board of the Company will fully drive the implementation of the 14th Five-Year Plan strategy, increase research and study efforts to ensure scientific decision-making, while moving forward risk gates to optimise the risk management and control system, grasping objective regulations to enhance the image of the capital market, so as to promote the improvement of a modern enterprise system with Chinese characteristics and repay the society, Shareholders and investors with a better performance.

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
2022 WORK REPORT OF THE SUPERVISORY COMMITTEE

In 2022, 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 of the Company, and for protection of the interests of all Shareholders, all members of the Supervisory Committee of Company conducted supervision and examination on the legal compliance of the Company's financial affairs, the implementation of the resolutions of the 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.

I. WORK OF THE SUPERVISORY COMMITTEE IN 2022

In 2022, the Company's supervisors strengthened their study and diligently performed their duties, supervising the Company's financial status, the use of proceeds, the implementation of decisions by the Board of Directors, the operation of the risk control system and major operation and management, as well as supervising the performance of duties of the Company's Directors and senior management. The specific work is as follows:

1. Meetings of the Supervisory Committee

During the reporting period, the Supervisory Committee held 4 meetings to consider 18 resolutions. 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 Procedure for the Supervisory Committee. Details of the meetings are as follows:

On 30 March, the 2nd meeting of the third session of the Supervisory Committee was convened in the form of on-site meeting, at which 12 resolutions, including the Resolution in Relation to the 2021 Annual Report of CRRC Corporation Limited, were considered and approved.

On 29 April, the 3rd meeting of the third session of the Supervisory Committee was convened in the form of on-site meeting, at which 3 resolutions, including the Resolution in Relation to the 2022 First Quarterly Report of CRRC Corporation Limited, were considered and approved.

On 26 August, the 4th meeting of the third session of the Supervisory Committee was convened in the form of on-site meeting, at which the Resolution in Relation to the 2022 Interim Report of CRRC Corporation Limited was considered and approved.

On 28 October, the 5th meeting of the third 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 2022 Third Quarterly Report of CRRC Corporation Limited, were considered and approved.

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

In 2022, members of the Supervisory Committee attended the 2021 annual general meeting, presented as non-voting attendees at Board meetings and office meetings of president, and attended the 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, resolutions and voting procedures of the Company's general meetings and the Board meetings and a supervisor was sent to supervise the voting. The Supervisory Committee also supervised the implementation of the resolutions of the 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 Supervisory Committee continuing to conduct in-depth research

During the reporting period, the Supervisory Committee of the Company continued to deepen its investigation and research work to continuously improve the effectiveness of supervision. The members of the Supervisory Committee fully integrated with their own work and made use of the opportunities of audit and supervision, compliance review and other work to carry out investigation and research, so as to provide a basis for objective evaluation of the Company's operation and management.

4. The Supervisory Committee collaborating in supervising risk prevention

During the reporting period, the Supervisory Committee of the Company continued to strengthen risk prevention and risk mitigation by building a "large supervision" structure with the Company's functional departments including internal audit, risk, legal, compliance and disciplinary to oversee the implementation of the 2022 major risk mitigation targets, continuously improved the risk prevention mechanism, and consciously accepted the supervision and guidance of the CSRC, the Securities Regulatory Bureau, the stock exchanges, the Council of the Listed Companies Association and the SASAC, effectively realizing the supervision and coordination of risk prevention.

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 of the Directors and senior management of the Company, 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. The major decisions for the operation of the Company were made in a reasonable, legitimate and effective way. Information disclosure was in line with norms, and the management system of registration for informed persons of inside information had been implemented well. None of them was found to have engaged in any act undermining the interests of the Company or Shareholders, or breaching the laws and regulations, the Articles of Association and other 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. KPMG LLP (Special General Partnership) performed an audit on the Company's financial report for 2021 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 2021. 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

During the reporting period, there is no A share fund raised by the Company that was available for management and use. The Supervisory Committee will pay attention to the Company's subsequent fund raising.

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 RELATED PARTY TRANSACTIONS

The Supervisory Committee conducted supervision over the Company's related party 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 such as the Company Law of the PRC, the Securities Law of the PRC, the listing rules of the places where the Company's shares are listed as well as stipulations in the Articles of Association and Management Measures on Related Party Transactions of CRRC Corporation Limited, and such related party 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 2021, the Supervisory Committee has no objections to the report. KPMG LLP (Special General Partnership) audited the internal control of the Company for 2021, and issued an audit report on the internal control of CRRC Corporation Limited for 2021, 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 2021. In 2022, the Company's internal control activities were regulated, conducted in compliance with the law and were valid without any instance of breaching the relevant requirements of the securities regulatory authorities.

In 2023, 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 consider resolutions and cast its vote in order to facilitate the sound and sustainable development of the Company.

The Supervisory Committee of CRRC Corporation Limited