中国铁建

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

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

(Stock Code: 1786)

CONTINUING CONNECTED TRANSACTION THE PRODUCTS AND SERVICES PROCUREMENT FRAMEWORK AGREEMENT WITH CRCC

References are made to the announcement of the Company dated 9 May 2023 and the circular of the Company dated 9 June 2023 in relation to, among other things, the Previous Products and Services Procurement Framework Agreement.

As the Previous Products and Services Procurement Framework Agreement will expire on 31 December 2026, the Company entered into the Products and Services Procurement Framework Agreement with CRCC on 26 May 2026 to renew the Previous Products and Services Procurement Framework Agreement, pursuant to which the Company and/or its subsidiaries agreed to procure products and services from CRCC and/or its associates for the term commencing from 1 January 2027 and ending on 31 December 2029.

As at the date of this announcement, CRCC is a controlling Shareholder, which directly and indirectly holds approximately 65% of the total issued share capital of the Company. Pursuant to the Listing Rules, CRCC is a connected person of the Company. Therefore, the transactions under the Products and Services Procurement Framework Agreement constitute continuing connected transactions of the Company.

Since the highest applicable percentage ratio (as defined under the Listing Rules) for the proposed annual caps for the three years ending 31 December 2029 under the Products and Services Procurement Framework Agreement is more than 0.1% but less than 5%, the transactions are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

1. BACKGROUND

References are made to the announcement of the Company dated 9 May 2023 and the circular of the Company dated 9 June 2023 in relation to, among other things, the Previous Products and Services Procurement Framework Agreement.

As the Previous Products and Services Procurement Framework Agreement will expire on 31 December 2026, the Company entered into the Products and Services Procurement Framework Agreement with CRCC on 26 May 2026 to renew the Previous Products and Services Procurement Framework Agreement, pursuant to which the Company and/or its subsidiaries agreed to procure products and services from CRCC and/or its associates for the term commencing from 1 January 2027 and ending on 31 December 2029.

2. PRODUCTS AND SERVICES PROCUREMENT FRAMEWORK AGREEMENT

Details of the Products and Services Procurement Framework Agreement are set out below:

Date:	26 May 2026
Parties:	the Company (as the purchaser of products and services); and CRCC (as the supplier of products and services)
Nature of transactions:	The Company and/or its subsidiaries agreed to procure products and services from CRCC and/or its associates, including: (i) materials and equipment required by the Company and/or its subsidiaries in their productions and sales; (ii) construction services; (iii) assets and equipment leasing services; (iv) railway line usage services; (v) maintenance services; and (vi) other paid services.
Term:	The term of the Products and Services Procurement Framework Agreement will commence on 1 January 2027 and end on 31 December 2029, subject to early termination by either party giving at least three months' prior written notice to the other party. The parties may extend or renew such term by mutual agreement, provided that the requirements under the relevant laws, regulations and the Listing Rules are complied with.

Pricing policy: The prices for the products and services under the Products and Services Procurement Framework Agreement shall be determined based on the following principles and in the following order:

(1) Where there are market prices for the relevant products and services, the prices shall be determined with reference to the prevailing market prices, which are the prices charged by CRCC and/or its associates for providing the same type of products and services to an independent third party customer on normal commercial terms.

In determining the prevailing market prices for the relevant products and services, the Company will make reference to the quotations offered by at least two independent third party suppliers for providing the same or similar products or services. The Company will also take into account the following factors to ensure that the prices offered by CRCC and/or its associates will be no less favourable than those available to the Company from the independent third party suppliers for purchasing the same type of products or services:

(i) in respect of materials and equipment required by the Company and/or its subsidiaries in their productions and sales, we take into account the costs of the relevant products, quality requirements and logistic arrangement;

(ii) in respect of construction services and maintenance services, we take into account the scale, complexity and specifications of the projects, nature, amount of work to be performed, the capacity and experience of the supplier and time arrangement;

(iii) in respect of assets and equipment leasing services, we take into account the costs and operation quality requirements;

(iv) in respect of railway line usage services, we take into account the safety of rails operations and market conditions.

(2) In the unlikely event, where there are no market prices for the relevant products and services that are aimed at meeting the Group's specific business requirements, mainly might be tailor-made products for carrying out rail testing and over-the-rail delivery of overhaul products in the daily productions and operation processes of the Group, the prices shall be determined according to the agreed prices between the parties.

The agreed prices will be calculated based on the actual costs incurred in providing such products and services. A detailed cost and pricing breakdown will be included in specific contracts to ensure the transparency and fairness of the price. A number of senior personnel from different aspects of the Company including engineering, procurement, finance and marketing will have to opine on the fairness and reasonableness of the prices by reference to costs of raw materials, accessories, depreciation, salary, energy, required technology and equipment maintenance, plus reasonable profits. CRCC and/or its associates will charge a mark-up rate generally not higher than 15% for all transactions under the Products and Services Procurement Framework Agreement, which is the same mark-up rate charged to an independent third party customer. The Board is of the view that such mark-up rate is fair and reasonable, on normal commercial terms and not prejudicial to the interest of the Company's minority Shareholders.

Payment terms: The actual settlement prices and the method of payment shall be determined based on the principles, instructions, conditions and terms of the Products and Services Procurement Framework Agreement and set out in the specific contracts to be entered into by the parties.

The payment terms will be no less favourable than the market terms available from independent third parties.

Other major terms: The parties shall enter into a specific contract for a single or a series of transactions based on the principles under the Products and Services Procurement Framework Agreement to specify the terms of each transaction under the Products and Services Procurement Framework Agreement.

3. HISTORICAL ANNUAL CAPS AND HISTORICAL FIGURES

Pursuant to the Previous Products and Services Procurement Framework Agreement, the annual caps for each of the three years ending 31 December 2026 (the "**historical annual caps**") as well as the historical transaction amounts are set out as follows:

	For the year ended 31 December 2024 *(RMB million)*	**For the year ended 31 December 2025** *(RMB million)*	**For the year ending 31 December 2026** *(RMB million)*
Historical annual caps	160	160	160
Historical transaction amounts	36.39	61.93	2.05*Note (1)*

Notes:

(1) RMB2.05 million was the transaction amount during the period from 1 January 2026 to 31 March 2026 under the Previous Products and Services Procurement Framework Agreement, which was for the purchase of materials and equipment by the Company and/or its subsidiaries in their productions and sales. According to the delivery time agreed in the on-going contracts, the materials and equipment required by the Company and/or its subsidiaries in their productions and sales and other paid services will be centrally delivered in the second half of the year ending 31 December 2026. As at the date of this announcement, the transaction amount of the continuing connected transactions under the Previous Products and Services Procurement Framework Agreement did not exceed the annual cap for the year ending 31 December 2026.

4. PROPOSED ANNUAL CAPS

The proposed annual caps for the three years ending 31 December 2029 under the Products and Services Procurement Framework Agreement are as follows:

	For the year ending 31 December 2027 *(RMB million)*	**For the year ending 31 December 2028** *(RMB million)*	**For the year ending 31 December 2029** *(RMB million)*
Proposed annual caps:			
Procurement of products and services by the Group from CRCC and/or its associates	50	50	50

5. BASIS OF PROPOSED ANNUAL CAPS

In arriving at the above proposed annual caps, the Company has considered the following principal factors:

(i) the historical transaction amounts between the Group and CRCC and/or its associates. The historical transaction amounts for the year ended 31 December 2024, the year ended 31 December 2025 and the three months ended 31 March 2026 under the Previous Products and Services Procurement Framework Agreement were RMB36.39 million, RMB61.93 million and RMB2.05 million, respectively. The significant increase in the transaction amount for the year ended 31 December 2025 compared with that for the year ended 31 December 2024 was primarily attributable to the purchase of inventory of RMB49.70 million from CRCC Financial Leasing Co., Ltd., which is not a recurring annual demand;

(ii) for the three financial years ending 31 December 2029, the Group expects that its demand for the procurement of products and services from CRCC and/or its associates will decline and stabilize, mainly due to comprehensive assessment of production procurement plans, technical service requirements and logistics procurement plans; and a decrease in the non recurring demand of the Company for procurement of products and services from connected parties; and

(iii) in addition to the above business and services, the demands of the Company and/or its subsidiaries for other products and services under the Products and Services Procurement Framework Agreement, including assets and equipment leasing services, railway line usage services, maintenance services and other paid services are expected to remain stable for the three financial years ending 31 December 2029.

6. REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE PRODUCTS AND SERVICES PROCUREMENT FRAMEWORK AGREEMENT

In the ordinary and usual course of business, the Group procures products and services from CRCC and/or its associates, including: (i) materials and equipment required by the Company and/or its subsidiaries in their productions and sales; (ii) construction services; (iii) assets and equipment leasing services; (iv) railway line usage services; (v) maintenance services; and (vi) other paid services.

The Board (including the independent non-executive Directors) is of the view that such transactions are beneficial to the Group for the following reasons: under the Products and Services Procurement Framework Agreement, the products and related services procured by the Company from CRCC and/or its associates can meet the rigid demands of the Company for rail testing and over-the-rail delivery of overhaul products in the daily productions and operation processes of the Company. In addition, key parts and components required in the special engineering equipment manufacturing business of the Company are of weak substitutability from independent third party suppliers and therefore need to be purchased from CRCC and/or its associates. In addition, the terms (including the pricing terms and payment terms) entered into by the Company and CRCC and/or its associates will not be less favourable than the normal commercial terms available from independent third parties. Therefore, the Board (including the independent non-executive Directors) considers that (i) the transactions under the Products and Services Procurement Framework Agreement are entered into in the ordinary and usual course of business of the Company on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the proposed annual caps for the three years ending 31 December 2029 under the Products and Services Procurement Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Mr. Lyu Jing and Mr. Xie Huagang, being the Directors of the Company, concurrently hold positions in CRCC (and also serve as directors of other subsidiaries of CRCC), they have abstained from voting on the Board resolution with respect to the transactions. Save as disclosed above, none of the other Directors has any material interest in the transactions contemplated under the Products and Services Procurement Framework Agreement, and therefore none of the other Directors has abstained from voting on such Board resolution.

7. INTERNAL CONTROL MEASURES TO ENSURE THE FAIRNESS AND REASONABLENESS OF THE TRANSACTIONS UNDER THE PRODUCTS AND SERVICES PROCUREMENT FRAMEWORK AGREEMENT

To ensure that the terms of the Products and Services Procurement Framework Agreement are fair and reasonable and that the transactions are conducted on normal commercial terms, the Company has adopted the following monitoring and internal control measures:

(i) before the Group enters into any specific procurement agreement with CRCC and/or its associates, the Group shall conduct public procurement for the business through methods including, among others, public tenders on governmental platforms, public tenders on corporate platforms, invitation tenders, competitive negotiation after invitation quotations, inquiry comparison purchase and direct competitive negotiation. The bid-winner of the procurement will be determined with comprehensive evaluation conducted by a specialized review panel consisting of a number of professional personnel from relevant departments of the Company including the procurement department, finance department, legal affairs department, audit department and the senior management (if the comprehensive evaluation scores of CRCC and/or its associates are at disadvantages, they will not be determined as the bid-winners). The results of the bidding shall be reviewed by professional judges, professional departments and the senior management of the Company. The entering into of the specific procurement contracts is subject to the review by the finance department, legal affairs department, audit department and the senior management of the Company;

(ii) the procurement department, finance department, audit department and the senior management of the Company shall conduct examination on the execution of the specific procurement contracts:

(a) the procurement department has adopted internal procedures to administrate orders, payment and accounting procedures which cover various stages of procurement management. This helps ensure that specific procurement contracts contemplated under the framework agreement are conducted in accordance with the Products and Services Procurement Framework Agreement and are on normal commercial terms;

(b) finance department shall collect and analyze actual transaction amounts incurred and latest estimation on the yearly transaction amounts for the continuing connected transactions to monitor the transaction amounts under the Products and Services Procurement Framework Agreement in a timely manner and shall promptly report to the Company's chief financial officer or the Board if such transaction amounts are close to exceeding, or likely to exceed the proposed caps;

(c) the audit department shall monitor and assess the effectiveness and adequacy of the overall formulation and execution of internal control policies of the Company (including those in relation to the continuing connected transactions), and will make recommendation and report to the senior management and audit committee of the Company annually; and

(iii) the auditor of the Company will also conduct annual audit on the pricing policies and annual caps of the Products and Services Procurement Framework Agreement, and provide confirmation in the annual report of the Company.

8. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CRCC is a controlling Shareholder, which directly and indirectly holds approximately 65% of the total issued share capital of the Company. Pursuant to the Listing Rules, CRCC is a connected person of the Company. Therefore, the transactions under the Products and Services Procurement Framework Agreement constitute continuing connected transactions of the Company.

Since the highest applicable percentage ratio (as defined under the Listing Rules) for the proposed annual caps for the three years ending 31 December 2029 under the Products and Services Procurement Framework Agreement is more than 0.1% but less than 5%, the transactions are subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

9. GENERAL INFORMATION

The Group is principally engaged in: (i) development, manufacturing and sales of large railway track maintenance machines; (ii) manufacturing, purchase and sales of parts and components of large railway track maintenance machines; (iii) overhaul services; and (iv) railway line maintenance services.

CRCC and its subsidiaries (excluding the Group) are principally engaged in construction operations, planning and design consulting, investment and operation, real estate development, industrial manufacturing, supplies and logistics, green environmental protection, industrial financial services, and other emerging industries.

CRCG is the controlling shareholder of CRCC, holding approximately 51.23% equity interest in CRCC as at the date of this announcement. As a large central enterprise administrated by the State-owned Assets Supervision and Administration Commission, CRCG is principally engaged in construction of railways, metropolitan railways, highways, airports, ports, docks, tunnels, bridges, water conservancy and hydropower facilities, post and telecommunication facilities, mining facilities and lumbering facilities; provision of technical consultancy services for municipal engineering, general contracting and subcontracting of installation of circuitry, pipeline and equipment; construction of prevention and control of geologic disasters; provision of construction project management services; sale of automobiles and cars; wholesale and retail of ferrous metal, timber, cement, fuel, construction materials, chemical products (excluding dangerous chemicals), electromechanical products, armored concrete products and special railway equipment; organization of the production of the enterprises under direct control; overseas construction contracting and domestic international construction tendering; provision of rental services of machinery and construction installation equipment, provision of renovation and interior decoration services; provision of technical consulting, technical services, import and export related to the above businesses; advertising business.

10. DEFINITIONS

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

"associate(s)"	has the same meaning as ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
"Company"	CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司), a joint stock limited company, whose H Shares are listed on the Main Board of the Stock Exchange

"connected person(s)"	has the same meaning as ascribed to it under the Listing Rules
"CRCC"	China Railway Construction Corporation Limited (中國鐵建股份有限公司), a joint stock limited company incorporated in the PRC and our controlling Shareholder. Its H shares are listed on the Main Board of the Stock Exchange (stock code: 01186) and its A shares are listed on the Shanghai Stock Exchange (stock code: 601186)
"CRCG"	China Railway Construction Corporation (中國鐵道建築集團有限公司), a limited liability company incorporated in the PRC and the controlling shareholder of CRCC
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Previous Products and Services Procurement Framework Agreement"	the products and services procurement framework agreement dated 9 May 2023 between the Company and CRCC, pursuant to which the Company and/or its subsidiaries agreed to procure products and services from CRCC and/or its associates, including: (i) materials and equipment required by the Company and/or its subsidiaries in their productions and sales; (ii) construction services; (iii) assets and equipment leasing services; (iv) railway line usage services; (v) maintenance services; and (vi) other paid services, for the term commencing from 1 January 2024 and ending on 31 December 2026

"Products and Services Procurement Framework Agreement"	the products and services procurement framework agreement dated 26 May 2026 between the Company and CRCC, pursuant to which the Company and/or its subsidiaries agreed to procure products and services from CRCC and/or its associates, including: (i) materials and equipment required by the Company and/or its subsidiaries in their productions and sales; (ii) construction services; (iii) assets and equipment leasing services; (iv) railway line usage services; (v) maintenance services; and (vi) other paid services, for the term commencing from 1 January 2027 and ending on 31 December 2029
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	percent

By Order of the Board
CRCC High-Tech Equipment Corporation Limited
Tong Pujiang
Chairman

Kunming, the PRC, 26 May 2026

As at the date of this announcement, the Board of the Company comprises Mr. Tong Pujiang, Mr. Xiang Daqiang and Mr. Chen Yongxiang, as executive Directors; Mr. Lyu Jing and Mr. Xie Huagang, as non-executive Directors; Mr. Wu Yuntian, Mr. Na Pengjie and Ms. Chu Ching, as independent non-executive Directors; and Mr. Mo Bin, as employee Director.