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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

**ACQUISITION OF THE ENTIRE EQUITY INTEREST
IN THE TARGET COMPANY**

THE ACQUISITION

On 23 April 2018 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Equity Interest, representing the entire equity interest in the Target Company, for a consideration of RMB3,000,000.

LISTING RULES IMPLICATIONS

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. The Vendor is an indirect wholly-owned subsidiary of CIMC, and therefore the Vendor, being an associate of CIMC, is a connected person of the Company under the Listing Rules. The transaction contemplated under the 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 Acquisition is more than 0.1% but less than 5%, the Acquisition will be subject to the reporting and announcement requirements but will be exempted from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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I. THE AGREEMENT

The principal terms of the Agreement are as follows:

Date

23 April 2018

Parties

- (i) the Purchaser, an indirect wholly-owned subsidiary of the Company; and
- (ii) the Vendor, an indirect wholly-owned subsidiary of CIMC.

Assets to be acquired

Pursuant to the Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Equity Interest, representing the entire equity interest in the Target Company.

Consideration

The consideration for the Acquisition amounts to RMB3,000,000, which shall be paid by the Purchaser to the Vendor by transferring to the designated bank account of the Vendor within 5 business days after the relevant governmental approval(s) in respect of the Acquisition having been obtained and the business license of the Target Company having been updated.

The consideration was determined after arm's length negotiations between the Purchaser and the Vendor and with reference to the registered share capital of the Target Company, being RMB3,000,000. The consideration of the Acquisition will be financed by the Group's internal resources.

II. INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability and is principally engaged in terminal and depot services.

The unaudited net asset value of the Target Company as at 31 December 2017 was approximately RMB8,801,000. Set out below is the financial information of the Target Company.

	For the financial year ended	
	31 December	
	2016	2017
	(audited)	(unaudited)
	(RMB)	(RMB)
Net profit before taxation	1,233,000	3,484,000
Net profit after taxation	902,000	2,717,000

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the original acquisition cost the Target Company was RMB3,000,000 to the Vendor.

III. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition provides the Group with the opportunity to expand into the terminal business. This will strengthen the Group in the market by increasing the efficiency and rate of return of the terminals through better allocation of resources and synergistic effects. The Company expects that the Acquisition will generate economic benefits and create an additional source of revenue for the Company.

Upon completion of the Acquisition, the Target Company will become a subsidiary of the Company, and its financial results will be consolidated into the consolidated financial statements of the Group.

The Directors (including the Independent Non-executive Directors) consider that the terms of transaction contemplated under the Agreement are fair and reasonable; and the transaction contemplated under the Agreement is on normal commercial terms and in the interests of the Company and the 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. The Vendor is an indirect wholly-owned subsidiary of CIMC, and therefore the Vendor, being an associate of CIMC, is a connected person of the Company under the Listing Rules. The transaction contemplated under the 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 Acquisition is more than 0.1% but less than 5%, the Acquisition will be subject to the reporting and announcement requirements but will be exempted from the circular (including independent financial advice) and independent 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 connected transaction contemplated under the Agreement and have abstained from voting on the Board resolutions relating to the approval of the Acquisition. Saved for the aforementioned, none of the other Directors has a material interest in the connected transaction contemplated under the 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.

The Purchaser is principally engaged in manufacturing and sales of large-scale liquid food equipment.

The Vendor is principally engaged in foreign and domestic freight forwarding and supply chain management, and the sales and maintenance of logistics equipment and related accessories.

VI. DEFINITIONS

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

“Acquisition”	the acquisition of the Equity Interest by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the equity transfer agreement dated 23 April 2018 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“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
“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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Interest”	100% equity interest in the Target 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
“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
“Purchaser”	南通中集安瑞科食品裝備有限公司 (Ziemann Holvrieka Asia Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	南通永信物流有限公司 (Nantong Yongxin Logistics Co., Ltd*), a company established in the PRC with limited liability, a wholly-owned subsidiary of the Vendor as at the date of this announcement
“Vendor”	深圳南方中集物流有限公司 (Shenzhen South CIMC Logistics Co., LTD*), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of CIMC
“%”	per cent.

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

Hong Kong, 23 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*