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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 IN CIMC FINANCE

The Board is pleased to announce that on 20 July 2018, Party D, an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with Party A, Party B, Party C and Party E, pursuant to the which, the Contributing Parties agreed to increase the registered capital of CIMC Finance from RMB500,000,000 to RMB920,000,000 for an aggregate consideration of RMB649,464,307.58. Pursuant to the Capital Increase Agreement, Party D agreed to subscribe for registered capital of RMB64,500,000 of CIMC Finance for a consideration of RMB99,739,161.52.

Upon completion of the Capital Increase, the registered capital of CIMC Finance shall be increased from RMB500,000,000 to RMB920,000,000 and Party D will hold 7.01% of shareholding in CIMC Finance.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CIMC (Party A) indirectly holds 70.31% of the entire share capital of the Company, and is therefore a controlling shareholder and connected person of the Company. Party B, Party C and Party E are subsidiaries of CIMC, and therefore are associates of CIMC and connected persons of the Company. The transaction contemplated under the Capital Increase 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 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 20 July 2018, Party D, an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with Party A, Party B, Party C and Party E, pursuant to which the Contributing Parties agreed to increase the registered capital of CIMC Finance from RMB500,000,000 to RMB920,000,000 for an aggregate consideration of RMB649,464,307.58. Pursuant to the Capital Increase Agreement, Party D agreed to subscribe for registered capital of RMB64,500,000 of CIMC Finance for a consideration of RMB99,739,161.52. Upon completion of the Capital Increase, the registered capital of CIMC Finance shall be increased from RMB500,000,000 to RMB920,000,000 and Party D will hold 7.01% of shareholding in CIMC Finance.

I. CAPITAL INCREASE AGREEMENT

Date

20 July 2018

Parties

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

Capital contribution

Pursuant to the Capital Increase Agreement, the Contributing Parties agreed to increase the registered capital of CIMC Finance by RMB420,000,000, of which:

- (a) Party B agreed to subscribe for the registered capital of RMB194,000,000 at a consideration of RMB299,990,656.36;
- (b) Party C agreed to subscribe for the registered capital of RMB97,000,000 at a consideration of RMB149,995,328.18;
- (c) Party D agreed to subscribe for the registered capital of RMB64,500,000 for a consideration of RMB99,739,161.52; and
- (d) Party E agreed to subscribe for the registered capital of RMB64,500,000 for a consideration of RMB99,739,161.52.

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

Payment of the Capital Increase

Consideration shall be deposited by the Contributing Parties to the designated bank account of CIMC Finance within 90 working days after Shenzhen Banking Regulatory Bureau approves the Capital Increase, but Party C needs to obtain the independent shareholders' approval of its holding company (CIMC-TianDa Holdings Company Limited, the shares of which are listed on the Main Board of the Stock Exchange) at independent shareholders' meeting in accordance with the Listing Rules in respect of capital increase, the consideration shall be deposited to the designated bank account of CIMC Finance within 10 working days after independent shareholders of CIMC-TianDa Holdings Company Limited approve the Capital Increase or 90 working days after Shenzhen Banking Regulatory Bureau approves the Capital Increase, whichever is later.

Shareholding Structure of CIMC Finance

As at the date of this announcement and prior to the Capital Increase, CIMC Finance has a registered capital of RMB500,000,000. The registered capital and shareholding structure of CIMC Finance before and after completion of the Capital Increase are set out as follows:

Shareholders	Before the Capital Increase		After the Capital Increase	
	Registered capital of CIMC Finance (RMB)	% of shareholding in CIMC Finance	Registered capital of CIMC Finance (RMB)	% of shareholding in CIMC Finance
Party A	500,000,000	100%	500,000,000	54.35%
Party B	–	–	194,000,000	21.09%
Party C	–	–	97,000,000	10.54%
Party D	–	–	64,500,000	7.01%
Party E	–	–	64,500,000	7.01%
Total	<u>500,000,000</u>	<u>100%</u>	<u>920,000,000</u>	<u>100%</u>

II. INFORMATION ON CIMC FINANCE

CIMC Finance is a banking financial institution established in the PRC and principally engaged in the provision of financial services to fellow subsidiaries of CIMC.

Set out below is the financial information of CIMC Finance 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	2017
	(audited)	(audited)
	(RMB'000)	(RMB'000)
Net profit/(loss) before taxation and extraordinary items	75,128	110,834
Net profit/(loss) after taxation and extraordinary items	56,162	82,939

The net asset value of CIMC Finance as of 31 December 2016 and 31 December 2017 were approximately RMB737,054,000 and RMB807,520,000 respectively.

CIMC Finance was established by Party A in 2014 and therefore it involved no original acquisition cost of its holding of CIMC Finance.

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

CIMC Finance, being the only licensed financial institution of the CIMC Group, will combine the industry and finance of the CIMC Group. The financial services to be provided by CIMC Finance are diversified and can meet the business needs of the Group. Entering of the Capital Increase Agreement will also reduce the finance cost of the Company. As its shareholder, the Company expects the Capital Increase will generate investment return from CIMC Finance.

The Directors (including the Independent Non-executive Directors) believe that the terms of the transaction contemplated under the Capital Increase Agreement are fair and reasonable; and the transaction contemplated under the Capital Increase 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 (Party A) indirectly holds 70.31% of the entire share capital of the Company, and is therefore a controlling shareholder and connected person of the Company. Party B, Party C and Party E are subsidiaries of CIMC, and therefore are associates of CIMC and connected persons of the Company. The transaction contemplated under the Capital Increase 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 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. Yu Yuqun, Mr. Wang Yu and Mr. Zeng Han, 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 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.

V. GENERAL

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 the controlling shareholder of the Company and is principally engaged in the container manufacturing and service business, road transportation vehicle business, energy, chemical and food equipment business, offshore engineering business and airport facilities equipment business.

Party B is a direct wholly-owned subsidiary of CIMC and principally engaged in manufacturing, repair and sales of container and container stockpiling business.

Party C is an indirect non-wholly owned subsidiary of CIMC and principally engaged in production and operation of various electromechanical equipment for airport.

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

Party E is a direct wholly-owned subsidiary of CIMC and principally engaged in international and domestic freight transport agents.

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 RMB420,000,000 in the registered capital of CIMC Finance by the Contributing Parties for an aggregate consideration of RMB649,464,307.58 as contemplated under the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 20 July 2018 entered into by and amongst the Parties relating to the Capital Increase
“CIMC or Party A”	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 Finance”	中集集團財務有限公司（CIMC Finance Company Limited), a company established under the laws of the PRC and a wholly-owned subsidiary of CIMC
“CIMC Group”	CIMC and its subsidiaries (but excluding members of the Group) and associates
“Company”	CIMC Enric Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 28 September 2004 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

“Contributing Parties”	Collectively, Party B, Party C, Party D and Party E
“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, Party D and Party E
“Party B”	深圳南方中集集裝箱製造有限公司 (Shenzhen Southern CIMC Container Manufacturing Co., Ltd.*), a company established in the PRC with limited liability, a direct wholly-owned subsidiary of CIMC
“Party C”	深圳中集天達空港設備有限公司 (Shenzhen CIMC-Tianda Airport Support Ltd.*), a company established in the PRC with limited liability, an indirect non-wholly owned subsidiary of CIMC
“Party D”	中集安瑞科（荊門）能源裝備有限公司 (CIMC Enric (Jingmen) Energy Equipment Co., Ltd.*), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
“Party E”	中集現代物流發展有限公司 (CIMC Modern Logistics Development Co., Ltd.*), a company established in the PRC with limited liability, a direct 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 20 July 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. Yu Yuqun, Mr. Wang Yu, Mr. Zeng Han 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*