

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.

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)

**REVISION OF ANNUAL CAPS FOR EXISTING
CONTINUING CONNECTED TRANSACTIONS UNDER
(1) THE MASTER SALES AGREEMENT (2022)
AND
(2) THE MASTER PROCUREMENT AGREEMENT (2022)**

REVISION OF ANNUAL CAPS

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

Reference is made to the announcement of the Company dated 28 November 2022 in relation to, among other matters, (i) the Master Sales Agreement (2022) entered into between the Company and CIMC with respect to the Sales Transactions for a term of three years commencing from 1 January 2023 to 31 December 2025, and (ii) the Master Procurement Agreement (2022) entered into between the Company and CIMC with respect to the Procurement Transactions for a term of three years commencing from 1 January 2023 to 31 December 2025.

As the actual transaction amounts and orders on hand of the Company for the Sales Transactions under the Master Sales Agreement (2022) and the actual transaction amounts of the Procurement Transactions under the Master Procurement Agreement (2022) for the six months ended 30 June 2023 have exceeded the estimates of the Company at the time of determining the respective existing annual caps in 2022, and it is expected that the transaction amounts for (i) the Sales Transactions under the Master Sales Agreement (2022) and (ii) the Procurement Transactions under the Master Procurement Agreement (2022) will exceed the respective existing annual caps for the three years ending 31 December 2025, the Company has therefore on 23 August 2023 resolved to revise (i) the Existing Sales Annual Caps to the Revised Sales Annual Caps and (ii) the Existing Procurement Annual Caps to the Revised Procurement Annual Caps, while all the terms and conditions under the Master Sales Agreement (2022) and the Master Procurement Agreement (2022) remain unchanged.

LISTING RULES IMPLICATIONS

As CIMC is a controlling shareholder of the Company indirectly holding approximately 67.60% of the Shares, it is therefore a connected person of the Company under the Listing Rules. As such, the Sales Transactions contemplated under the Master Sales Agreement (2022) and the Procurement Transactions contemplated under the Master Procurement Agreement (2022) constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Given that some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of (i) the Revised Sales Annual Caps and (ii) the Revised Procurement Annual Caps exceed 5%, the Sales Transactions and the Procurement Transactions are therefore subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee will be established to advise the Independent Shareholders on the fairness and reasonableness of (i) the Revised Sales Annual Caps and (ii) the Revised Procurement Annual Caps. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve, the adoption of the Revised Sales Annual Caps and the Revised Procurement Annual Caps.

GENERAL

A circular containing, among other things, details of the Sales Transactions and the Procurement Transactions, the recommendation from the Independent Board Committee to the Independent Shareholders, the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and a notice of the EGM is expected to be despatched to the Shareholders on or before 13 September 2023.

REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE MASTER SALES AGREEMENT (2022)

Reference is made to the announcement of the Company dated 28 November 2022 in relation to, among other matters, the Master Sales Agreement (2022) entered into between the Company and CIMC with respect to the Sales Transactions for a term of three years commencing from 1 January 2023 to 31 December 2025.

As the actual transaction amounts and orders on hand of the Company for the Sales Transactions under the Master Sales Agreement (2022) for the six months ended 30 June 2023 have exceeded the estimate of the Company at the time of determining the existing annual cap in 2022, and it is expected that the transaction amounts for the Sales Transactions under the Master Sales Agreement (2022) will exceed the existing annual caps for the three years ending 31 December 2025, the Company has therefore on 23 August 2023 resolved to revise the Existing Sales Annual Caps to the Revised Sales Annual Caps, while all the terms and conditions under the Master Sales Agreement (2022) remain unchanged.

I. REVISION OF THE EXISTING SALES ANNUAL CAPS

The existing maximum aggregate consideration payable by members of the CIMC Group to members of the Group per annum in connection with the Sales Transactions contemplated under the Master Sales Agreement (2022) for the three years ending 31 December 2025 and the Revised Sales Annual Caps are as follows:

	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
Existing Sales Annual Caps	RMB500,000,000	RMB570,000,000	RMB670,000,000
Revised Sales Annual Caps	RMB776,000,000	RMB1,054,000,000	RMB1,181,000,000

The historical transaction amounts for the year ended 31 December 2022 and the six months ended 30 June 2023 under the Master Sales Agreement (2022) are set out below:

	For the year ended 31 December 2022 (audited)	For the six months ended 30 June 2023 (unaudited)
Historical transaction amount	RMB293,806,000	RMB145,704,000

The Board confirms that the Existing Sales Annual Cap for the year ending 31 December 2023 under the Master Sales Agreement (2022) has not yet been exceeded as at the date of this announcement.

The terms and conditions under the Master Sales Agreement (2022), including the pricing basis and policy, remain unchanged.

II. REASONS FOR REVISING AND THE BASIS FOR DETERMINING THE REVISED SALES ANNUAL CAPS

Based on the Company's unaudited financial information as at 30 June 2023, the total actual transaction amount of the Company for the Sales Transactions for the six months ended 30 June 2023 amounted to RMB145,704,000, and together with the orders on hand of the Company, has exceeded the estimate of the Company at the time of determining the existing annual cap in 2022.

The Company has been carefully monitoring the actual transaction amounts and estimated demand of the Group. The actual transaction amounts and orders on hand of the Company for the six months ended 30 June 2023 have exceeded the estimate of the Company at the time of determining the existing annual caps. The overall sale of products and components for construction projects by members of the Group under the Master Sales Agreement (2022) has increased due to the increased demand for the Group's products, including by the CIMC Group for its own manufacturing use and by CIMC Finance Leasing Co., Ltd. for the provision of finance leases to customers of the Group in 2023. According to the historical sales trend, most of the transactions contemplated under the Master Sales Agreement (2022) incurred in the second half of the year. Considering the expected continuing business growth of the Group and the actual transaction amounts and orders on hand in the first six months of 2023, the Company anticipates that the aggregate transaction amounts for each of the three years ending 31 December 2025 will exceed the existing annual caps.

In addition, a buffer is necessary to accommodate the unexpected fluctuation in the annual growth of transaction volume. The Company has therefore decided to revise the Existing Sales Annual Caps under the Master Sales Agreement (2022) as set out above.

The Revised Sales Annual Caps have been determined with reference to:

- (a) actual sales transactions recorded for the six-month period ended 30 June 2023;
- (b) sales orders received up to 30 June 2023 which are expected to be completed by 31 December 2023;
- (c) estimated sales orders that are expected to be received and completed by 31 December 2023; and
- (d) estimated growth in demand for the Group's products in 2024 and 2025.

The Directors (excluding members of the Independent Board Committee who will express their opinion after considering the advice of the Independent Financial Adviser) consider that the Sales Transactions are and will continue to be conducted in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms of the Sales Transactions and the Revised Sales Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE MASTER PROCUREMENT AGREEMENT (2022)

Reference is made to the announcement of the Company dated 28 November 2022 in relation to, among other matters, the Master Procurement Agreement (2022) entered into between the Company and CIMC with respect to the Procurement Transactions for a term of three years commencing from 1 January 2023 to 31 December 2025.

As the actual transaction amounts of the Company for the Procurement Transactions under the Master Procurement Agreement (2022) for the six months ended 30 June 2023 have exceeded the estimate of the Company at the time of determining the existing annual cap in 2022, and it is expected that the transaction amounts for the Procurement Transactions under the Master Procurement Agreement (2022) will exceed the existing annual caps for the three years ending 31 December 2025, the Company has therefore on 23 August 2023 resolved to revise the Existing Procurement Annual Caps to the Revised Procurement Annual Caps, while all the terms and conditions under the Master Procurement Agreement (2022) remain unchanged.

I. REVISION OF THE EXISTING PROCUREMENT ANNUAL CAPS

The existing maximum aggregate consideration payable by members of the Group to members of the CIMC Group per annum in connection with the Procurement Transactions for the three years ending 31 December 2025 and the Revised Procurement Annual Caps are as follows:

	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
Existing Procurement Annual Caps	RMB590,000,000	RMB640,000,000	RMB700,000,000
Revised Procurement Annual Caps	RMB686,000,000	RMB819,000,000	RMB903,000,000

The historical transaction amounts for the year ended 31 December 2022 and the six months ended 30 June 2023 under the Master Procurement Agreement (2022) are set out below:

	For the year ended 31 December 2022 (audited)	For the six months ended 30 June 2023 (unaudited)
Historical transaction amounts	RMB435,850,000	RMB295,497,000

The Board confirms that the Existing Procurement Annual Cap for the year ending 31 December 2023 under the Master Procurement Agreement (2022) has not yet been exceeded as at the date of this announcement.

The terms and conditions under the Master Procurement Agreement (2022), including the pricing basis and policy, remain unchanged.

II. REASONS FOR REVISING AND THE BASIS FOR DETERMINING THE REVISED PROCUREMENT ANNUAL CAPS

Based on the Company's unaudited financial information as at 30 June 2023, the total actual transaction amount of the Company for the Procurement Transactions for the six months ended 30 June 2023 amounted to RMB295,497,000, which has exceeded the estimate of the Company at the time of determining the existing annual cap in 2022.

The Company has been carefully monitoring the actual transaction amounts and estimated demand of the Group. The actual transaction amounts of the Company for the six months ended 30 June 2023 have exceeded the estimate of the Company at the time of determining the existing annual caps. The overall purchase of various spare parts and/or raw materials by members of the Group under the Master Procurement Agreement (2022) has increased due to the increased demand for the Group's products and the accelerated execution of the Group's EPC (engineering, procurement and construction) projects in 2023. According to the historical procurement trend, most of the transactions contemplated under the Master Procurement Agreement (2022) incurred in the second half of the year. Considering the expected continuing business growth of the Group and the fact that the actual transaction amounts in the first six months of 2023 had already exceeded 50% of the existing annual cap, the Company anticipates that the aggregate transaction amounts for each of the three years ending 31 December 2025 will exceed the existing annual caps.

In addition, a buffer is necessary to accommodate the unexpected fluctuation in the annual growth of transaction volume. The Company has therefore decided to revise the Existing Procurement Annual Caps under the Master Procurement Agreement (2022) as set out above.

The Revised Procurement Annual Caps have been determined with reference to:

- (a) actual Procurement Transactions recorded for the six-month period ended 30 June 2023;
- (b) procurement orders placed with the CIMC Group up to 30 June 2023 which are expected to be completed by 31 December 2023;
- (c) estimated sales orders that are expected to be received which will require procurement by 31 December 2023; and
- (d) estimated growth in demand for the Group's products in 2024 and 2025 that will require procurement of spare parts, raw materials and components for construction projects from the CIMC Group.

The Directors (excluding members of the Independent Board Committee who will express their opinion after considering the advice of the Independent Financial Adviser) consider that the Procurement Transactions are and will continue to be conducted in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms of the Procurement Transactions and the Revised Procurement Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, as well as the provision of technical maintenance services for, a wide range of transportation, storage and processing equipment used in the energy, chemical and liquid food industries. As at the date of this announcement, the ultimate controlling party of the Company is CIMC.

CIMC Group is principally engaged in the container manufacturing and service business, road transportation vehicle business, energy business, offshore engineering business and airport facilities equipment business, as well as the provision of relevant services, including the design, manufacture and service of international standard dry containers, reefer containers, regional special containers, tank containers, wooden container floorboards, road tank trucks, static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, automated logistics system and intelligent parking system and relevant services.

LISTING RULES IMPLICATIONS

As CIMC is a controlling shareholder of the Company indirectly holding approximately 67.60% of the Shares, it is therefore a connected person of the Company under the Listing Rules. As such, the Sales Transactions and the Procurement Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Given that some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of (i) the Revised Sales Annual Caps and (ii) the Revised Procurement Annual Caps exceed 5%, the Sales Transactions and the Procurement Transactions are therefore subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee will be established to advise the Independent Shareholders on the fairness and reasonableness of (i) the Revised Sales Annual Caps and (ii) the Revised Procurement Annual Caps. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve, the adoption of the Revised Sales Annual Caps and the Revised Procurement Annual Caps. As CIMC is a controlling shareholder of the Company and is materially interested in the Sales Transactions and the Procurement Transactions, CIMC and its associates will abstain from voting in respect of such ordinary resolutions to be proposed at the EGM.

In view of the senior management position(s) and/or directorship(s) held by Mr. Gao Xiang, Mr. Yang Xiaohu, Mr. Yu Yuqun, Mr. Zeng Han and Mr. Wang Yu, all of whom are directors of the Company, CIMC and/or certain subsidiaries of CIMC, they are deemed to be materially interested in the Sales Transactions and the Procurement Transactions and have abstained from voting on the relevant Board resolutions. Save for the aforementioned, none of the other Directors has a material interest in the continuing connected transactions contemplated under the Master Sales Agreement (2022) and the Master Procurement Agreement (2022).

GENERAL

A circular containing, among other things, details of the Sales Transactions and the Procurement Transactions, the recommendation from the Independent Board Committee to the Independent Shareholders, the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and a notice of the EGM is expected to be despatched to the Shareholders on or before 13 September 2023.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 A shares of which are listed on the Shenzhen Stock Exchange and the H shares of which are listed on the Main Board of the Stock Exchange, and the controlling shareholder of the Company
“CIMC Group”	CIMC and its subsidiaries (but excluding members of the Group) and associates
“CNG”	compressed natural gas

“Company”	CIMC Enric Holdings Limited 中集安瑞科控股有限公司, an exempted company incorporated in the Cayman Islands on 28 September 2004 with limited liability under the Companies Act Cap. 22 (Act 3 of 1961, as consolidated and 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)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the adoption of the Revised Sales Annual Caps and the Revised Procurement Annual Caps
“Existing Procurement Annual Caps”	the maximum aggregate consideration payable by members of the Group to members of the CIMC Group per annum in connection with the Procurement Transactions contemplated under the Master Procurement Agreement (2022) for the three years ending 31 December 2025, the particulars of which are set out in the section headed “I. Revision of the Existing Procurement Annual Caps” in this announcement
“Existing Sales Annual Caps”	the maximum aggregate consideration payable by members of the CIMC Group to members of the Group per annum in connection with the Sales Transactions contemplated under the Master Sales Agreement (2022) for the three years ending 31 December 2025, the particulars of which are set out in the section headed “I. Revision of the Existing Sales Annual Caps” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee comprising all the independent non-executive Directors, established to advise the Independent Shareholders on the fairness and reasonableness of (i) the Revised Sales Annual Caps and (ii) the Revised Procurement Annual Caps
“Independent Financial Adviser”	AJ Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of (i) the Revised Sales Annual Caps and (ii) the Revised Procurement Annual Caps
“Independent Shareholders”	the Shareholders other than CIMC and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	liquefied natural gas
“Master Procurement Agreement (2022)”	the agreement dated 28 November 2022 entered into between the Company and CIMC relating to the Procurement Transactions, details of which are set out in the section titled “V. The Master Procurement Agreement (2022)” in the announcement of the Company dated 28 November 2022
“Master Sales Agreement (2022)”	the agreement dated 28 November 2022 entered into between the Company and CIMC relating to the Sales Transactions, details of which are set out in the section titled “III. The Master Sales Agreement (2022)” in the announcement of the Company dated 28 November 2022
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan

“Procurement Transactions”	the procurement of various spare parts, raw materials (including but not limited to vehicle chassis, vehicle platforms, operating system, containers and steel (inclusive of waste and surplus materials)) and/or components for construction projects by members of the Group from members of the CIMC Group
“Revised Procurement Annual Caps”	the revised maximum aggregate consideration payable by members of the Group to members of the CIMC Group per annum in connection with the Procurement Transactions contemplated under the Master Procurement Agreement (2022) for the three years ending 31 December 2025, the particulars of which are set out in the section headed “I. Revision of the Existing Procurement Annual Caps” in this announcement
“Revised Sales Annual Caps”	the revised maximum aggregate consideration payable by members of the CIMC Group to members of the Group per annum in connection with the Sales Transactions contemplated under the Master Sales Agreement (2022) for the three years ending 31 December 2025, the particulars of which are set out in the section headed “I. Revision of the Existing Sales Annual Caps” in this announcement
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Sales Transactions”	the sale of products for storage, transportation and processing in the fields of clean energy, chemical and liquid food, spare parts and raw materials for production, as well as components for construction projects (including but not limited to natural gas refueling stations and related equipment, natural gas refueling station trailers, CNG seamless pressure cylinders, CNG trailers, natural gas compressors, LNG trailers and tanks, on-vehicle LNG fuel tanks, cryogenic liquefied gas tanks, compressed specialised gas trailers, tank containers for chemical liquids, liquefied gas and cryogenic liquids, and stainless steel processing, storage tanks for liquid food, vehicle chassis, vehicle platforms, operating system, steel and waste and surplus materials) by members of the Group to members of the CIMC Group

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
CIMC Enric Holdings Limited
GAO Xiang
Chairman

Hong Kong, 23 August 2023

As at the date of this announcement, the Board consists of Mr. Gao Xiang (Chairman) as a non-executive Director; Mr. Yang Xiaohu (President) as executive Director; Mr. Yu Yuqun, Mr. Zeng Han and Mr. Wang Yu as non-executive Directors; and Ms. Yien Yu Yu, Catherine, Mr. Tsui Kei Pang, Mr. Wang Caiyong and Mr. Yang Lei as independent non-executive Directors.

English names marked with “” in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.*