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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)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **FINANCIAL SERVICES FRAMEWORK AGREEMENT**

On 27 October 2014, the Company entered into the Financial Services Framework Agreement with CIMC Finance as service provider and CIMC as guarantor under which CIMC Finance agreed to provide various financial services to the Group for a term commencing on 27 October 2014 and expiring on 31 December 2016.

As at the date of this announcement, CIMC indirectly owns as to approximately 72.04% of the Shares and CIMC Finance is a wholly-owned subsidiary of CIMC. Accordingly, CIMC is a controlling shareholder of the Company, and CIMC and CIMC Finance are connected persons of the Company. Hence the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the annual caps for the Non-exempt Continuing Connected Transactions contemplated under the Financial Services Framework Agreement will, on an annual basis, be more than 0.1% but less than 5%, such Non-exempt Continuing Connected Transactions are subject to the reporting and announcement requirements and the annual review requirements under Chapter 14A of the Listing Rules and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Under the Listing Rules, the provision of loans to the Group by CIMC Finance contemplated under the Financial Services Framework Agreement is exempted from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules as such transactions constitute financial assistance provided by a connected person for the benefit of the Group on normal commercial terms where no security over the assets of the Group is granted in respect of the financial assistance.

#### **I. FINANCIAL SERVICES FRAMEWORK AGREEMENT**

On 27 October 2014, the Company entered into the Financial Services Framework Agreement with CIMC Finance as service provider and CIMC as guarantor under which CIMC Finance agreed to provide various financial services to the Group for a term commencing on 27 October 2014 and expiring on 31 December 2016.

The principal terms of the Financial Services Framework Agreement are set out below:

- Date : 27 October 2014
- Parties : 1. the Company (as services user);  
2. CIMC Finance (as services provider); and

### 3. CIMC (as guarantor)

- Term : 27 October 2014 to 31 December 2016
- Nature of Services : Provision of financial services by CIMC Finance to members of the Group, including acceptance of deposits; provision of loans and finance leases; commercial notes acceptance and discounting; sale and purchase of spot foreign currencies; assistance to payment and receipt of transaction monies; provision of financial and financing consultation, credit reference and related consultation and agency services; provision of guarantee; arrangement of entrusted loans; settlement of internal transfers and designing related settlement and clearing scheme; underwriting corporate bonds; and other businesses as permitted by CBRC and other financial regulatory authorities.
- Basis of interest, fees and financial charges
- (a) *Interest receivable from deposits* : The interest rates offered by CIMC Finance for deposits placed by the Group must not be lower than (i) the relevant benchmark interest rates set by PBOC; and (ii) the interest rates provided by other independent commercial banks in the PRC for deposits of similar nature and of similar term.
- (b) *Interest payable on loans* : The interest rates chargeable by CIMC Finance for borrowings by the Group must not be higher than (i) the relevant benchmark interest rates set by PBOC; and (ii) the interest rates charged by other independent commercial banks in the PRC for borrowings of similar nature and of similar term.
- (c) *Fees and financial charges for services received* :
1. *discounting services* – the fees chargeable by CIMC Finance for the services and the discount rates charged for the discounting services must not be higher than (i) the relevant benchmark charging rates (if applicable) and discount rates set by PBOC; and (ii) the charging rates and discount rates charged by other independent commercial banks in the PRC for providing discounting services of similar nature and of similar term.
  2. *foreign exchange settlement and purchasing services* – the fees chargeable by CIMC Finance for the settlement and purchasing services must not be higher than (i) the relevant benchmark charging rates set by PBOC; and (ii) the charging rates charged by other independent commercial banks in the PRC for providing settlement and purchasing services of similar nature and under similar terms. The exchange rates offered by CIMC Finance must not be less favourable than (i) the benchmark exchange rates set by PBOC; and (ii) the exchange rates offered by other independent commercial banks in the PRC for the same currency of similar term.
  3. *issue of commercial notes, guarantees and other financial services* – the fees chargeable by CIMC Finance for these services must not be higher than (i) the relevant benchmark charging rates set by PBOC (if applicable); and (ii) the fees charged by other independent commercial banks in the PRC for providing services of similar nature and of similar term.
- Other provisions : CIMC Finance shall be liable to the Company if the Group's withdrawal request in respect of the deposits placed by the Group with CIMC Finance (including interests accrued thereon) cannot be honoured as a result of the

defaults or misuses by CIMC Finance.

- Undertakings by CIMC : 1. CIMC has made an undertaking to CBRC and undertakes under the Financial Services Framework Agreement, that if CIMC Finance encounters or expects to encounter payment difficulties, CIMC will inject capital to CIMC Finance based on the amount needed for resolving the latter's payment difficulties with a view to ensure the normal operation of CIMC Finance.
2. CIMC undertakes joint liability of damages payable by CIMC Finance to the Group for losses or material risks suffered by the Group (including without limitation the amounts of deposits, accrued interest and relevant expenses incurred) as a result of (i) breaches or potential breaches of the PRC laws or regulations by CIMC Finance, (ii) CIMC Finance having or potentially having any material operational problems or payment difficulties, or (iii) default under the Financial Services Framework Agreement by CIMC Finance.
- Internal Control and Risk Management Measures : 1. CIMC Finance shall ensure the secure operation of its fund management information system. The system has passed all the security tests for the internet banking connection with other commercial banks, and that the system adopts the CA mode of security certification for ensuring the security of the Group's funds.
2. CIMC Finance guarantees that it will strictly comply with and operate under the group finance company risk management specifications issued by CBRC. CIMC Finance's gearing, liquidity and other ratios under regulation shall comply with the ratios specified by CBRC and other relevant PRC laws and regulations as amended from time to time.
3. CIMC Finance shall at all times monitor its credit risks. If (i) any specific situation arises which may affect the security of the deposits placed by the Group at CIMC Finance, or (ii) any other circumstances occur, which may cause serious concern to the security of the deposits, CIMC Finance shall give written notice to the Group within two business days after such situations or circumstances arise, and to take measures to avoid or contain any losses. Once being notified, the Group has the right to withdraw its deposits (including the accrued interest) forthwith.
4. During the term of the Financial Services Framework Agreement, CIMC Finance shall regularly provide the Company a report on the amount of deposits placed and loans borrowed by the Group to facilitate the Company's monitoring of the transaction amounts between the Group and CIMC Finance and to ensure that such transaction amounts are within the annual caps approved by the Board, the Stock Exchange and/or the independent Shareholders.
5. CIMC Finance shall provide to the Company internet access of its annual reports.
6. CIMC Finance shall implement all measures to control risk.
- Termination : The Financial Services Framework Agreement may be unilaterally terminated by the Company if:
1. the Group suffered loss or material risk as a result of (i) breaches of the

PRC laws or regulations by CIMC Finance or (ii) default by CIMC Finance under the Financial Services Framework Agreement; or

- the performance of the Financial Services Framework Agreement by the Company may result in breach of laws or regulations (including applicable Listing Rules) effective after the date of the Financial Services Framework Agreement.

## II. PROPOSED ANNUAL CAPS

### 1. Proposed annual caps

	Annual caps (in RMB)		
	For the period from 27 October 2014 to 31 December 2014	For the year ending 31 December 2015	For the year ending 31 December 2016
Maximum daily outstanding balance of deposits (including accrued interest)	150,000,000	200,000,000	250,000,000
Interest receivable from deposits	2,000,000	10,000,000	12,500,000
Fees and financial charges for financial services provided by CIMC Finance under the Financial Services Framework Agreement	10,000,000	12,000,000	14,400,000

### 2. Basis of proposed annual caps

The annual caps are based on the estimated amount of cash generated from the Group's business activities, the relevant benchmark rates set by PBOC and the anticipated financial services requirement of the Group from the effective date of the Financial Services Framework Agreement to the end of 2016.

## III. REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

The Group requires cash deposit service and other financial services in its ordinary course of business which are currently provided by independent third party banks and/or financial institutions. Since the deposit service, provision of loans and financial services offered by CIMC Finance will be of terms no less favourable to the Group than those offered by independent third party banks and/or financial institutions in the PRC as stipulated in the Financial Services Framework Agreement, this represents potential cost savings to the Group. In addition, the dual functions of CIMC Finance in deposit taking from, and lending to, the members of the Group could facilitate the allocation of financial resources among the members of the Group.

The Directors (including the independent non-executive Directors) believe that the Financial Services Framework Agreement was entered into on normal commercial terms and in the ordinary and usual courses of businesses of the Group, the terms of the Financial Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## IV. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CIMC indirectly owns as to approximately 72.04% of the Shares and CIMC Finance is a wholly-owned subsidiary of CIMC. Accordingly, CIMC is a controlling shareholder of

the Company, and CIMC and CIMC Finance are connected persons of the Company. Hence the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

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In view of the directorship(s) and/or senior management position(s) held by Mr. Zhao Qingsheng, Mr. Gao Xiang, Mr. Jin Jianlong and Mr. Yu Yuqun, all of whom are executive Directors of the Company, in CIMC and/or certain subsidiaries of CIMC, they are deemed to be materially interested in the transactions contemplated under the Financial Services Framework Agreement and have abstained from voting on the relevant Board resolutions. Other than the aforementioned, none of the other Directors has a material interest in the transactions contemplated under the Financial Services Framework Agreement.

## **V. GENERAL**

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 among the energy, chemical and liquid food industries.

CIMC Finance is principally engaged in the provision of financial services to fellow subsidiaries of CIMC.

CIMC is principally engaged in the container manufacturing and service business, road transportation vehicle business, energy, chemical and food equipment business, offshore engineering business and airport facilities equipment business.

## **VI. DEFINITIONS**

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

“Board”	the board of Directors
“CBRC”	China Banking Regulatory Commission
“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
“CIMC Finance”	中集集團財務有限公司(CIMC Finance Company Ltd.*), a company established in the PRC with limited liability, a wholly-owned subsidiary of CIMC
“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
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Financial Services Framework Agreement”	a framework agreement dated 27 October 2014 entered into between the Company, CIMC Finance and CIMC in relation to the provision of financial services by CIMC Finance to members of the Group
“Group”	the Company and its subsidiaries
“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
“Non-exempt Continuing Connected Transactions”	the transactions contemplated under the Financial Services Framework Agreement except for the provision of loans by CIMC Finance to the Group
“PBOC”	The People’s Bank of China
“PRC”	People’s Republic of China, for the purposes of this announcement, 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
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“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, 27 October 2014

*As at the date of this announcement, the board of directors of the Company consists of Mr. Zhao Qingsheng (Chairman), Mr. Gao Xiang (General Manager), Mr. Jin Jianlong and Mr. Yu Yuqun as executive Directors; Mr. Jin Yongsheng as a non-executive Director; and Mr. Wong Chun Ho, Mr. Tsui Kei Pang and Mr. Zhang Xueqian as independent non-executive Directors.*

*\* For identification purposes only*