

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

中國中車股份有限公司
CRRCL CORPORATION LIMITED

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

(Stock code: 1766)

ANNOUNCEMENT

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to further improve its corporate governance, pursuant to amendments to the prevailing laws, regulations and regulatory documents including the Company Law, the Corporate Governance Guidelines for Listed Companies and the Guidelines on Articles of Association of Listed Companies, and based on the Company's needs in its actual production and operation, the Board of the Company proposed to amend the Articles of Association (including the amendments to the Rules of Procedure for General Meetings, the Rules of Procedure for the Board and the Rules of Procedure for the Supervisory Committee which are appendices thereto). The Board considered that the amendments to the Articles of Association (including the amendments to the Rules of Procedure for General Meetings, the Rules of Procedure for the Board and the Rules of Procedure for the Supervisory Committee which are appendices thereto) are in the interests of the Company.

The proposed amendments to the Articles of Association (including the Rules of Procedure for General Meetings, the Rules of Procedure for the Board and the Rules of Procedure for the Supervisory Committee which are appendices thereto) are subject to approval by the shareholders of the Company at the AGM by way of special resolutions.

A circular containing, among other things, details about the amendments to the Articles of Association (including the amendments to the Rules of Procedure for General Meetings, the Rules of Procedure for the Board and the Rules of Procedure for the Supervisory Committee which are appendices thereto) will be dispatched to the shareholders of the Company as soon as practicable.

This announcement is made pursuant to Rule 13.51(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In order to further improve its corporate governance, pursuant to amendments to the prevailing laws, regulations and regulatory documents including the Company Law of the People’s Republic of China (the “**Company Law**”), the Corporate Governance Guidelines for Listed Companies and the Guidelines on Articles of Association of Listed Companies, and based on the Company’s needs in its actual production and operation, the board of directors (the “**Directors**”) (the “**Board**”) of CRRC Corporation Limited (the “**Company**”) proposed to amend the Articles of Association of CRRC Corporation Limited (the “**Articles of Association**”) (including the amendments to the Rules of Procedure for General Meetings of CRRC Corporation Limited (the “**Rules of Procedure for General Meetings**”), the Rules of Procedure for the Board of Directors of CRRC Corporation Limited (the “**Rules of Procedure for the Board**”) and the Rules of Procedure for the Supervisory Committee of CRRC Corporation Limited (the “**Rules of Procedure for the Supervisory Committee**”) which are appendices thereto). The Board considered that the amendments to the Articles of Association (including the amendments to the Rules of Procedure for General Meetings, the Rules of Procedure for the Board and the Rules of Procedure for the Supervisory Committee which are appendices thereto) are in the interests of the Company.

The proposed amendments to the Articles of Association (including the Rules of Procedure for General Meetings, the Rules of Procedure for the Board and the Rules of Procedure for the Supervisory Committee which are appendices thereto) are subject to approval by the shareholders of the Company at the Company’s 2018 annual general meeting (the “**AGM**”) by way of special resolutions.

The details of the proposed amendments to the Articles of Association (including the amendments to the Rules of Procedure for General Meetings, the Rules of Procedure for the Board and the Rules of Procedure for the Supervisory Committee which are appendices thereto) are as follows:

I. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

1. Article 31 of the existing Articles of Association:

“The Company may, according to the procedures provided for in the Articles of Association, and subject to the approval of the relevant governing authority of the State, repurchase its issued shares pursuant to requirements under laws, regulations,

departmental rules and the Articles of Association under the following circumstances:

- (1) to reduce the registered capital of the Company;
- (2) to merge with another company that holds shares in the Company;
- (3) to grant shares to employees of the Company as incentives;
- (4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company;
- (5) other circumstances as permitted by laws, regulations and departmental rules and securities regulatory authorities of the place where the Company's shares are listed.

Save as aforementioned, the Company shall not purchase or sell the shares of the Company.

Any repurchase of shares by the Company for the purpose of clauses (1) to (3) of the foregoing paragraph shall be resolved at the general meeting. In the event that the Company has acquired its shares in accordance with the first paragraph and under the circumstance set out in clause (1), such shares shall be cancelled within ten (10) days from the date of acquisition, and for circumstances set out in clauses (2) and (4), such shares shall be transferred or cancelled within six (6) months from the date of acquisition.

Where the Company has acquired its shares pursuant to clause (3) of the first paragraph, shares so acquired shall not exceed 5% of the total shares issued by the Company. The capital used for acquisition shall be financed by the profit after tax of the Company, and such shares so acquired shall be transferred to employees within one (1) year.”

is proposed to be amended to read:

“The Company may, according to the procedures provided for in the Articles of Association, and subject to the approval of the relevant governing authority of the State, repurchase its issued shares pursuant to requirements under laws, regulations, departmental rules and the Articles of Association under the following circumstances:

- (1) to reduce the registered capital of the Company;
- (2) to merge with another company that holds shares in the Company;

- (3) to utilize its shares in the employee share ownership plan or for share incentive;
- (4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company;
- (5) to utilise the shares for conversion of corporate bonds which are convertible into shares issued by the Company;
- (6) where it is necessary for the listed Company to safeguard the value of the Company and the interests of its shareholders.

Save as aforementioned, the Company shall not purchase or sell the shares of the Company.

Any repurchase of shares by the Company for the purpose of clause (1) and clause (2) of the foregoing paragraph shall be resolved at the general meeting. In the event that the Company repurchases its shares in accordance with the circumstance set out in clause (3), clause (5) and clause (6), such repurchase shall be resolved at the Board meeting with the attendance of two thirds or more of all Directors.

In the event that the Company has acquired its shares in accordance with the first paragraph and under the circumstance set out in clause (1), such shares shall be cancelled within ten (10) days from the date of acquisition, for circumstances set out in clauses (2) and clause (4), such shares shall be transferred or cancelled within six (6) months from the date of acquisition, and for circumstances set out in clause (3), clause (4) and clause (6), the total number of shares so acquired by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three (3) years from the date of acquisition.

If relevant matters involved in the repurchase of shares are otherwise required by the laws, regulations, departmental rules and the securities regulatory authority of the place where the Company's shares are listed, such requirements and regulations shall prevail."

2. Add one paragraph under Article 32 of the existing Articles of Association as the last paragraph:

"The Company shall perform its information disclosure obligation according to the requirements of securities regulatory authorities of the place where the Company's shares are listed in repurchasing its own shares. Where the Company acquires its shares pursuant to clauses (3), (5) and (6) of paragraph 1 of Article 31 of the Articles of Association, it shall be conducted through open centralized trading. "

3. Article 77 of the existing Articles of Association:

“The Company shall arrange for the venue for an on-site meeting to be held. Where the general meeting is to be conducted online or by way of other means, the time and procedure of such online voting or other means of voting shall be clearly stated in the notice of general meeting. The online voting or other means of voting of the general meeting shall commence no earlier than 3:00 p.m. of a day prior to the date of the general meeting but no later than 9:30 a.m. on the date of the general meeting and it shall terminate no earlier than 3:00 p.m. on the date of conclusion of the general meeting.”

is proposed to be amended to read:

“The general meeting shall set meeting venue and be convened by way of a combination of on-site meetings and on-line voting modes or other ways permitted by laws, regulations and the listing rules of the place where the Company’s shares are listed. The notice of shareholders’ general meeting shall explicitly state the voting time and voting procedure on the network or otherwise. The online voting or other means of voting of the general meeting shall commence no earlier than 3:00 p.m. on the day prior to an on-site general meeting, and no later than 9:30 a.m. on the day of the on-site general meeting, and shall terminate no earlier than 3:00 pm on the day of conclusion of the on-site general meeting.”

4. Paragraph 1 under Article 140 of the existing Articles of Association:

“Directors shall be elected at a general meeting. The term of office of the Directors shall be three (3) years. Upon expiry of the current term of office, a Director shall be eligible to offer himself for re-election and re-appointment. Before expiry of the current term of office, a Director can not be dismissed without cause by the general meeting. The Chairman and Vice Chairman of the Board shall be elected and dismissed by more than one-half of all the Directors. The term of office of the Chairman and Vice Chairman of the Board shall be three (3) years, renewable upon re-election.”

is proposed to be amended to read:

“Directors shall be elected or removed from office at a general meeting, and can be dismissed by the general meeting before expiry of the current term of office. The term of office of the Directors shall be three (3) years. Upon expiry of the current term of office, a Director shall be eligible to offer himself for re-election and re-appointment. The Chairman and Vice Chairman of the Board shall be elected and

dismissed by more than one-half of all the Directors. The term of office of the Chairman and Vice Chairman of the Board shall be three (3) years, renewable upon re-election.”

5. Amend paragraph 2 under Article 149 of the existing Articles of Association and add one paragraph after paragraph 3 as paragraph 4, and the existing paragraph 4 shall be re-numbered as paragraph 5:

“Independent Directors shall, pursuant to the requirements of the relevant laws and regulations, the Guiding Opinions on Establishing the System of Independent Directors by Listed Companies and the Articles of Association, conscientiously perform their duties and responsibilities, safeguard the Company’s interests as a whole and, in particular, ensure that the lawful rights and interests of small and medium shareholders are not impaired.”

is proposed to be amended to read:

“Independent Directors shall, pursuant to the requirements of the relevant laws and regulations, the Guiding Opinions on Establishing the System of Independent Directors in Listed Companies and the Articles of Association, conscientiously perform their duties and responsibilities, safeguard the Company’s interests as a whole and, in particular, ensure that the lawful rights and interests of small and medium shareholders are not impaired. Independent Directors shall report to the general meeting each year.

.....

In the event of conflicts between shareholders or Directors which have significant impact on the operation and management of the Company, Independent Directors shall actively perform their duties and responsibilities to safeguard the Company’s interests as a whole.”

6. Article 150 of the existing Articles of Association:

“Independent Directors are Directors who do not hold any positions in the Company other than as a Director and do not maintain with the Company and its substantial shareholders a connection which may possibly compromise their independent and objective judgments. An independent Director shall meet the following basic conditions:

.....”

is proposed to be amended to read:

“Independent Directors are Directors who do not hold any positions in the Company other than as a member of the Board’s special committees and do not maintain with the Company and its substantial shareholders a connection which may possibly compromise their independent and objective judgments. An independent Director shall meet the following basic conditions:

.....”

7. Paragraph 2 under Article 160 of the existing Articles of Association:

“The Board may, in compliance with the relevant laws and regulations, establish special committees, namely the Strategy Committee, the Audit and Risk Management Committee, the Nomination Committee and the Remuneration and Evaluation Committee.

is proposed to be amended to read:

“The Board establishes the Audit and Risk Management Committee. The Board may, in compliance with the relevant laws and regulations, establish the Strategy Committee, the Nomination Committee, the Remuneration and Evaluation Committee and other special committees.”

8. Delete clause (7) of paragraph 1 under Article 166 of the existing Articles of Association, and amend former clauses (8) and (9) as clauses (7) and (8) accordingly:

“ (7) Unless objected by more than three (3) Directors or more than two (2) independent Directors, the Chairman of the Board may decide to incorporate the topics raised by the Directors during the Board meeting into the agenda of the meeting; ”

9. Article 169 of the existing Articles of Association:

“Notices of routine Board meetings should be served by the following means:

- (1) If the time and place of the routine Board meetings have been previously decided upon by the Board and notified to the Directors, there is no need to issue a notice of meeting fourteen (14) days prior to the date appointed for the meeting, but the agenda of the meeting and the documents of the Board meetings attached thereto shall be delivered to all the Directors two (2) days prior to the date of the meeting to be held (or other date agreed by the Board).

- (2) If the time and place of the routine Board meetings have not previously been decided upon or the scheduled time and place of the routine Board meetings have been modified by the Board, a notice regarding the time and venue of such meeting shall be sent by the Chairman of the Board to all the Directors at least fourteen (14) days prior to the date of convening the meeting by means of telex, telegraph, facsimile, express delivery service, registered mail or personal delivery.
- (3) Notice shall be in Chinese language, with an English version attached if necessary. Notice should include an agenda. Any Director is entitled to renounce his/her right to be issued a notice of the Board meeting in writing.
- (4) Directors who have attended the meeting will be deemed to have been issued a notice of Board meeting if he had not raised any dissent or not having received such notice before or during the Board meeting.”

is proposed to be amended to read:

“Notice of the Board meeting shall be given by telex, cable, facsimile, express courier service, registered mail or by hand.”

10. Paragraph 2 under Article 171 of the existing Articles of Association:

“When more than one fourth of the Directors or more than two (2) independent Directors consider that the information on the resolution is insufficient or the argumentation is not specified, they may propose to adjourn the Board meeting or the matters to be resolved and the Board shall adopt the proposition.

is proposed to be amended to read:

“When more than one fourth (1/4) of the Directors or more than two (2) independent Directors consider that the information on the resolution is insufficient or the argumentation is not specified, they may propose to adjourn the Board meeting or the matters to be resolved and the Board shall adopt the proposition. In respect of such opinions of more than two (2) independent Directors, the Board shall disclose in a timely manner.”

11. Paragraph 4 under Article 178 of the existing Articles of Association:

“The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, regulations or the Articles of Association, the Directors who voted for the resolution shall be directly liable to the Company; if it can be proved

that a Director who voted against the resolution expressly objected to the resolution when the resolution was voted on, such Director shall be waived from such liability; the Directors, who abstained from voting or failed to attend the meeting in person or appoint a proxy to attend the meeting, shall not be waived from such liability; and the Directors, who expressly objected to the resolution when the resolution was voted on but failed to vote against, also shall not be waived from such liability.

is proposed to be amended to read:

“The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, regulations, the Articles of Association or resolutions of the general meeting and thus results in material losses to the Company, the Directors who have voted in respect of the resolution shall be liable for compensation to the Company. If it can be proved that a Director who voted in respect of the resolution expressly objected to the resolution when the resolution was voted on, such Director shall be waived from such liability.”

12. Article 180 of the existing Articles of Association:

“In accordance with the relevant resolutions of the general meeting, the Board of the Company establishes the Strategy Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee. The Board may set up other board committees or adjust the existing committees where necessary. All members of the Board Committees shall be comprised of Directors, of which independent Directors shall account for the majority of the members of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration and Evaluation Committee and shall act as the convener. For the Audit and Risk Management Committee, there should be at least three members, one (1) member out of which is an accounting professional.

is proposed to be amended to read:

“In accordance with the relevant resolutions of the general meeting, the Board establishes the Strategy Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee. The Board may set up other board committees or adjust the existing committees where necessary. All members of the Board Committees shall be comprised of Directors, of which independent Directors shall account for the majority of the members of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration and Evaluation Committee and shall act as the convener. For the Audit and Risk Management Committee, there should be at least three members, and the convener is an accounting professional.”

13. Article 193 of the existing Articles of Association:

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

is proposed to be amended to read:

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

If the senior management members of the controlling shareholders concurrently act as the Directors or Supervisors of the listed company, they shall guarantee that they have enough time and energy to undertake the work of the listed company.”

14. Delete clause (3) of paragraph 2 under Article 204 of the existing Articles of Association:

“(3) Details of candidates for shareholder representative supervisors shall be disclosed to the shareholders by the Supervisory Committee one (1) month prior to the convention of general meeting, to ensure shareholders casting their votes with enough understanding of the candidates.”

15. Add one paragraph under Article 216 of the existing Articles of Association as the last paragraph:

“When the Directors and senior management are found to have violated the laws and regulations or the Articles of Association, the Supervisory Committee shall perform its supervisory duty, and report to the Board or the general meeting, or report directly to CSRC and its local offices, the stock exchanges or other departments.”

16. Article 245 of the existing Articles of Association:

“The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the Company’s shares are listed. If there is any material difference

between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.”

is proposed to be amended to read:

“The financial statements of the Company shall be prepared in accordance with PRC accounting standards and regulations, unless those also shall be prepared in accordance with either international accounting standards or that of the overseas place where the Company’s shares are listed as stipulated by the laws, regulations, departmental rules and the requirements of the listing rules of the place(s) where the Company’s shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the notes to the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.”

17. Article 246 of the existing Articles of Association:

“Any interim results or financial information published or disclosed by the Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Company’s shares are listed.”

is proposed to be amended to read:

“Any interim results or financial information published or disclosed by the Company shall be prepared and presented in accordance with PRC accounting standards and regulations, unless those also shall be prepared in accordance with either international accounting standards or that of the overseas place where the Company’s shares are listed as stipulated by the laws, regulations, departmental rules and the requirements of the listing rules of the place(s) where the Company’s shares are listed.”

18. Paragraph 4 under the Article 255 of the Articles of Association:

“The Company shall strictly comply with the cash dividend policy set out in the Articles of Association and the cash dividend plan considered and approved by the general meeting. In the event that adjustment or change of the cash dividend policy set out in the Articles of Association is necessary due to the special circumstances stated in the Article 254 above, the Company shall make the adjustment or change

upon thorough discuss, compliance with the relevant decision-making procedures and approval of no less than two-thirds of voting rights of shareholders present at the general meeting. The reasons and opinions of the independent directors on the relevant issues shall be disclosed in the current annual report.

is proposed to be amended to read:

“The Company shall strictly comply with the cash dividend policy set out in the Articles of Association and the cash dividend plan considered and approved by the general meeting. In the event that adjustment or change of the cash dividend policy set out in the Articles of Association is necessary due to the special circumstances stated in the Article 254 above, the Company shall make the adjustment or change upon thorough discussion, compliance with the relevant decision-making procedures and approval of no less than two-thirds (2/3) of voting rights of shareholders present at the general meeting. The reasons and opinions of the independent directors on the relevant issues shall be disclosed in the current annual report.”

II. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR GENERAL MEETINGS

Paragraph 2 under Article 33 of the existing Rules of Procedures for General Meetings:

“The Company shall arrange for the venue for an on-site meeting to be held. The Company shall provide an on-line voting platform or other means to offer convenience for shareholders attending the general meeting. Shareholders who attend the meeting by aforementioned means shall be deemed as being present at the meeting.”

is proposed to be amended to read:

“The general meeting shall set meeting venue and be convened by way of a combination of on-site meetings and on-line voting modes or other ways permitted by laws, regulations and the listing rules of the place where the Company’s shares are listed. The Company shall provide an on-line voting platform or other means to offer convenience for shareholders attending the general meeting. Shareholders who attend the meeting by aforementioned means shall be deemed as being present at the meeting.”

III. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD

1. Article 8 of the existing Rules of Procedure for the Board:

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

.....”

is proposed to be amended to read:

“The Board is entitled to make decision on the following matters of the Company (including those of the subsidiaries) within the scope authorized by the general meeting:

.....”

2. Article 15 of the existing Rules of Procedure for the Board:

“In accordance with the relevant resolutions of the general meeting, the Board of the Company establishes the Strategy Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee. All members of the Board Committees shall be Directors. Independent Directors shall account for the majority of the members of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration and Evaluation Committee and shall act as the convener. For the Audit and Risk Management Committee, at least one (1) independent Director must be the accounting professionals.”

is proposed to be amended to read:

“In accordance with the relevant resolutions of the general meeting, the Board of the Company establishes the Strategy Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee. All members of the Board Committees shall be Directors. Independent Directors shall account for the majority of the members of the Audit and Risk Management Committee, the Nomination Committee and the Remuneration and Evaluation Committee and shall act as the convener. For the Audit and Risk Management Committee, there should be at least three members, and the convener is an accounting professional.”

3. Article 19 of the existing Rules of Procedure for the Board:

“The Board shall be convened by the Chairman. A written notice of the regular meeting of the Board shall be delivered to all Directors and Supervisors 14 days prior to the meeting.”

is proposed to be amended to read:

“The Board meeting shall be convened by the Chairman. A written notice of the regular meeting of the Board shall be delivered to all Directors and Supervisors 14 days prior to the meeting.”

4. Paragraph 2 under Article 28 of the existing Rules of Procedure for the Board:

“When one fourth or more of the Directors or two independent Directors or more believe that the information in relation to the meetings proposals is inadequate or that the argumentation is unclear, they can jointly request the Board in writing to postpone the meeting or postpone the consideration of such matters, and the Board shall adopt that.”

is proposed to be amended to read:

“When one fourth or more of the Directors or two independent Directors or more believe that the information in relation to the meeting proposals is inadequate or that the argumentation is unclear, they can jointly request the Board in writing to postpone the meeting or postpone the consideration of such matters, and the Board shall adopt that. In respect of such opinions of more than two (2) independent Directors, the Board shall disclose in a timely manner.”

5. Article 30 of the existing Rules of Procedure for the Board:

“The meetings of the Board shall be convened and presided over by the Chairman. If the Chairman is unable to or does not perform his/her duties, the meetings shall be convened and presided over by the vice Chairman. If the vice Chairman is unable to or does not perform his/her duties, a Director jointly elected by a half or more of the Directors shall convene and preside over the meetings.”

is proposed to be amended to read:

“The Board meetings shall be presided over by the Chairman. If the Chairman is unable to or does not perform his/her duties, the meetings shall be presided over by the vice Chairman. If the vice Chairman is unable to or does not perform his/her

duties, a Director jointly elected by a half or more of the Directors shall preside over the meetings.”

6. Paragraph 1 under Article 41 of the existing Rules of Procedure for the Board:

“The meeting of the Board adopts the principle of voting on each matter at a time, which means that voting begins upon completion of the consideration of a proposal, and that the next proposal shall not be voted before the voting on a proposal has completed.”

is proposed to be amended to read:

“The Board meeting adopts the principle of voting on one matter at a time, which means that voting begins upon completion of the consideration of a proposal, and that the voting results will be announced uniformly after all the proposals are considered.”

7. Article 43 of the existing Rules of Procedure for the Board:

“Resolutions shall be adopted by the Board on by a half or more of all Directors. If there is any equality in the votes, the chairman shall have a casting vote.”

is proposed to be amended to read:

“Resolutions could be adopted by the Board if passed by a half or more of all Directors, unless otherwise provided by the laws, administrative regulations, the Articles of Association and the Rules of Procedure for the Board. If there is any equality in the votes, the Chairman shall have a casting vote.”

8. Article 50 of the existing Rules of Procedure for the Board:

“The Directors shall be liable for resolutions of the Board. If a resolution of the Board violates the laws, regulations or the Articles of Association, the Directors who voted for the resolution shall be directly liable. If it is proved that a Director who objected to the resolution when the resolution was voted on, and voted against the resolution pursuant to the minutes, such Director shall be exempt from the liability. Directors who abstained from voting or who failed to attend the meeting either in person or by a proxy, shall not be exempt from the liability. Directors who expressly objected to the resolution when the resolution was voted on but failed to vote against, shall neither be exempt from the liability.

is proposed to be amended to read:

“The Directors shall be liable for resolutions of the Board. If a resolution of the Board violates the laws, regulations, the Articles of Association or resolutions of the

general meeting and thus results in material losses to the Company, the Directors who have voted in respect of the resolution shall be liable for compensation to the Company. If it can be proved that a Director who voted in respect of the resolution expressly objected to the resolution when the resolution was voted on, such Director shall be waived from such liability.”

IV. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE SUPERVISORY COMMITTEE

Add a paragraph under Article 6 of existing Rules of Procedure of the Supervisory Committee:

“When the Directors and senior management are found to have violated the laws and regulations or the Articles of Association, the Supervisory Committee shall perform its supervisory duty, and report to the Board or the general meeting, or report directly to CSRC and its local offices, the stock exchanges or other departments.”

V. RECOMMENDATIONS

The Board considered that the resolutions in relation to the amendments to the Articles of Association (including the amendments to the Rules of Procedure for General Meetings, the Rules of Procedure for the Board and the Rules of Procedure for the Supervisory Committee which are appendices thereto) are in the interest of the Company and its shareholders. Accordingly, the Board recommends the shareholders to vote in favour of the resolutions to be submitted to the AGM.

A circular containing, among other things, details about the amendments to the Articles of Association (including the amendments to the Rules of Procedure for General Meetings, the Rules of Procedure for the Board and the Rules of Procedure for the Supervisory Committee which are appendices thereto) will be dispatched to the shareholders of the Company as soon as practicable.

By order of the Board
CRRC Corporation Limited
Liu Hualong
Chairman

Beijing, the PRC
29 April 2019

As at the date of this announcement, the executive directors of the Company are Mr. Liu Hualong, Mr. Sun Yongcai and Mr. Xu Zongxiang; the non-executive director is Mr. Liu Zhiyong; and the independent non-executive directors are Mr. Li Guo'an, Mr. Wu Zhuo and Mr. Sun Patrick.