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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**

### **CAPITAL INCREASE AGREEMENT AND SUPPLEMENTAL AGREEMENT**

#### **CAPITAL INCREASE AGREEMENT**

The Board is pleased to announce that on 19 April 2018, Party C, an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement and the Supplemental Agreement with Party A, Party B and Party D, pursuant to which the Parties agreed to increase the registered share capital of CIMC Qianhai from USD80,000,000 to RMB1,000,000,000 in cash. Pursuant to the Capital Increase Agreement, Party C agreed to contribute RMB100,000,000 in cash to CIMC Qianhai in respect of the Capital Increase. Upon completion of the Capital Increase, Party C will hold 10% of shareholding in CIMC Qianhai.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, CIMC indirectly holds 70.51% of the entire share capital of the Company, and is therefore a controlling shareholder and connected person of the Company. Party A, Party B and Party D are subsidiaries of CIMC, and therefore are associates of CIMC and connected persons of the Company. The transaction contemplated under the Capital Increase Agreement and the Supplemental Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Capital Increase is more than 0.1% but less than 5%, the transaction contemplated under the Capital Increase Agreement and the Supplemental Agreement is subject to the reporting and announcement requirements and is exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 19 April 2018, Party C, an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement and the Supplemental Agreement with Party A, Party B and Party D, pursuant to which the Parties agreed to increase the registered share capital of CIMC Qianhai from USD80,000,000 to RMB1,000,000,000 in cash. Pursuant to the Capital Increase Agreement, Party C agreed to contribute RMB100,000,000 in cash to CIMC Qianhai in respect of the Capital Increase. Upon completion of the Capital Increase, Party C will hold 10% of shareholding in CIMC Qianhai.

## **I. CAPITAL INCREASE AGREEMENT AND SUPPLEMENTAL AGREEMENT**

### **Date**

19 April 2018

### **Parties**

- (1) Party A
- (2) Party B
- (3) Party C, an indirect wholly-owned subsidiary of the Company
- (4) Party D

### **Capital contribution**

Pursuant to the Capital Increase Agreement, the Parties agreed to increase the registered share capital of CIMC Qianhai from USD80,000,000 to RMB1,000,000,000. Party A, Party B, Party C and Party D agreed to contribute RMB103,160,000, RMB200,000,000, RMB100,000,000 and RMB100,000,000, respectively, in cash to CIMC Qianhai in respect of the Capital Increase.

Party A, Party B and Party C shall deposit to the designated bank account of CIMC Qianhai RMB51,580,000, RMB100,000,000 and RMB50,000,000, respectively, within 20 working days after completion of change in registration with authority for industry and commerce. Party A, Party B and Party C shall deposit to the designated bank account of CIMC Qianhai another RMB51,580,000, RMB100,000,000 and RMB50,000,000, respectively, within 3 months after completion of change in registration with authority for industry and commerce. Party D shall make a capital contribution of RMB100,000,000 according to the provisions of the employees' shareholding scheme of Party D.

The above amounts of capital contribution to CIMC Qianhai were determined after arm's length negotiations among the Parties with reference to, among other things, the net asset value of CIMC Qianhai as at 31 December 2017. The capital contribution to CIMC Qianhai by Party C's will be funded by the Group's internal resources.

Pursuant to the Supplemental Agreement, the capital contribution by Party C shall be conditional upon simultaneous fulfillment of the following:

- (i) investment in a company by CIMC Qianhai and registration with authority for industry and commerce of such investment being completed;
- (ii) certain control (other than shareholding) by CIMC Qianhai over the abovementioned company being secured, such as having an agreement which allows SOE having a preferential right to use the resources of such company in order to safeguard the stability and controllability of SOE's outsourced business; and
- (iii) due diligence on CIMC Qianhai being conducted and such due diligence results are to the satisfaction of Party C.

Party C shall have the right to withdraw its capital contribution in CIMC Qianhai on the following basis:

- (i) any of the abovementioned conditions has not been fulfilled; and
- (ii) after one or two years from the joint venture, based on Party C's assessment on (i) CIMC Qianhai's business operation; (ii) whether CIMC Qianhai has actually commenced liquefied gas carrier leasing business; and (iii) the cooperation towards SOE's orders.

Within three months of the date of signing of the Supplemental Agreement, the Parties shall jointly appoint a third party valuer to assess the asset value of CIMC Qianhai as of the date of signing of the Supplemental Agreement, and in case the asset value of CIMC Qianhai from such valuation is lower than RMB496,840,000, Party A shall pay such difference in cash to CIMC Qianhai within three months from the date of signing of the Supplemental Agreement.

In the event that Party A transfers its shareholding in CIMC Qianhai to a third party, Party C shall have a right to request Party A to procure such third party transferee to acquire Party C's shareholding in CIMC Qianhai at the same price.

### **Shareholding Structure of CIMC Qianhai**

As at the date of this announcement and prior to the Capital Increase, CIMC Qianhai has a registered and paid up capital of USD80,000,000 (equivalent to approximately

RMB496,840,000). The capital contributions and shareholding structure of CIMC Qianhai before and after completion of the Capital Increase are set out as below:

Shareholders	Before the Capital Increase		After the Capital Increase	
	Capital contribution to CIMC Qianhai (USD)	% of shareholding in CIMC Qianhai	Capital contribution in aggregate to CIMC Qianhai (RMB)	% of shareholding in CIMC Qianhai
Party A	80,000,000	100%	600,000,000	60%
Party B	–	–	200,000,000	20%
Party C	–	–	100,000,000	10%
Party D	–	–	100,000,000	10%
Total	<u>80,000,000</u>	<u>100%</u>	<u>1,000,000,000</u>	<u>100%</u>

## II. INFORMATION ON CIMC QIANHAI

CIMC Qianhai is a company established in the PRC in 2004 with limited liability and is principally engaged in diversified leasing businesses, including (i) container leasing which mainly focuses on providing quality container services to customers; (ii) vessel leasing which mainly focuses on providing one-stop services model of “technical+finance+service” in accordance with different customers’ needs; and (iii) financial leasing.

Set out below is the financial information of CIMC Qianhai for the two years ended 31 December 2016 and 31 December 2017 prepared in accordance with the PRC accounting standards:

	For the financial year ended 31 December	
	2016 (audited) (RMB)	2017 (unaudited) (RMB)
Net profit/(loss) before taxation and extraordinary items	318,000	(15,973,000)
Net profit/(loss) after taxation and extraordinary items	318,000	(15,973,000)

The net asset value of CIMC Qianhai as of 31 December 2016 and 31 December 2017 were approximately RMB500,268,000 (audited) and RMB484,296,000 (unaudited), respectively.

CIMC Qianhai was established by Party A in 2004 and therefore it involved no original acquisition cost of its holding of CIMC Qianhai.

### **III. REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT AND THE SUPPLEMENTAL AGREEMENT**

CIMC Qianhai will become a stable outsourced business partner of SOE, and to enhance its vessel delivery capacity. The Board believes that CIMC Qianhai will provide marine design services and bring business opportunities to SOE for liquefied gas carriers. Entering of the Capital Increase Agreement and the Supplemental Agreement will strengthen the vessel delivery capacity of SOE, and have synergistic effects to SOE's business, so as to promote the market expansion of liquefied gas carriers.

The Directors (including the Independent Non-executive Directors) believe that the terms of the transaction contemplated under the Capital Increase Agreement and the Supplemental Agreement are fair and reasonable; and the transaction contemplated under the Capital Increase Agreement and the Supplemental Agreement is on the normal commercial terms and in the interests of the Company and shareholders of the Company as a whole.

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

As at the date of this announcement, CIMC indirectly holds 70.51% of the entire share capital of the Company, and is therefore a controlling shareholder and connected person of the Company. Party A, Party B and Party D are subsidiaries of CIMC, and therefore are associates of CIMC and connected persons of the Company. The transaction contemplated under the Capital Increase Agreement and the Supplemental Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as set out in the Listing Rules in respect of the Capital Increase is more than 0.1% but less than 5%, the transaction contemplated under the Capital Increase Agreement and the Supplemental Agreement is subject to the reporting and announcement requirements and is exempted from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the directorship(s) and/or senior management position(s) held by Mr. Gao Xiang, Mr. Yang Xiaohu, Mr. Jin Jianlong, Mr. Yu Yuqun and Mr. Wang Yu, all of whom are Directors of the Company, in CIMC and/or certain subsidiaries of CIMC, they are deemed to be materially interested in the transaction contemplated under the Capital Increase Agreement and the Supplemental Agreement and have abstained from voting on the Board resolutions for the approval of the relevant transaction. Saved for the aforementioned, none of the other Directors has a material interest in the transaction contemplated under the Capital Increase Agreement and the Supplemental Agreement.

## V. INFORMATION ON THE PARTIES

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 in the energy, chemical and liquid food industries.

Party A is an indirect wholly-owned subsidiary of CIMC and principally engaged in financial leasing.

Party B is a direct wholly-owned subsidiary of CIMC and principally engaged in equity investment and management.

Party C is an indirect wholly-owned subsidiary of the Company and principally engaged in investment holding.

Party D is a non-wholly owned subsidiary of CIMC and principally engaged in offshore engineering equipment leasing, vessel leasing, and related technical services.

## VI. DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Capital Increase”	the capital increase of an aggregate amount of RMB503,160,000 in the registered share capital of CIMC Qianhai by the Parties as contemplated under the Capital Increase Agreement and the Supplemental Agreement
“Capital Increase Agreement”	the capital increase agreement dated 19 April 2018 entered into by and amongst the Parties relating to the Capital Increase
“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 Qianhai”	中集前海融資租賃（深圳）有限公司（CIMC Qianhai Financial Leasing (Shenzhen) Co., Ltd.*), a company established in the PRC with limited liability
“Company”	CIMC Enric Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability 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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“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 of Hong Kong Limited
“Parties”	collectively, Party A, Party B, Party C and Party D
“Party A”	CIMC Financial Leasing (Hong Kong) Limited (中集融資租賃（香港）有限公司), a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of CIMC
“Party B”	中集集團集裝箱控股有限公司（CIMC Container Holding Co., Ltd.*), a company established in the PRC with limited liability, a direct wholly-owned subsidiary of CIMC
“Party C”	中集安瑞科投資控股（深圳）有限公司（CIMC Enric Investment Holdings (Shenzhen) Ltd.*), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company

“Party D”	天津集順機械設備租賃有限公司(Tianjin Jishun Machine Equipment Leasing Ltd*), a company established in the PRC with limited liability, a non-wholly owned subsidiary of CIMC
“PRC”	the People’s Republic of China, and for the purposes of this announcement only, 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
“SOE”	南通中集太平洋海洋工程有限公司 (Nantong CIMC SinoPacific Offshore & Engineering Co., Ltd.*), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the Capital Increase Agreement dated 19 April 2018 entered into by and amongst the Parties in respect of the Capital Increase
“USD”	US dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 19 April 2018

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

\* For identification purposes only