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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  
EXTENSION OF TERMS OF BANK GUARANTEE**

Reference is made to the 2014 Announcement in relation to, among others, the 2014 Bank Guarantee and the 2014 Counter Guarantee. On 31 August 2017, the Bank issued the Supplemental Letter to Bank Guarantee to extend the term of the 2014 Bank Guarantee to 31 December 2018.

As the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee involve YPDI providing guarantee for the benefit of all the Contractors (including TGE (Germany) and TGE (Shanghai), both are connected persons of the Company) as a whole, the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios in respect of the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee is more than 1% but less than 5%, the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee will be subject to the reporting and announcement requirements but will be exempted from circular (including independent financial advice) and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**I. INTRODUCTION**

Reference is made to the 2014 Announcement in relation to, among others, the 2014 Bank Guarantee and the 2014 Counter Guarantee. As disclosed in the 2014 Announcement, YPDI, an indirect wholly-owned subsidiary of the Company, entered into the EPC Agreements on 30 June 2014 with the Customer, TGE (Germany) and TGE (Shanghai) (as applicable) as part of the Group's ordinary course of business, pursuant to which the Customer engaged YPDI, TGE (Germany) and TGE (Shanghai) (as applicable) as its contractors for the provision of EPC services in the Zhoushan Project.

As YPDI is the lead contract party for the provision of EPC services in the Zhoushan Project, YPDI has engaged the Bank to provide the 2014 Bank Guarantee on behalf of YPDI to guarantee the performance of all the contractual obligations of each of the Contractors under the EPC Agreements. Pursuant to the 2014 Bank Guarantee, the Bank shall pay to the Customer an amount up to approximately RMB79,902,000 in the event that any Contractor has breached any term of the EPC Agreements. Separately, TGE (Germany) has provided the 2014 Counter Guarantee to YPDI to guarantee for full performance by itself and by TGE (Shanghai) of all terms and obligations under the EPC Agreements.

The 2014 Bank Guarantee was expired on 31 August 2017. On 31 August 2017, the Bank issued the Supplemental Letter to Bank Guarantee to extend the term of the 2014 Bank Guarantee to 31 December 2018. TGE (Germany) will continue to provide guarantee to YPDI under the 2014 Counter Guarantee.

## **II. MAJOR TERMS OF THE 2014 BANK GUARANTEE (AS EXTENDED BY THE SUPPLEMENTAL LETTER TO BANK GUARANTEE)**

Parties : The Bank (on behalf of YPDI) and the Customer

Scope : The Bank, on behalf of YPDI, (1) issued to the Customer 2014 Bank Guarantee and (2) agreed to issue to the Customer the Supplemental Letter to Bank Guarantee, which extends the term of the 2014 Bank Guarantee to 31 December 2018. The 2014 Bank Guarantee's maximum guarantee amount is approximately RMB79,902,000. In the event that the Customer makes any claim against the Bank, the Bank may pay such amount according to the 2014 Bank Guarantee. YPDI shall deposit the same amount in the account of YPDI in the Bank.

Term : 1 September 2014 to 31 December 2018

Fee : YPDI shall pay to the Bank an annual fee of 0.2% of the maximum guarantee amount under the 2014 Bank Guarantee.

As a separate arrangement, TGE (Germany) and TGE (Shanghai) shall reimburse YPDI for the annual fee paid by YPDI to the Bank based on their respective proportion of the EPC works' value under the EPC Agreements.

### **III. REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Group has been, from time to time, in the ordinary course of its business, providing EPC services to its customers. The Directors believe that participation in the Zhoushan Project will enhance the business development of the Group as a whole, and consider that the issuance of the 2014 Bank Guarantee from a bank on behalf of one single contractor for all contractors of a project is a common practice in EPC projects. The 2014 Counter Guarantee covers and offsets the potential liability with respect to TGE (Germany) and TGE (Shanghai) under the 2014 Bank Guarantee. As such, the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee will not give rise to additional liability on YPDI or the Company.

As the EPC works for the Zhoushan Project are still on-going and have not been completed before the expiry of the 2014 Bank Guarantee (i.e. 31 August 2017), the 2014 Bank Guarantee has to be extended to cover the continuation of the EPC works under the EPC Agreements.

The terms of the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee are negotiated on an arm's length basis between YPDI and the Bank. Having considered the above, the Directors consider that the terms of the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

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

YPDI is an indirectly wholly-owned subsidiary of the Company. TGE (Germany) and TGE (Shanghai) are subsidiaries of CIMC HK, which is the controlling shareholder of the Company, and therefore TGE (Germany) and TGE (Shanghai), being associates of CIMC HK, are connected persons of the Company under the Listing Rules.

Save as disclosed in this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Bank, the Customer and their respective ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

As the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee involve YPDI providing guarantee for the benefit of all the Contractors (including TGE (Germany) and TGE (Shanghai), both are connected persons of the Company) as a whole, the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the relevant applicable percentage ratios in respect of the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee is more than 1% but less than 5%, the 2014 Bank Guarantee and the Supplemental Letter to Bank Guarantee will be subject to the reporting and announcement requirements but will be exempted from circular (including independent financial advice) and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The 2014 Counter Guarantee provided by TGE (Germany) to YPDI are on normal commercial terms (or better to YPDI) and no security over the assets of the Company or YPDI has been granted in respect of the 2014 Counter Guarantee. As such, the 2014 Counter Guarantees is fully exempted under Rule 14A.90 of the Listing Rules.

In view of the directorship(s) and/or senior management position(s) in CIMC and/or certain subsidiaries of CIMC held by Mr. Gao Xiang, Mr. Liu Chunfeng, Mr. Jin Jianlong, Mr. Yu Yuqun and Mr. Wang Yu, all of whom are Directors, they are deemed to be materially interested in the 2014 Bank Guarantee and the issuance of the Supplemental Letter to Bank Guarantee and have abstained from voting on the relevant Board resolutions.

In view of the senior management position in the ultimate parent company of the Customer held by Mr. Jin Yongsheng, a non-executive Director, he may be deemed to be materially interested in the 2014 Bank Guarantee and the issuance of the Supplemental Letter to Bank Guarantee and has abstained from voting on the relevant Board resolutions.

## **V. GENERAL INFORMATION**

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 used in energy, chemical and liquid food industries.

YPDI is an indirectly wholly-owned subsidiary of the Company, which is principally engaged in consultancy, planning, design, service, procurement and contracting for petrochemical projects; pressure vessels and pressure piping design; computer software development and utilisation.

The Bank is a licensed commercial bank incorporated under the laws of the PRC and its principal businesses include provision of corporate and personal banking services and other financial services.

## **VI. DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms will have the meaning set out below:

“2014 Announcement”	the announcement of the Company dated 30 June 2014 in relation to, among others, the 2014 Bank Guarantee and the 2014 Counter Guarantee
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“2014 Bank Guarantee”	the bank guarantee dated 1 September 2014 provided by the Bank on behalf of YPDI to guarantee the performance of all the contractual obligations of each of the Contractors under the EPC Agreements, as described in the section headed “ <i>II. Bank Guarantee I</i> ” of the 2014 Announcement, and (as applicable) further supplemented by the Supplemental Letter to Bank Guarantee
“2014 Counter Guarantee”	the counter guarantee dated 25 August 2014 provided by TGE (Germany) to YPDI to guarantee full performance by itself and by TGE (Shanghai) of all terms and obligations of the EPC Agreements applicable to them, as generally described in the section headed “ <i>IV. The Counter Guarantees</i> ” of the 2014 Announcement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank”	a licensed commercial bank incorporated under the laws of the PRC
“Board”	the board of Directors
“CIMC”	China International Marine Containers (Group) Co., Ltd.* (中國國際海運集裝箱(集團)股份有限公司), 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 HK”	China International Marine Containers (Hong Kong) Limited, 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
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Contractors”	YPDI, TGE (Germany) and TGE (Shanghai)

“Customer”	ENN (Zhoushan) LNG Co., Ltd.* (新奧(舟山)液化天然氣有限公司), a company with limited liability established in the PRC
“Director(s)”	the director(s) of the Company
“EPC”	engineering, procurement and construction
“EPC Agreements”	(i) the LNG Tanks EPC Agreement dated 30 June 2014 between YPDI and the Customer (being the master agreement); (ii) the Tank Construction Agreement dated 30 June 2014 between YPDI and the Customer; (iii) the LNG Tank Design and Service Agreement dated 30 June 2014 among the Contractors and the Customer; (iv) the Tank Onshore Procurement Agreement dated 30 June 2014 between TGE (Shanghai) and the Customer; (v) the Tank Offshore Procurement Agreement dated 30 June 2014 between TGE (Germany) and the Customer; and (vi) the Supplemental Agreement dated 30 June 2014 among the Contractors and the Customer, all in respect of the Zhoushan Project
“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
“LNG”	liquefied natural gas
“PRC”	the People’s Republic of China, for the purposes of this announcement only, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Letter to Bank Guarantee”	the supplemental letter dated 31 August 2017 issued by the Bank for extension of the term of the 2014 Bank Guarantee to 31 December 2018

“TGE (Germany)”	TGE Gas Engineering GmbH, a company with limited liability established in Germany and a subsidiary of CIMC HK, and thus an associate of CIMC HK
“TGE (Shanghai)”	Shanghai CIMC TGE Gas Engineering Co., Ltd.* (上海梯杰易氣體工程技術有限公司), a company with limited liability established in the PRC and a subsidiary of CIMC HK, and thus an associate of CIMC HK
“YPDI”	Nanjing Yangzi Petrochemical Design & Engineering Co., Ltd.* (南京揚子石油化工設計工程有限責任公司), a company with limited liability established in the PRC and an indirectly wholly-owned subsidiary of the Company
“Zhoushan Project”	Zhejiang Zhoushan LNG Receiving and Refilling Station Project No. 1 (浙江舟山液化天然氣(LNG)接收及加注站項目一期工程)
“%”	per cent

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

Hong Kong, 1 September 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.*

\* *The English translation is for identification purpose only.*