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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 consolidated management accounts of the Group for the year ended 31 December 2016 (the “**Reporting Period**”), it is expected that the Group will record a substantial loss attributable to equity shareholders of the Company for the Reporting Period. The loss attributable to equity shareholders of the Company for the Reporting Period is expected to be in the range of approximately RMB905 million to RMB952 million, as compared with a profit of RMB519 million for the year ended 31 December 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

Despite the Group’s implementation of various measures for positioning and responding to the slowdown of China’s economic growth, market downturn in China and decline in international trade, the Group’s operating results during the Reporting Period still recorded a certain extent of decrease in comparison with 2015. According to preliminary estimation, if the Provisions as described below were not made, the Group’s profit attributable to equity shareholders of the Company during the Reporting Period would be expected to be in the range of approximately RMB410 million to RMB457 million.

Provisions for consideration paid, loans and guarantee

Based on the information currently available, the expected loss attributable to equity shareholders of the Company for the Reporting Period is mainly due to a large amount of provision for impairment of approximately RMB1.36 billion (the “**Provisions**”) in aggregate for the instalment of consideration, consideration prepayment, loans and guarantee as a result of the terminations of 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**”) and the relevant financial assistance framework agreement (the “**Terminations**”) as disclosed in the Company’s announcements dated 1 June 2016, 3 June 2016 and 14 July 2016. The Board considers that the Provisions are primarily non-recurring in nature.

As disclosed in the Company’s announcement dated 14 July 2016, the Company has already made provisions of approximately RMB1.21 billion in aggregate for the Terminations in the financial period for the six months ended 30 June 2016. Based on the information currently available, the recoverability ratio of the loans of RMB480 million and the guarantees for bank loans of RMB1 billion (as previously disclosed) is estimated to be approximately 20%. Accordingly, it is expected that an additional provision of approximately RMB148 million will be made and provisions of approximately RMB1.36 billion in aggregate for the Terminations for the Reporting Period will be recorded.

The Board considered that the Terminations 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 legal actions against Vendor I, Vendor II and Vendor III (as defined in the announcement of the Company dated 27 August 2015) and possible initiation of the restructuring procedures against SOE, pursuant to the relevant laws and regulations of the People’s Republic of China. 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 consolidated management accounts of the Group for the Reporting Period, 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 annual results for the Reporting Period are expected to be announced before the end of March 2017 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, 7 March 2017

As at the date of this announcement, the Board consists of Mr. Gao Xiang (Chairman) and Mr. Liu Chunfeng (General Manager) as executive Directors; Mr. Jin Jianlong, Mr. Yu Yuqun, Mr. Wang Yu 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.