

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CIMC | TianDa

CIMC-TianDa Holdings Company Limited

中集天達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 445)

VERY SUBSTANTIAL ACQUISITION

THE EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that, on 31 July 2018, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Target Interests, at the Consideration of RMB600,000,000 (subject to deductions), subject to the terms and conditions of the Equity Transfer Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Equity Transfer Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) the financial and other information on the Group; (iii) the financial and other information on the Target Group; (iv) the unaudited pro forma financial information of the Enlarged Group upon completion of the Acquisition; and (v) the notice of the EGM, is expected to be despatched to the Shareholders on or before 15 October 2018, which is more than 15 business days after the publication of this announcement as more time will be needed for the preparation of certain information to be included in the circular.

As completion of the Acquisition is subject to the satisfaction or, if applicable, waiver of the Conditions Precedent, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 29 June 2018 in relation to the memorandum of understanding dated 29 June 2018 entered into between the Company and the Vendors in relation to the potential acquisition.

The Board is pleased to announce that, on 31 July 2018, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Target Interests, at the Consideration of RMB600,000,000 (subject to deductions), subject to the terms and conditions of the Equity Transfer Agreement.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below.

Date

31 July 2018

Parties

- (1) the Purchaser;
- (2) the Vendors; and
- (3) the Target Company.

Subject matter

Pursuant to the Equity Transfer Agreement, the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Target Interests, representing 60% of the equity interests in the Target Company, subject to the terms and conditions of the Equity Transfer Agreement.

With effect from 1 June 2018, being the first day of the month preceding the date on which the Equity Transfer Agreement came into effect, the Purchaser and the Vendors shall be entitled to the profits generated from the operation of the Target Company in the proportion of 60% and 40%, respectively.

Consideration

Pursuant to the Equity Transfer Agreement, the Consideration for the Acquisition is RMB600,000,000 (subject to deductions), which shall be payable by the Purchaser to the Vendors in the following manner:

- (i) the First Instalment, being the amount of RMB300,000,000, shall be payable on the Completion Date and shall be satisfied by set-off against the Prepayment;
- (ii) the Second Instalment, being the amount of RMB150,000,000, shall be payable within 15 business days upon receipt of (a) the relevant payment notice issued by the Vendors and (b) the Notice of Approval of the Registration of Change; and
- (iii) the Remaining Balance, being the amount of RMB150,000,000 (subject to deductions), shall be payable in the following manner:
 - (a) if the 2018 Profit Guarantee is being satisfied, the Remaining Balance shall be payable within 15 business days upon receipt of (1) the relevant payment notice issued by the Vendors and (2) the original Auditors' Report for the year ended 31 December 2018;
 - (b) if the 2018 Profit Guarantee is not being satisfied, but the Aggregate Performance Guarantee is being satisfied, the Remaining Balance shall be payable within 15 business days upon receipt of (1) the relevant payment notice issued by the Vendors and (2) the original Auditors' Reports for the two years ended 31 December 2018 and 2019; and
 - (c) if neither the 2018 Profit Guarantee nor the Aggregate Performance Guarantee is being satisfied, on the condition that the Remaining Balance is sufficient for the deduction of the applicable Financial Compensation, the Remaining Balance (after deduction of the applicable Financial Compensation) shall be payable within 15 business days upon receipt of (1) the relevant payment notice issued by the Vendors and (2) the original Auditors' Reports for the two years ended 31 December 2018 and 2019.

The Consideration was determined after arm's length negotiations between the Group and the Vendors on normal commercial terms with reference to a number of factors, including (i) the audited net asset value of the Target Group of approximately RMB699,300,000 as at 31 December 2017; (ii) the Disposal of Assets and the Condition Precedent that the net assets of the Target Group being not less than RMB550,000,000 as shown in the relevant financial statements as further detailed in the sections headed "The Equity Transfer Agreement – Prepayment" and "The Equity Transfer Agreement – Conditions Precedent" below; (iii) the historical financial performance of the Target Group; (iv) the business development and prospects of the Target Group; (v) the performance guarantee and the Financial Compensation as set out in the section headed

“The Equity Transfer Agreement – Performance guarantee and Financial Compensation”; and (vi) the benefits of the Acquisition as set out in the section headed “Reasons for and benefits of the Acquisition” below.

The Consideration will be financed by the internal resources of the Group.

Prepayment

Subject to the satisfaction of the conditions that (i) the net assets of the Target Group as shown in the consolidated management accounts of the Target Group as at 30 June 2018 being not less than RMB550,000,000 and (ii) the Vendors having issued the relevant payment notice to the Purchaser, the Purchaser shall pay the Prepayment, being the amount of RMB300,000,000, to the Vendors.

The Prepayment shall be used to set off against the payment of the First Instalment on the Completion Date.

Following payment of the Prepayment by the Purchaser:

- (i) the Purchaser shall be entitled to, at its absolute discretion, instruct the Vendors and the Target Company to conduct the Disposal of Assets;
- (ii) the Purchaser shall be entitled to participate in the operation and management of the Target Company; and
- (iii) the Vendors and the Target Company shall deliver the Takeover Documents to an employee of the Target Company designated by the Purchaser.

The Disposal of Assets shall be conducted by the Vendors and the Target Company in accordance with the instructions of the Purchaser at its absolute discretion. It is intended that the Disposal of Assets will involve disposal to the Vendors at nil consideration of certain obsolete assets of the Target Group which may be subject to impairment, including accounts receivables aged over three years, prepayments aged over one year and raw materials aged over one year, before Completion.

The Purchaser will determine the actual scope of the Disposal of Assets based on the audited financial statements of the Target Group as at 30 June 2018. For illustration, based on the audited consolidated financial statements of the Target Group as at 31 December 2017, the audited net asset value of the Target Group as at 31 December 2017 was approximately RMB699,300,000 and it is expected that the net book value of the assets to be disposed under the Disposal of Assets would be approximately RMB149,000,000. The net asset value of the Target Group following completion of the Disposal of Assets will, in any event, be not less than RMB550,000,000, which is a Condition Precedent to Completion.

The primary reason for the Disposal of Assets is to avoid any adverse impact of potential impairment of the aforementioned obsolete assets of the Target Group on the financial performance of the Enlarged Group following Completion. The Disposal of Assets also enables the Purchaser to exclude from the Acquisition certain unwanted obsolete assets of the Target Group, thereby facilitating the determination of the Consideration by the parties in a fair and reasonable manner.

In the event that the Prepayment has been paid by the Purchaser and the Acquisition does not proceed due to (i) the failure to obtain the approval of the Acquisition by the Stock Exchange or the relevant PRC governmental departments and other reasons beyond the control of the Purchaser or (ii) the failure to obtain the approval of the Acquisition by the board of directors of the Purchaser, the Board and/or the Shareholders, the Vendors shall, within 60 days, return the Prepayment to the Purchaser without interest.

Performance guarantee and Financial Compensation

Pursuant to the Equity Transfer Agreement, the Vendors warrant to the Purchaser that according to the Auditors' Reports, the Target Group shall achieve the following financial performance:

- (i) the Adjusted Audited Net Profit of the Target Group for the year ended 31 December 2018 shall be not less than RMB80,000,000 (the “**2018 Profit Guarantee**”);
- (ii) the Adjusted Audited Net Profit of the Target Group for the year ended 31 December 2019 shall be not less than RMB80,000,000; and
- (iii) the aggregate Adjusted Audited Net Profit of the Target Group for the two years ended 31 December 2018 and 2019 shall be not less than RMB160,000,000 and the aggregate audited revenue of the Target Group for the two years ended 31 December 2018 and 2019 shall be not less than RMB1,400,000,000 (collectively, the “**Aggregate Performance Guarantee**”).

If the abovementioned performance guarantees are not being satisfied, the Vendors shall compensate the Purchaser with financial compensation (the “**Financial Compensation**”) as follows:

- (i) In the event that the 2018 Profit Guarantee is not being satisfied and the aggregate Adjusted Audited Net Profit of the Target Group for the two years ended 31 December 2018 and 2019 is less than RMB160,000,000:

- (a) if the shortfall is less than RMB10,000,000, the Vendors shall compensate the Purchaser with the Financial Compensation which is equivalent to six times of the amount of the shortfall; and
- (b) if the shortfall amounts to RMB10,000,000 or above, the Vendors shall compensate the Purchaser with the Financial Compensation which is equivalent to seven and a half times of the amount of the shortfall.

The abovementioned Financial Compensation shall be deducted directly from the Remaining Balance payable by the Purchaser to the Vendors. In the event that the Remaining Balance is insufficient for the deduction of the Financial Compensation, the Purchaser shall be entitled to instruct the Target Company to deduct the amount representing the excess of the Financial Compensation over the Remaining Balance from any rights and interests of the Vendors in the Target Company (including dividends and other distributions) and pay such amount directly to the Purchaser.

- (ii) In the event that the 2018 Profit Guarantee is being satisfied but the Adjusted Audited Net Profit of the Target Group for the year ended 31 December 2019 is less than RMB80,000,000:

- (a) if the shortfall is less than RMB10,000,000, the Vendors shall compensate the Purchaser with the Financial Compensation which is equivalent to six times of the amount of the shortfall; and
- (b) if the shortfall amounts to RMB10,000,000 or above, the Vendors shall compensate the Purchaser with the Financial Compensation which is equivalent to seven and a half times of the amount of the shortfall.

The Purchaser is entitled to instruct the Target Company to deduct the abovementioned Financial Compensation from any rights and interests of the Vendors in the Target Company (including dividends and other distributions) and pay such amount directly to the Purchaser.

- (iii) In the event that the aggregate audited revenue of the Target Group for the two years ended 31 December 2018 and 2019 is less than RMB1,400,000,000, the Vendors shall compensate the Purchaser with the Financial Compensation which is equivalent to 10% of the shortfall. The Financial Compensation shall be deducted directly from the Remaining Balance payable by the Purchaser to the Vendors. In the event that (a) the Remaining Balance has already been paid pursuant to the Equity Transfer Agreement or (b) the Remaining Balance is insufficient for the deduction of the Financial Compensation, the Purchaser is entitled to instruct the Target Company to deduct the aforementioned Financial Compensation or the amount representing the excess of the Financial Compensation over the Remaining Balance from any rights and interests of the Vendors in the Target Company (including dividends and other distributions) and pay such amount directly to the Purchaser.

The ratio of 10% used in computing the applicable Financial Compensation in item (iii) above was determined by the Purchaser and the Vendors with reference to the net profit ratio of the Target Group of approximately 10% based on the audited financial statements of the Target Group for the year ended 31 December 2017.

Changes to the Corporate Governance Structure

Pursuant to the Equity Transfer Agreement, the Vendors and the Target Company shall, within three days after signing of the Equity Transfer Agreement, take steps to effect the Changes to the Corporate Governance Structure, further details of which are set out below:

- (i) the board of directors of the Target Company shall comprise five directors, whereby (a) three directors shall be nominated by the Purchaser; (b) two directors shall be nominated by the Vendors; and (c) one of the three directors nominated by the Purchaser shall assume the role of the chairman of the board of directors of the Target Company;
- (ii) the supervisory committee of the Target Company shall comprise two supervisors, whereby (a) one supervisor shall be nominated by the Purchaser; and (b) one supervisor shall be nominated by the Vendors;
- (iii) a new general manager, a new financial officer and an assistant to the general manager (who concurrently serves as the manager of the general management department) shall be appointed and approved by the board of directors of the Target Company;
- (iv) the articles of association of the Target Company shall be amended or restated such that, among other things, (a) the number of directors of the Target Company shall be reduced from seven to five; and (b) the number of supervisors of the Target Company shall be increased from one to two; and
- (v) the Purchaser and the Vendors shall jointly designate a representative to review and confirm the expenses of the Target Company, so as to ensure the reasonableness of the expenses and facilitate the realisation of the Aggregate Performance Guarantee.

The Vendors and the Target Company shall convene shareholders' meeting of the Target Company to approve the abovementioned amendments to the articles of association of the Target Company and complete the relevant registration of change and/or filing procedures.

Conditions Precedent

Completion of the Acquisition shall be subject to the satisfaction or, if applicable, waiver of the following Conditions Precedent:

- (i) the representations and warranties made by the Vendors and the Target Company under the Equity Transfer Agreement remaining true, accurate and not misleading in all respects from the date of signing of the Equity Transfer Agreement up to the Completion Date;
- (ii) the Vendors and the Target Company having complied with all the relevant undertakings and obligations under the Equity Transfer Agreement in all respects prior to the Completion Date;
- (iii) each of the Purchaser and the Company having completed all the necessary internal procedures (including but not limited to the approval of the respective shareholder(s) and the board of directors required under the relevant laws and regulations, the articles of association and the Listing Rules) for the approval of the Equity Transfer Agreement and the transactions contemplated thereunder;
- (iv) each of the Purchaser and the Company having obtained all the necessary consents and approvals from all the relevant governmental departments or regulatory authorities (including but not limited to the Stock Exchange) in respect of the Equity Transfer Agreement and the transactions contemplated thereunder;
- (v) the shareholders of the Target Company having passed resolutions for the following matters:
 - (a) the approval of the transfer of the Target Interests from the Vendors to the Purchaser and the confirmation of the amount of paid-up capital of each of the Vendors to be transferred to the Purchaser;
 - (b) the waiver of the pre-emptive rights of all existing shareholders of the Target Company in respect of the Acquisition; and
 - (c) the approval of the Changes to the Corporate Governance Structure;
- (vi) the Vendors and the Target Company having completed the Disposal of Assets in accordance with the instructions of the Purchaser;
- (vii) the Purchaser having received (a) the audited consolidated financial statements of the Target Group for the period ended 30 June 2018 issued by an auditor appointed by the Purchaser; and (b) the consolidated management accounts of the Target Group for the period from 1 July 2018 to the last day of the month immediately preceding the Completion Date, and the net assets of the Target Group as shown in such financial statements being not less than RMB550,000,000;

- (viii) the Purchaser having received evidence showing the bank balance of the Target Company as at the Completion Date being not less than RMB100,000,000;
- (ix) the Purchaser having confirmed in writing of its participation in the operation and management of the Target Company;
- (x) the Vendors and the Target Company having delivered the Takeover Documents to an employee of the Target Company designated by the Purchaser and the Purchaser having provided such confirmation in writing; and
- (xi) the Target Company having completed the registration of change and/or filing procedures in respect of the Acquisition, the Changes to the Corporate Governance Structure and the relevant amendments to the articles of association of the Target Company and having provided the Notice of Approval of the Registration of Change.

Pursuant to the Equity Transfer Agreement, the Purchaser is entitled to waive any of the Conditions Precedent other than the Conditions Precedent set out in paragraphs (iii) and (iv) above, which relate to the necessary internal and regulatory approval to which the Purchaser and the Company are subject to and are not capable of being waived.

Completion

Completion shall take place at the office of the Target Company, or at such other venue as the Purchaser and the Vendors may agree, within three business days after all the Conditions Precedent having been satisfied (or, if applicable, waived by the Purchaser), or on such other date as the Purchaser and the Vendors may agree.

On the Completion Date, the Purchaser shall pay the First Instalment to the Vendors (which shall be satisfied by set off against the Prepayment), and the Vendors shall deliver to the Purchaser the register of shareholders of the Target Company which shall reflect the shareholders and the shareholding structure of the Target Company upon Completion.

Dividend distribution

Pursuant to the Equity Transfer Agreement, the Purchaser undertakes that, among other things, commencing from the year of 2020, subject to the compliance with all relevant laws and regulations, the annual dividend payout ratio of the Target Company shall be not less than 30% of the audited net profit of the Target Company for the year, failing which the Vendors shall be entitled to request that their entitlement to the dividends be calculated based on an annual dividend payout ratio of 30% of the audited net profit of the Target Company for the year and the then percentage of equity interests held by the Vendors in the Target Company.

Non-competition undertakings

Pursuant to the Equity Transfer Agreement, the Vendors undertake that, among other things:

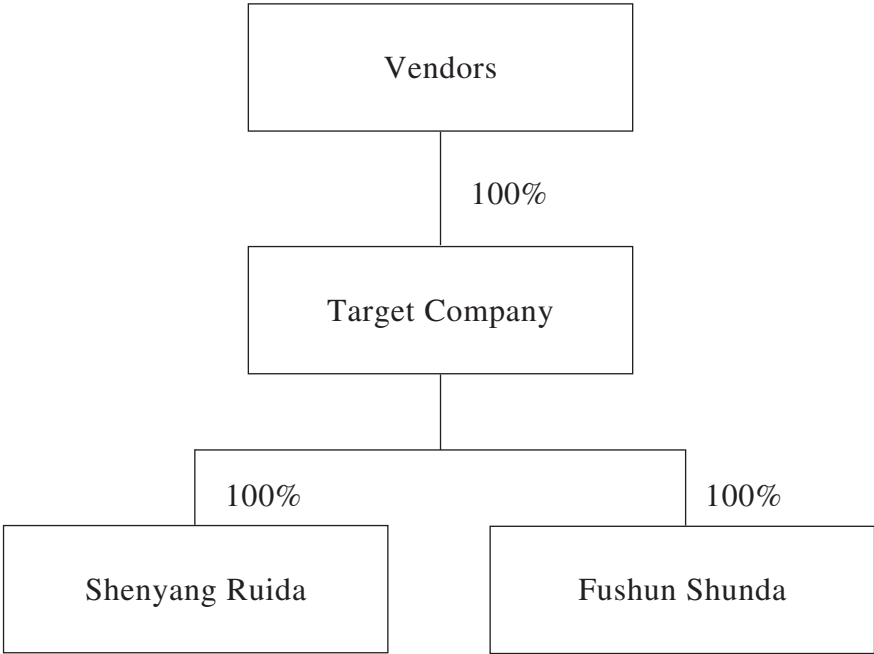
- (i) within 36 months after the date on which the Purchaser is registered as a shareholder of the Target Company with the relevant company registration authority, the Vendors shall not be engaged in any competing business which is identical with or similar to the business of the Target Group, and shall not assume any position, serve as a consultant or provide support or assistance (whether paid or unpaid) to any other companies which are in competition with the Target Group; and
- (ii) in the event that the Vendors are in breach of the abovementioned non-competition undertakings, the Target Company shall be entitled to all proceeds arising from such breach and the Vendors shall pay to the Purchaser a liquidated damage which is equivalent to six times of all proceeds arising from such breach and shall be liable to compensate the Purchaser and the Target Group for any actual losses suffered by them.

INFORMATION ON THE TARGET GROUP

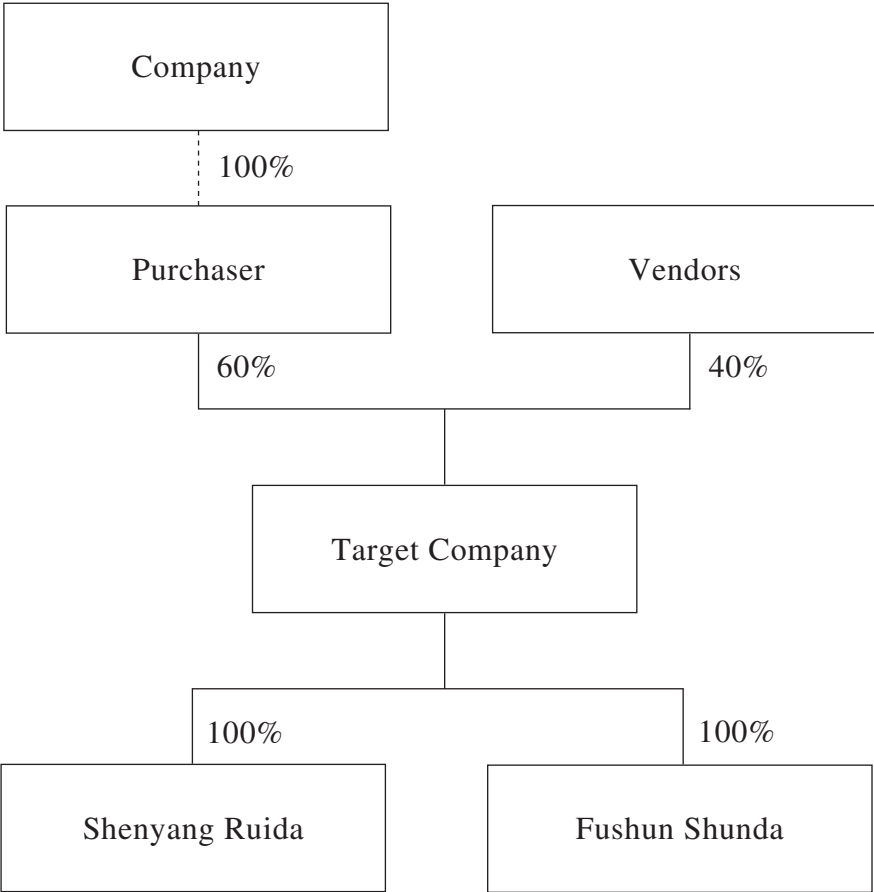
The Target Company is a company established under the laws of the PRC with limited liability. The Target Group is principally engaged in the manufacturing of fire engines and is a leading manufacturer of aerial lifting fire trucks in the PRC. As at the date of this announcement, the Target Company is directly held as to 100% by the Vendors.

As at the date of this announcement, the Target Group comprises three members, namely the Target Company, Fushun Shunda and Shenyang Ruida. Each of Fushun Shunda and Shenyang Ruida is a company established under the laws of the PRC with limited liability and is a direct wholly-owned subsidiary of the Target Company. Fushun Shunda and Shenyang Ruida are principally engaged in the manufacturing of parts and components of fire engines.

As at the date of this announcement, the shareholding structure of the Target Group is as follows:



Immediately after Completion, the shareholding structure of the Target Group is as follows:



Financial information of the Target Group

Based on the consolidated financial statements of the Target Group prepared in accordance with the Chinese Accounting Standards, the financial information of the Target Group for the two years ended 31 December 2016 and 2017 was approximately as follows:

	For the year ended	
	31 December	
	2016	2017
	(unaudited)	(audited)
	(RMB'000)	(RMB'000)
Revenue	617,287	654,493
Profit before taxation	66,815	77,254
Profit after taxation	55,172	65,426

The audited net asset value of the Target Group as at 31 December 2017 was approximately RMB699,300,000.

Upon completion of the Acquisition, the Target Company will become a non-wholly owned subsidiary of the Company and the financial information of the Target Group will be consolidated into the consolidated financial statements of the Group.

INFORMATION ON THE VENDORS

The Vendors are seven individuals who are PRC residents and collectively hold 100% of the equity interests in the Target Company as at the date of this announcement. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendors is a director of the Target Company and is or was, prior to his retirement, the senior management of the Target Group. Further details of the respective current or former role in the Target Group and the respective interests in the Target Company of the Vendors as at the date of this announcement are as follows:

- (i) Mr. Chen Yuhua has been the General Manager and the legal representative of the Target Company since 2005. He has over 29 years of service with the Target Group and has over 40 years of experience in the fire engine manufacturing industry. As at the date of this announcement, Mr. Chen Yuhua holds 34.70% of the equity interests in the Target Company.
- (ii) Mr. Liu Jinggui has over 39 years of service with the Target Group and was the Head of the Technical Department of the Target Company prior to his retirement in 2013 and has subsequently been rehired by the Target Company to continue to work in the Technical Department of the Target Company. He has over 44 years of experience in the fire engine manufacturing industry. As at the date of this announcement, Mr. Liu Jinggui holds 21.00% of the equity interests in the Target Company.

- (iii) Mr. Wang Diansheng has been the Deputy General Manager of the Target Company since 2005. He has over 47 years of service with the Target Group and has over 47 years of experience in the fire engine manufacturing industry. As at the date of this announcement, Mr. Wang Diansheng holds 14.00% of the equity interests in the Target Company.
- (iv) Mr. Tang Zhenrong has over 40 years of service with the Target Group and was the person-in-charge of the Paint Department of the Target Company prior to his retirement in 2013 and has subsequently been rehired by the Target Company to continue to work in the Procurement Department of the Target Company. He has over 40 years of experience in the fire engine manufacturing industry. As at the date of this announcement, Mr. Tang Zhenrong holds 8.50% of the equity interests in the Target Company.
- (v) Mr. Zhang Xuefeng has been the Deputy Head of the Quality Assurance Department of the Target Company since 2005. He has over 27 years of service with the Target Group and has over 27 years of experience in the fire engine manufacturing industry. As at the date of this announcement, Mr. Zhang Xuefeng holds 8.50% of the equity interests in the Target Company.
- (vi) Mr. Xu Defu has over 39 years of service with the Target Group and was the person-in-charge of the Assemble Department of the Target Company prior to his retirement in 2018 and has subsequently been rehired by the Target Company to continue to work in the Procurement Department of the Target Company. He has over 39 years of experience in the fire engine manufacturing industry. As at the date of this announcement, Mr. Xu Defu holds 7.00% of the equity interests in the Target Company.
- (vii) Mr. Wang Yongsheng has been the person-in-charge of the Assemble Department of the Target Company since 2005. He has over 27 years of service with the Target Group and has over 27 years of experience in the fire engine manufacturing industry. As at the date of this announcement, Mr. Wang Yongsheng holds 6.30% of the equity interests in the Target Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendors is a third party independent of the Company and its connected persons.

INFORMATION ON THE GROUP

Information on the Purchaser

The Purchaser is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in the design and manufacturing of fire fighting equipment.

Information on the Group

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the production and sale of fire engines, the production and sale of fire prevention and fighting equipment, the design and manufacturing of passengers boarding bridges and auto stereoscopic parking systems, and the provision of integrated solutions of airport facility equipment, including airport logistic systems (baggage handling and material handling) and ground support equipment.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is one of the leading manufacturers of fire engines, fire prevention and fighting equipment in the PRC. In order to facilitate its business growth, the Group employs a number of strategies, including the formation of strategic alliances, as well as mergers and acquisitions of companies which can complement the Group's existing lines of business.

The principal business of the Target Group, being the manufacturing of fire engines and aerial lifting fire trucks in the PRC, is considered to be complementary to the Group's existing lines of business and would be a desirable natural expansion of the current business of the Group. As such, the Directors consider that the Acquisition is in line with the Group's business growth strategy through mergers and acquisitions of companies.

The Acquisition is expected to provide an excellent opportunity for the Group to strengthen its portfolio of fire engines and enlarge its geographical market coverage and production capacity. In addition, the Acquisition would allow the Group to have access to the Target Group's research and know-how, which the Group could leverage on to further accelerate the pace of its business development.

The Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition of the Company which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Equity Transfer Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Equity Transfer Agreement and the transactions contemplated thereunder; (ii) the financial and other information on the Group; (iii) the financial and other information on the Target Group; (iv) the unaudited pro forma financial information of the Enlarged Group upon completion of the Acquisition; and (v) the notice of the EGM, is expected to be despatched to the Shareholders on or before 15 October 2018, which is more than 15 business days after the publication of this announcement as more time will be needed for the preparation of certain information to be included in the circular.

GENERAL

As completion of the Acquisition is subject to the satisfaction or, if applicable, waiver of the Conditions Precedent, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“2018 Profit Guarantee”	has the meaning ascribed to it under the section headed “The Equity Transfer Agreement – Performance guarantee and Financial Compensation”
“Acquisition”	the acquisition of the Target Interests by the Purchaser from the Vendors pursuant to the Equity Transfer Agreement
“Adjusted Audited Net Profit”	the amount representing audited net profit of the Target Group as per the Auditors’ Report less (i) all non-recurring gain and loss and (ii) any increase in the profit as a result of anomalies in operating costs and expenses (including but not limited to unsustainable low-cost procurement, materials compensation, government subsidies and incentives)
“Aggregate Performance Guarantee”	has the meaning ascribed to it under the section headed “The Equity Transfer Agreement – Performance guarantee and Financial Compensation”

“Auditors’ Reports”	the auditors’ reports of the Target Group for the two years ended 31 December 2018 and 2019 issued by the audit firm designated by China International Marine Containers (Group) Co., Ltd.* (中國國際海運集裝箱(集團)股份有限公司), a company established in the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange and the Main Board of the Stock Exchange (Stock Code: 2039), and a controlling shareholder of the Company as at the date of this announcement
“Board”	the board of directors of the Company
“Changes to the Corporate Governance Structure”	the proposed changes to the structure of the board of directors, the supervisory committee, the senior management, the corresponding amendments to the articles of association of the Target Company and the joint appointment of a representative by the Purchaser and the Vendors pursuant to the terms of the Equity Transfer Agreement, further details of which are set out in the section headed “The Equity Transfer Agreement – Changes to the Corporate Governance Structure”
“Company”	CIMC-TianDa Holdings Company Limited (中集天達控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 445)
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“Completion Date”	the date of the Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration in the amount of RMB600,000,000 (subject to deductions) payable by the Purchaser to the Vendors for the Acquisition under the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“Disposal of Assets”	the disposal of certain assets of the Target Group by the Vendors and the Target Company in accordance with the instructions of the Purchaser pursuant to the Equity Transfer Agreement

“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Equity Transfer Agreement and the transactions contemplated thereunder
“Equity Transfer Agreement”	the equity transfer agreement dated 31 July 2018 entered into among the Purchaser, the Vendors and the Target Company in relation to the Acquisition
“Enlarged Group”	the Group and the Target Group
“Financial Compensation”	has the meaning ascribed to it under the section headed “The Equity Transfer Agreement – Performance guarantee and Financial Compensation”
“First Instalment”	the first instalment of the Consideration in the amount of RMB300,000,000 payable by the Purchaser to the Vendors pursuant to the Equity Transfer Agreement
“Fushun Shunda”	Fushun Shunda Fire Equipment Manufacturing Co., Ltd* (撫順順達消防設備製造有限公司), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of the Target Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), 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 of Hong Kong Limited
“Notice of Approval of the Registration of Change”	the notice of approval of the registration of change issued by the relevant company registration authority in respect of the Acquisition, the Changes to the Corporate Governance Structure and the relevant amendments to the articles of association of the Target Company
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Prepayment”	the prepayment in the amount of RMB300,000,000 payable by the Purchaser to the Vendors pursuant to the Equity Transfer Agreement
“Purchaser”	Allied Best (China) Fire Safety Appliances Manufacturing Co., Ltd.* (萃聯(中國)消防設備製造有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Remaining Balance”	the remaining balance of the Consideration in the amount of RMB150,000,000 (subject to deductions) payable by the Purchaser to the Vendors pursuant to the Equity Transfer Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Second Instalment”	the second instalment of the Consideration in the amount of RMB150,000,000 payable by the Purchaser to the Vendors pursuant to the Equity Transfer Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares from time to time
“Shenyang Ruida”	Shenyang Ruida Fire Equipment Manufacturing Co., Ltd.* (瀋陽銳達消防裝備製造有限公司), a company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Documents”	all certificates, seals, technical documentation, title certificates of the assets, debt and credit information, and financial and accounting system and information of the Target Group and other relevant information and documentation of the Target Group as requested by the Purchaser
“Target Company”	Shenyang Jietong Fire Truck Co., Ltd.* (瀋陽捷通消防車有限公司), a company established under the laws of the PRC with limited liability and is directly held as to 100% by the Vendors as at the date of this announcement

“Target Group”	collectively, the Target Company, Shenyang Ruida and Fushun Shunda
“Target Interests”	represent 60% of the equity interests directly held by the Vendors in the Target Company as at the date of this announcement
“Vendors”	seven individuals, namely, Mr. Chen Yuhua (陳玉華), Mr. Liu Jinggui (劉景貴), Mr. Wang Diansheng (王殿生), Mr. Tang Zhenrong (湯振榮), Mr. Zhang Xuefeng (張雪峰), Mr. Xu Defu (許德馥) and Mr. Wang Yongsheng (王永勝), who are PRC residents and collectively hold 100% of the equity interests in the Target Company as at the date of this announcement
“%”	per cent.

By order of the Board
CIMC-TianDa Holdings Company Limited
Li Ching Wah
Company Secretary

Hong Kong, 31 July 2018

As at the date of this announcement, the Company’s Directors are as follows:

<i>Dr. Li Yin Hui</i>	<i>Chairman and Non-executive Director</i>
<i>Mr. Jiang Xiong</i>	<i>Honorary Chairman and Executive Director</i>
<i>Mr. Zheng Zu Hua</i>	<i>Executive Director</i>
<i>Mr. Luan You Jun</i>	<i>Executive Director</i>
<i>Mr. Yu Yu Qun</i>	<i>Non-executive Director</i>
<i>Mr. Robert Johnson</i>	<i>Non-executive Director</i>
<i>Dr. Loke Yu</i>	<i>Independent non-executive Director</i>
<i>Mr. Heng Ja Wei</i>	<i>Independent non-executive Director</i>
<i>Mr. Ho Man</i>	<i>Independent non-executive Director</i>

* *For identification purposes only*