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# **CIMC ENRIC**

## **CIMC Enric Holdings Limited**

### **中集安瑞科控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3899)**

## **CONNECTED TRANSACTION CAPITAL INCREASE IN SHENZHEN CIMC TONGCHUANG**

### **CAPITAL INCREASE AGREEMENT**

The Board is pleased to announce that on 20 July 2018, Party D, an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with Party A, Party B, Party C, Party E and Party F, pursuant to which the Parties agreed to increase the registered share capital of Shenzhen CIMC Tongchuang from RMB35,700,000 to RMB200,000,000 in cash. Pursuant to the Capital Increase Agreement, Party D agreed to contribute RMB20,000,000 in cash to Shenzhen CIMC Tongchuang in respect of the Capital Increase. After the Capital Increase, Party D will hold 10% of shareholding in Shenzhen CIMC Tongchuang.

### **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CIMC indirectly holds 70.31% of the entire share capital of the Company, and is therefore a controlling shareholder and connected person of the Company. Party A, Party B, Party C and Party E are subsidiaries of CIMC, and therefore are associates of CIMC and connected persons of the Company. The transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Party F and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Capital Increase is more than 0.1% but less than 5%, the transaction contemplated under the Capital Increase Agreement is subject to the reporting and announcement requirements and is exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## **I. CAPITAL INCREASE AGREEMENT**

### **Date**

20 July 2018

### **Parties**

- (1) Party A
- (2) Party B
- (3) Party C
- (4) Party D, an indirect wholly-owned subsidiary of the Company
- (5) Party E
- (6) Party F

### **Capital contribution**

Pursuant to the Capital Increase Agreement, the Parties agreed to increase the registered capital of Shenzhen CIMC Tongchuang from RMB35,700,000 to RMB200,000,000. Party A, Party B, Party C, Party D, Party E and Party F agreed to contribute RMB34,300,000, RMB50,000,000, RMB20,000,000, RMB20,000,000, RMB10,000,000 and RMB30,000,000, respectively, in cash to Shenzhen CIMC Tongchuang in respect of the Capital Increase.

Party A, Party B, Party C, Party D and Party F shall contribute to Shenzhen CIMC Tongchuang RMB24,300,000, RMB50,000,000, RMB20,000,000, RMB20,000,000 and RMB3,405,000, respectively, before 10 August 2018. Party A shall contribute to Shenzhen CIMC Tongchung another RMB10,000,000 before December 2018. Party E shall contribute to Shenzhen CIMC Tongchuang RMB10,000,000 before 31 December 2018. Party F shall contribute to Shenzhen CIMC Tongchuang another RMB3,405,000 before 15 October 2018, RMB4,540,000 before 30 December 2018, and the remaining RMB18,650,000 before 31 December 2021.

The above amounts of capital contribution to Shenzhen CIMC Tongchuang were determined after arm's length negotiations among the Parties with reference to, among other things, the net asset value of Shenzhen CIMC Tongchuang as at 31 December 2017. The capital contribution to Shenzhen CIMC Tongchuang by Party D's will be funded by the Group's internal resources.

### Shareholding Structure of Shenzhen CIMC Tongchuang

As at the date of this announcement and prior to the Capital Increase, Shenzhen CIMC Tongchuang has a registered and paid up capital of RMB35,700,000. The capital contributions and shareholding structure of Shenzhen CIMC Tongchuang before and after completion of the Capital Increase are set out as below:

Shareholders	Before the Capital Increase		After the Capital Increase	
	Capital contribution to Shenzhen CIMC Tongchuang (RMB)	% of shareholding in Shenzhen CIMC Tongchuang	Capital contribution in aggregate to Shenzhen CIMC Tongchuang (RMB)	% of shareholding in Shenzhen CIMC Tongchuang
Party A	35,700,000	100%	70,000,000	35%
Party B	–	–	50,000,000	25%
Party C	–	–	20,000,000	10%
Party D	–	–	20,000,000	10%
Party E	–	–	10,000,000	5%
Party F	–	–	30,000,000	15%
Total	<u>35,700,000</u>	<u>100%</u>	<u>200,000,000</u>	<u>100%</u>

### Board Composition

Shenzhen CIMC Tongchuang shall establish a board of directors with seven directors (including one chairman). Party A, Party B, Party C, Party D and Party E shall appoint 3, 1, 1, 1 and 1 directors respectively.

### Term

Twenty years from the date of issue of the business license from 22 March 2016 to 22 March 2036.

### Transfer of Shares

The Parties can transfer all or part of their shareholdings in Shenzhen CIMC Tongchuang to each other Parties. Each of the Parties shall not transfer its shares in Shenzhen CIMC Tongchuang to a third party unless half of the Parties agree to such transfer, and those non-selling Parties have a right of first refusal to purchase such shares on the same terms.

## II. INFORMATION ON SHENZHEN CIMC TONGCHUANG

Shenzhen CIMC Tongchuang is a company established in the PRC in 2016 with limited liability and is principally engaged in supply chain management and sales services for various steel and aluminum products.

Set out below is the financial information of Shenzhen CIMC Tongchuang from the establishment to the year 31 December 2017 prepared in accordance with the PRC accounting standards:

	<b>For the financial year ended 31 December 2017</b> <i>(audited)</i> <i>(RMB)</i>
Net profit/(loss) before taxation and extraordinary items	894,000
Net profit/(loss) after taxation and extraordinary items	670,000

The net asset value of Shenzhen CIMC Tongchuang as of 31 December 2017 was approximately RMB670,000.

Shenzhen CIMC Tongchuang was established by Party A in 2016 and therefore it involved no original acquisition cost of its holding of Shenzhen CIMC Tongchuang.

## III. REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

Shenzhen CIMC Tongchuang will integrate resources from different business segments of CIMC and create a strong supply chain system. Entering of the Capital Increase Agreement will strengthen the efficiency of supply chain management of the Company by using the services provided by CIMC professional procurement platform. As its shareholder, the Company expects the Capital Increase will generate investment return from Shenzhen CIMC Tongchuang.

The Directors (including the Independent Non-executive Directors) believe that the terms of the transaction contemplated under the Capital Increase Agreement are fair and reasonable; and the transaction contemplated under the Capital Increase Agreement is on the normal commercial terms and in the interests of the Company and shareholders of the Company as a whole.

#### **IV. IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CIMC indirectly holds 70.31% of the entire share capital of the Company, and is therefore a controlling shareholder and connected person of the Company. Party A, Party B, Party C and Party E are subsidiaries of CIMC, and therefore are associates of CIMC and connected persons of the Company. The transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Party F and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Capital Increase is more than 0.1% but less than 5%, the transaction contemplated under the Capital Increase Agreement is subject to the reporting and announcement requirements and is exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the directorship(s) and/or senior management position(s) held by Mr. Gao Xiang, Mr. Yang Xiaohu, Mr. Yu Yuqun, Mr. Wang Yu, and Mr. Zeng Han all of whom are Directors of the Company, in CIMC and/or certain subsidiaries of CIMC, they are deemed to be materially interested in the transaction contemplated under the Capital Increase Agreement and have abstained from voting on the Board resolutions for the approval of the relevant transaction. Saved for the aforementioned, none of the other Directors has a material interest in the transaction contemplated under the Capital Increase Agreement.

#### **V. INFORMATION ON THE PARTIES**

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that are widely used in the energy, chemical and liquid food industries.

Party A is a direct wholly-owned subsidiary of CIMC and principally engaged in equity investment and management.

Party B is an indirect wholly-owned subsidiary of CIMC and principally engaged in the investment in intelligent equipment technology development industry.

Party C is a non-wholly owned subsidiary of CIMC and principally engaged in manufacturing of road transportation vehicles.

Party D is an indirect wholly-owned subsidiary of the Company and principally engaged in investment holding.

Party E is an indirect wholly-owned subsidiary of CIMC and principally engaged in technical development and technology transfer of airport facilities.

Party F is principally engaged in corporate management, supply chain management and domestic trade.

## VI. DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Capital Increase”	the capital increase of an aggregate amount of RMB164,300,000 in the registered share capital of Shenzhen CIMC Tongchuang by the Parties as contemplated under the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 20 July 2018 entered into by and amongst the Parties relating to the Capital Increase
“CIMC”	中國國際海運集裝箱(集團)股份有限公司(China International Marine Containers (Group) Co., Ltd.*), a company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange and the Main Board of the Stock Exchange
“Company”	CIMC Enric Holdings Limited, an exempted company incorporated in the Cayman Islands on 28 September 2004 with limited liability under the Companies Law (Revised) of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parties”	collectively, Party A, Party B, Party C, Party D, Party E and Party F
“Party A”	深圳中集投資有限公司 (Shenzhen CIMC Investment Co., Ltd.*) a company established in the PRC with limited liability, a direct wholly-owned subsidiary of CIMC
“Party B”	中集技術有限公司 (CIMC Technology Co., Ltd.*), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of CIMC
“Party C”	中集車輛（集團）有限公司 (CIMC Vehicle (Group) Co., Ltd.*), a company established in the PRC with limited liability, a non-wholly owned subsidiary of CIMC
“Party D”	中集安瑞科投資控股（深圳）有限公司 (CIMC Enric Investment Holdings (Shenzhen) Ltd.*), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
“Party E”	中集天達控股（深圳）有限公司 (CIMC-TianDa Holdings (Shenzhen) Limited Company*), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of CIMC
“Party F”	深圳齊力企業管理合夥企業（有限合夥）(Shenzhen Qili Corporate Management Partnership (Limited Partnership)*), a limited partnership established in the PRC
“PRC”	the People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shenzhen CIMC Tongchuang”	深圳中集同創供應鏈有限公司 (Shenzhen CIMC Tongchuang Supply Chain Co., Ltd.*), a company established in the PRC with limited liability

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

By order of the Board  
**CIMC Enric Holdings Limited**  
**Cheong Siu Fai**  
*Company Secretary*

Hong Kong, 20 July 2018

*As at the date of this announcement, the Board consists of Mr. Gao Xiang (Chairman) and Mr. Yang Xiaohu (General Manager) as executive Directors; Mr. Yu Yuqun, Mr. Wang Yu, Mr. Zeng Han and Mr. Jin Yongsheng as non-executive Directors; and Mr. Wong Chun Ho, Mr. Tsui Kei Pang and Mr. Zhang Xueqian as independent non-executive Directors.*

\* *For identification purposes only*