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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)

CONTINUING CONNECTED TRANSACTIONS

**REVISION OF ANNUAL CAP UNDER
THE FINANCIAL SERVICES FRAMEWORK AGREEMENT (2019)**

REVISION OF ANNUAL CAPS

This announcement is made by the Company pursuant to Rule 14A.54 of the Listing Rules.

Reference is made to the announcement of the Company dated 31 December 2019 in relation to, among other things, the Financial Services Framework Agreement (2019) entered into between the Company (as services user), CIMC Finance (as services provider) and CIMC (as guarantor), pursuant to which CIMC Finance agreed to provide, inter alia, the Deposit Services to the Group for the period commencing on 1 January 2020 and expiring on 31 December 2022.

Due to the large capital turnover needs of the Group, in view of the stock of the Group's daily settlement reserve capital in CIMC Finance (approximately RMB200–300 million), and the expected peak value of temporary loans (estimated to be RMB1 billion) required for the development of the Group in the next three years against the background of “carbon neutrality”, the deposit cap in CIMC Finance this year is expected to be insufficient to address the Group's business development needs. In order to make good use of the advantages of CIMC Finance in financing, settlement, foreign exchange and cross-border channels to meet the Group's operation and management needs, the Company has on 23 February 2022 decided to revise the Existing Deposit Annual Cap for Deposit Services with CIMC Finance to the Revised Deposit Annual Cap.

LISTING RULES IMPLICATION

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 CIMC Finance is a non-wholly owned subsidiary of CIMC and therefore is an associate of CIMC, CIMC Finance is also a connected person of the Company. The Deposit Services contemplated under the Financial Services Framework Agreement (2019) therefore constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Revised Deposit Annual Cap for the Deposit Services contemplated under the Financial Services Framework Agreement (2019), on an annual basis, are more than 0.1% but less than 5%, the Deposit Services contemplated thereunder are subject to the reporting, announcement and annual review requirements and are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

I INTRODUCTION

This announcement is made by the Company pursuant to Rule 14A.54 of the Listing Rules.

Reference is made to the announcement of the Company dated 31 December 2019 in relation to, among other things, the Financial Services Framework Agreement (2019) entered into between the Company (as services user), CIMC Finance (as services provider) and CIMC (as guarantor), pursuant to which CIMC Finance agreed to provide, inter alia, the Deposit Services to the Group for the period commencing on 1 January 2020 and expiring on 31 December 2022.

II REVISION OF THE EXISTING ANNUAL CAP FOR DEPOSIT SERVICES

The Existing Deposit Annual Cap and the Revised Deposit Annual Cap under the Financial Services Framework Agreement (2019) for the year ending 31 December 2022 are as follows:

For the year ending 31 December 2022

Existing Deposit Annual Cap	RMB419,000,000
Revised Deposit Annual Cap	RMB600,000,000

The Revised Deposit Annual Cap for the maximum daily outstanding balance of deposits have been determined with reference to the Group's historical maximum daily outstanding balance of deposits placed with CIMC Finance, the estimated business growth of the Group for the year ending 31 December 2022, the estimated cash flow and the estimated level of cash to be deposited with CIMC Finance to facilitate settlement of accounts with members of the Group and the CIMC Group.

The historical transaction amounts and the corresponding annual caps of the maximum daily outstanding balance of deposits under the Financial Services Framework Agreement (2019) for the two years ended 31 December 2020 and 2021 are as follows:

	For the year ended 31 December 2020	For the year ended 31 December 2021
Annual caps of maximum daily outstanding balance of deposits	RMB419,000,000	RMB419,000,000
Historical transaction amounts of maximum daily outstanding balance of deposits	RMB410,006,618.00	RMB413,906,988.18

The Board confirms that the Existing Deposit Annual Cap for the year ending 31 December 2022 under the Financial Services Framework Agreement (2019) has not yet been exceeded as at the date of this announcement.

The terms and conditions under the Financial Services Framework Agreement (2019), including the pricing basis and policy, remain unchanged and in effect.

III REASONS FOR AND BENEFITS OF THE REVISION OF EXSITING ANNUAL CAP FOR DEPOSIT SERVICES

In the past, CIMC Finance has provided the Group with a full range of comprehensive financial services which are convenient, efficient and cost-effective, including deposits, loans, foreign exchange, settlement, etc.. The two parties have since maintained a stable, mutually beneficial and win-win partnership for many years.

The Group can make use of the advantages of the financial services provided by CIMC Finance to meet its objective needs such as capital provision, settlement, cross-border capital replacement and turnover, and financing. For example:

- (1) In view of the stock of the Group's daily settlement reserve capital in CIMC Finance (approximately RMB200–300 million), and the expected peak value of temporary loans (estimated to be RMB1 billion) required for the development of the Group in the next three years against the background of “carbon neutrality”, the current deposit cap of RMB419 million is far from sufficient to address its business development needs;
- (2) From the perspective of optimizing the capital management system, fully utilizing the existing system of CIMC Finance to build the Group's capital management system, is beneficial to enhancing the utilization efficiency of the segment funds. With the advantages of CIMC Finance in financing, settlement, foreign exchange and cross-border channels, more financial resources can be obtained to better meet the Group's operation and management needs;

- (3) From the perspective of capital security, CIMC Finance is a licensed financial institution approved by the China Banking and Insurance Regulatory Commission, and is subject to strict supervision by institutions such as the People's Bank of China, the State Administration of Foreign Exchange and the China Banking and Insurance Regulatory Commission. Due to CIMC's strong capital position and stable operation, with endorsement by CIMC, safety of the capital deposited in CIMC Finance is fully guaranteed.

The Directors (including the independent non-executive Directors) believe that (i) the terms of the Financial Services Framework Agreement (2019) and the continuing connected transactions contemplated thereunder (including the Deposit Services) are and will continue to be in the ordinary and usual course of business of the Group, on normal commercial terms and no less favourable to the Group than those of independent third parties, and (ii) the terms of the Financial Services Framework Agreement (2019), the continuing connected transactions contemplated thereunder (including the Deposit Services) and the Revised Deposit Annual Cap as set out in this announcement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV 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. 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, semi-submersible drilling platforms, special vessels, passenger boarding bridges and bridge-mounted equipment, airport ground support equipment, fire safety and rescue vehicles, automated logistics system and intelligent parking system and relevant services.

CIMC Finance is principally engaged in the provision of financial services to fellow subsidiaries of the CIMC Group.

V IMPLICATIONS UNDER 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 CIMC Finance is a non-wholly owned subsidiary of CIMC and therefore is an associate of CIMC, CIMC Finance is also a connected person of the Company. The Deposit Services contemplated under the Financial Services Framework Agreement (2019) therefore constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Revised Deposit Annual Cap for the Deposit Services contemplated under the Financial Services Framework Agreement (2019), on an annual basis, are more than 0.1% but less than 5%, the Deposit Services contemplated thereunder are subject to the reporting, announcement and annual review requirements and are 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. 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 Financial Service Framework Agreement (2019) and have abstained from voting on the relevant Board resolutions. Other than the aforementioned, none of the other Directors has a material interest in the continuing connected transactions contemplated under the abovementioned agreement.

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
“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 Finance”	中集集團財務有限公司 (CIMC Finance Company Ltd.*), a company established in the PRC with limited liability, a non-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 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
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deposit Services”	the deposit services to be provided by CIMC Finance to the Group contemplated under the Financial Services Framework Agreement (2019)
“Director(s)”	the directors of the Company
“Existing Deposit Annual Cap”	the existing annual cap for the continuing connected transactions in relation to the Deposit Services on the maximum daily outstanding balance of deposits to be placed by the Group with CIMC Finance for the year ending 31 December 2022 as set out in the section headed “II. REVISION OF THE EXISTING ANNUAL CAP FOR DEPOSIT SERVICES”
“Financial Service Framework Agreement (2019)”	the framework agreement dated 31 December 2019 entered into among the Company, CIMC Finance and CIMC in relation to the provision of financial services by CIMC Finance to the Group for the period commencing on 1 January 2020 and expiring on 31 December 2022
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

“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
“Revised Deposit Annual Cap”	the revised annual cap for the continuing connected transactions in relation to the Deposit Services on the maximum daily outstanding balance of deposits to be placed by the Group with CIMC Finance for year ending 31 December 2022 as set out in the section headed “II. REVISION OF THE EXISTING ANNUAL CAP FOR DEPOSIT SERVICES”
“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)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
CIMC Enric Holdings Limited
Zhong Yingxin
Company Secretary

Hong Kong, 23 February 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.*