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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)**

### **PROFIT WARNING**

This announcement is made by CIMC Enric Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company and potential investors that, based on the preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2016, it is expected that the Group will record a substantial unaudited loss attributable to equity shareholders of the Company for the six months ended 30 June 2016. The Group recorded an unaudited profit attributable to equity shareholders of the Company of RMB288.5 million for the six months ended 30 June 2015.

Based on the information currently available, the expected loss attributable to equity shareholders of the Company is due to the following factors:

#### **Macroeconomic factors**

In the first half of 2016, there was a slowdown in China’s economic growth, weak demand from external economies, persistent downturn in international trade and export, as well as intensified fluctuation in exchange rate of Renminbi. Even though the Group has implemented various measures for positioning and responded actively, the Group’s operating results during the period still recorded a certain extent of decrease as influenced by the persistent downturn in the market environment.

According to preliminary estimation, if the Provisions as described below were not made, the Group’s unaudited profit attributable to equity shareholders of the Company during the period would be expected to decrease by approximately 27% from RMB288.5 million for the same period of last year.

#### **Provisions for consideration paid, loans and guarantee**

As disclosed in the Company’s announcements dated 1 June 2016 and 3 June 2016, as certain conditions precedent under the equity transfer agreements dated 27 August 2015 in relation to the acquisition of the entire equity interests of 南通太平洋海洋工程有限公司 (SinoPacific Offshore & Engineering Co., Ltd.) (“**SOE**”) had not been fulfilled or waived, the Board considered that SOEG PTE LTD, 江蘇太平洋造船集團股份有限公司 (Jiangsu Pacific Shipbuilding Group Co.,

Ltd.) and 春和集團有限公司 (Evergreen Group Co., Ltd.) (“**Evergreen**”) (collectively, the “**Vendors**”) had breached certain material terms of such equity transfer agreements, and after due and careful consideration and after consulting with the Company’s legal advisers, the Board decided not to proceed with the acquisition. On 1 June 2016, 中集安瑞科投資控股(深圳)有限公司 (CIMC Enric Investment Holdings (Shenzhen) Limited), a subsidiary of the Company, delivered termination notices to the Vendors for, among other things, termination of the equity transfer agreements and the supplemental agreement dated 17 December 2015, and requested for the return of the first instalments of consideration and consideration prepayment paid by the Group to the Vendors in the total sum of RMB178,634,000. On the same day, the Company delivered termination notices to SOE and Evergreen for, among other things, termination of the financial assistance framework agreement dated 21 December 2015, and requested SOE to repay the loans of RMB482,051,584 and release the guarantees for bank loans of RMB1,000,000,000 provided by a subsidiary of the Company to, or in favour of, SOE.

Taking into account the negotiation between the Company, SOE and the Vendors and the Company’s knowledge of the financial position of SOE and Evergreen, and from the prudent perspective, the Company will make substantial provisions of approximately RMB1.21 billion in aggregate for the abovementioned first instalments of consideration, consideration prepayment, loans and guarantee in the financial period for the six months ended 30 June 2016 (the “**Provisions**”). Accordingly, the Provisions are expected to result in a substantial loss of the Group for the same period. The Board considers that the Provisions are primarily non-recurring in nature.

The Board considered that the terminations of the acquisition of the entire equity interests of SOE and the relevant financial assistance framework agreement will have no impact on the normal business operation of the Group and that the financial position of the Group remains sound. The Company will continuously monitor the development and implement appropriate measures to protect the interests of the Company and its shareholders, including but not limited to the commencement of legal actions against the Vendors and possible initiation of the restructuring procedures against SOE, pursuant to the relevant laws and regulations of the PRC. The Company will comply with the information disclosure obligation in accordance with the applicable laws and regulations.

The information contained in this announcement is only based on a preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for six months ended 30 June 2016, which as at the date of this announcement are yet to be reviewed or audited by the Company’s auditors and may therefore be subject to change. The Group’s interim results for the six months ended 30 June 2016 are expected to be announced before the end of August 2016 in accordance with the Listing Rules.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities in the Company.**

By order of the Board  
**CIMC Enric Holdings Limited**  
**Gao Xiang**  
*Chairman*

Hong Kong, 14 July 2016

*As at the date of this announcement, the Board consists of Mr. Gao Xiang (Chairman), Mr. Liu*

*Chunfeng (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.*