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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)

INSIDE INFORMATION

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO
THE POTENTIAL ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 29 June 2018 (after trading hours), the Company and the Vendors entered into the non-legally binding Memorandum of Understanding in relation to the Potential Acquisition.

The Potential Acquisition, if materialises, may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) in relation to the Potential Acquisition will be made by the Company as and when appropriate.

As the Potential Acquisition is subject to the Definitive Agreement being entered into and may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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THE MEMORANDUM OF UNDERSTANDING

The principal terms of the Memorandum of Understanding are as follows:

- Date:** 29 June 2018

- Parties:**
 - (i) the Company, as prospective purchaser; and

 - (ii) the Vendors, as prospective vendors.

- Subject matter:** Pursuant to the Memorandum of Understanding, the Company (or any of its subsidiaries) intends to acquire, and the Vendors intend to sell, 60% of the equity interests in the Target Company.

- The Target Group:** The Vendors will ensure that the net assets of the Target Group at the time of the Potential Acquisition will not be less than RMB550 million.

- Consideration:** The Consideration is intended to be RMB600 million, to be determined in the Definitive Agreement.

- Exclusivity:** During the period of three months from the date of the Memorandum of Understanding, the Vendors shall not, without the Company’s prior consent, solicit, discuss, negotiate or enter into any agreement, letter of intent or memorandum of understanding with any other person or entity with respect to the disposal of the equity interests in the Target Company.

- Non legally-binding:** The terms of the Memorandum of Understanding are solely expressions of the intention of the Parties. Save for the provisions on exclusivity, confidentiality, governing law and dispute resolution and counterparts, the Memorandum of Understanding does not constitute a legally binding agreement between the Parties.

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.

INFORMATION ON THE VENDORS

The Vendors are seven individuals who are PRC residents. To the best of the Directors' knowledge, information and belief, 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

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 POTENTIAL 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 Directors consider that the Potential Acquisition is in line with the Group's business growth strategy and, if materialises, provides 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 Potential 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 are of the view that the terms of the Memorandum of Understanding, which were negotiated on an arm's length basis, are fair and reasonable and the Potential Acquisition is in the interest of the Company and the Shareholders as a whole.

GENERAL

The Potential Acquisition, if materialises, may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) in relation to the Potential Acquisition will be made by the Company as and when appropriate.

As the Potential Acquisition is subject to the Definitive Agreement being entered into and may or may not proceed, Shareholders and potential investors of the Company 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:

“Board”	the board of directors of the Company
“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)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration for the Potential Acquisition
“Definitive Agreement”	the formal sale and purchase agreement in relation to the Potential Acquisition which may or may not be entered into between the Company (or any of its subsidiaries) and the Vendors
“Director(s)”	director(s) of the Company
“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 of Hong Kong Limited
“Memorandum of Understanding”	the memorandum of understanding dated 29 June 2018 entered into between the Company and the Vendors in relation to the Potential Acquisition

“Parties”	the Company and the Vendors
“Potential Acquisition”	the potential acquisition of 60% of the equity interests in the Target Company by the Company (or any of its subsidiaries) from the Vendors, as contemplated under the Memorandum of Understanding
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	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”	the Target Company and its subsidiaries
“Vendors”	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
“%”	per cent.

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

Hong Kong, 29 June 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>