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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**

### **EQUITY TRANSFER AGREEMENT IN RELATION TO DISPOSAL OF 10% EQUITY INTEREST IN CIMC HUIJIE**

#### **THE EQUITY TRANSFER AGREEMENT**

The Board announces that on 24 March 2022, CIMC Enric (Shenzhen), a direct wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Shenzhen CIMC Tongchuang, pursuant to which CIMC Enric (Shenzhen) agreed to transfer, and Shenzhen CIMC Tongchuang agreed to acquire 10% equity interest in CIMC Huijie at the Disposal Consideration of RMB11,168,300.

Upon completion of the Disposal, the Group will hold its equity interest in CIMC Huijie indirectly through Shenzhen CIMC Tongchuang.

#### **LISTING RULES IMPLICATIONS**

As all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are less than 5%, the Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, CIMC is a controlling Shareholder indirectly holding approximately 67.60% of the Shares and is therefore a connected person of the Company. As Shenzhen CIMC Tongchuang is a non-wholly owned subsidiary of CIMC and is therefore an associate of CIMC, Shenzhen CIMC Tongchuang is also a connected person of the Company. Accordingly, the Disposal under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 0.1% but all of them are less than 5%, the Disposal is only subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE EQUITY TRANSFER AGREEMENT**

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Set out below are the principal terms of the Equity Transfer Agreement:

### **Date**

24 March 2022

### **Parties**

- (1) CIMC Enric (Shenzhen), a direct wholly-owned subsidiary of the Company (as transferor); and
- (2) Shenzhen CIMC Tongchuang (as transferee)

### **The Disposal**

Pursuant to the Equity Transfer Agreement, CIMC Enric (Shenzhen) agreed to transfer, and Shenzhen CIMC Tongchuang agreed to acquire 10% equity interest in CIMC Huijie, representing the entire shareholding of CIMC Enric (Shenzhen) in CIMC Huijie.

### **The Disposal Consideration**

The Disposal Consideration is RMB11,168,300, which was determined after arm's length negotiations between CIMC Enric (Shenzhen) and Shenzhen CIMC Tongchuang with reference to the appraised value of the entire shareholders' equity in CIMC Huijie as at 31 December 2020 as determined by 國眾聯資產評估土地房地產估價有限公司 (Guozhonglian Asset Valuation and Land and Real Estate Appraisal Co., Ltd.\*), an independent valuer, using an asset-based approach, and adjusted by adding the change in net asset amount attributable to the parent company of CIMC Huijie for the period from 31 December 2020 to 30 November 2021, the value of which was RMB96,963,300. The consideration for the equity interest corresponding to the paid-up capital of CIMC Enric (Shenzhen) in CIMC Huijie, being RMB10,000,000, is RMB11,168,300.

## Payment of Disposal Consideration

The Disposal Consideration shall be payable in cash by two instalments as follows:

- (i) the first instalment, being RMB6,701,000 (which is 60% of the Disposal Consideration), shall be payable within 10 Business Days from the date of the Equity Transfer Agreement; and
- (ii) the second instalment, being RMB4,467,300 (which is 40% of the Disposal Consideration), shall be payable within 10 Business Days from the date when the business registration and filing procedures for the equity transfer are completed.

## Profit Sharing

The profit distribution rights and other shareholder's rights to which CIMC Enric (Shenzhen) is entitled as an original shareholder of CIMC Huijie will be transferred to Shenzhen CIMC Tongchuang from the effective date of the Equity Transfer Agreement (being the date of signing of the Equity Transfer Agreement).

## INFORMATION ON CIMC HUIJIE

CIMC Huijie is a limited liability company established in the PRC in 2018 with a registered capital of RMB100,000,000 and paid-up capital of RMB86,820,000. It is principally engaged in the sale of coating and labour protection products.

As at the date of this announcement, CIMC Enric (Shenzhen) holds 10% equity interest in CIMC Huijie. Upon completion of the Disposal, the Group will hold its equity interest in CIMC Huijie indirectly through Shenzhen CIMC Tongchuang.

According to the consolidated financial statements of CIMC Huijie prepared in accordance with the PRC Accounting Standards for Business Enterprises, the audited net profit before and after tax for the year ended 31 December 2020 and the unaudited net profit before and after tax for the year ended 31 December 2021 are as follows:

	<b>For the financial year ended</b>	
	<b>31 December</b>	
	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(unaudited)
Net profit before tax	5,426	4,488
Net profit after tax	4,152	3,313

The unaudited consolidated net asset value of CIMC Huijie as at 31 December 2021 was approximately RMB95,524,903.

## **FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

It is estimated that the Company will record a gain of approximately RMB468,000 from the Disposal, which is calculated on the basis of the difference between the book value of the 10% equity interest and the Disposal Consideration.

The Disposal Consideration will be used to invest in Shenzhen CIMC Tongchuang as part of an internal reorganization of the Group and the CIMC Group.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT**

The Disposal is part of an internal reorganization to strengthen the business integration of Shenzhen CIMC Tongchuang and its related companies, as well as to streamline the supply chain business of Shenzhen CIMC Tongchuang and CIMC Huijie, ultimately enhancing the synergistic value of Shenzhen CIMC Tongchuang within the CIMC Group.

As the Disposal Consideration will be used to invest in Shenzhen CIMC Tongchuang, it is estimated that there will be an increase in the carrying value of long-term equity investment with respect to the shareholding of CIMC Enric (Shenzhen) in Shenzhen CIMC Tongchuang.

The Directors (including the independent non-executive Directors) are of the view that the Disposal is conducted on normal commercial terms, and the terms of the Equity Transfer Agreement and the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, as well as the provision of technical maintenance services for, a wide range of transportation, storage and processing equipment used in the energy, chemical and liquid food industries. As at the date of this announcement, the Directors consider the ultimate controlling party of the Company to be CIMC.

CIMC Group is principally engaged in the container manufacturing and service business, road transportation vehicle business, energy, chemical and liquid food equipment business, offshore engineering business and airport facilities equipment business, as well as the provision of relevant services, including the design, manufacture and service of international standard dry containers, reefer containers, regional special containers, tank containers, wooden container floorboards, road tank trucks, natural gas equipment and static tanks, road transportation vehicles, heavy trucks, jack-up drilling platforms, semisubmersible drilling platforms, special vessels, passenger boarding bridges and bridgemounted equipment, airport ground support equipment, fire safety and rescue vehicles, automated logistics system and intelligent parking system and relevant services.

CIMC Enric (Shenzhen) is a direct wholly-owned subsidiary of the Company and is principally engaged in investment holding.

Shenzhen CIMC Tongchuang is an indirect non wholly-owned subsidiary of CIMC, and is principally engaged in supply chain management and sales services for various steel and aluminium products.

## **LISTING RULES IMPLICATIONS**

As all of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are less than 5%, the Disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, CIMC is a controlling Shareholder indirectly holding approximately 67.60% of the Shares and is therefore a connected person of the Company. As Shenzhen CIMC Tongchuang is an indirect non wholly-owned subsidiary of CIMC and is therefore an associate of CIMC, Shenzhen CIMC Tongchuang is also a connected person of the Company. Accordingly, the Disposal under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that some of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 0.1% but all of them are less than 5%, the Disposal is only subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the senior management position(s) and/or directorship(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 transactions contemplated under the Equity Transfer Agreement and have abstained from voting on the relevant Board resolutions. Saved for the aforementioned, none of the other Directors has a material interest in the transactions contemplated under the abovementioned agreements.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday or a Sunday) on which banks in the PRC are generally open for normal banking business

“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 A shares of which are listed on the Shenzhen Stock Exchange and the H shares of which are listed on the Main Board of the Stock Exchange, and the controlling shareholder of the Company
“CIMC Enric (Shenzhen)”	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, and a direct wholly-owned subsidiary of the Company
“CIMC Group”	CIMC and its subsidiaries (but excluding members of the Group) and associates
“CIMC Huijie”	深圳中集匯杰供應鏈有限公司 (Shenzhen CIMC Huijie Supply Chain Co., Ltd.*), a company established in the PRC with limited liability, and an indirect non wholly-owned subsidiary of CIMC
“Company”	CIMC Enric Holdings Limited 中集安瑞科控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 28 September 2004 under the Companies Act Cap. 22 (Act 3 of 1961, as consolidated and 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)”	director(s) of the Company
“Disposal”	the disposal of 10% equity interest in CIMC Huijie by CIMC Enric (Shenzhen) to Shenzhen CIMC Tongchuang pursuant to the Equity Transfer Agreement
“Disposal Consideration”	RMB11,168,300, being the consideration payable by Shenzhen CIMC Tongchuang to CIMC Enric (Shenzhen) for the Disposal
“Equity Transfer Agreement”	the equity transfer agreement dated 24 March 2022 entered into between CIMC Enric (Shenzhen) (as transferor) and Shenzhen CIMC Tongchuang (as transferee) in relation to the Disposal

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Shenzhen CIMC Tongchuang”	深圳中集同創供應鏈有限公司 (Shenzhen CIMC Tongchuang Supply Chain Co., Ltd.*), a company established in the PRC with limited liability, and an indirect non wholly-owned subsidiary of CIMC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**CIMC Enric Holdings Limited**  
**GAO Xiang**  
*Chairman*

Hong Kong, 24 March 2022

*As at the date of this announcement, the Board consists of Mr. Gao Xiang (Chairman) as non-executive Director, Mr. Yang Xiaohu (General Manager) as executive Director; Mr. Yu Yuqun, Mr. Wang Yu and Mr. Zeng Han as non-executive Directors; and Ms. Yien Yu Yu, Catherine, Mr. Tsui Kei Pang, Mr. Zhang Xueqian and Mr. Wang Caiyong as independent non-executive Directors.*

*English names marked with “\*” in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.*