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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)

CONTINUING CONNECTED TRANSACTIONS

(1) EXCEEDED THE ANNUAL CAP FOR DEPOSIT SERVICES IN RESPECT OF

THE FINANCIAL SERVICES FRAMEWORK AGREEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

AND

(2) REVISED THE ANNUAL CAPS FOR DEPOSIT SERVICES IN RESPECT OF THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

FOR THE TWO YEARS ENDING 31 DECEMBER 2020

2018 DEPOSIT SERVICES ANNUAL CAP BEING EXCEEDED

Reference is made to the Announcement in relation to the Financial Services Framework Agreement.

Pursuant to the Financial Services Framework Agreement, CIMC Finance shall provide to the Group the Financial Services, which include (i) Deposit Services; (ii) loan services; and (iii) other financial services. The Financial Services Framework Agreement took effect on 29 June 2018 and shall be effective for the period up to 31 December 2020 and Annual Caps for Deposit Services, being the maximum daily closing cash balance of deposits, were set for the year ended 31 December 2018 and for the years ending 31 December 2019 and 2020.

When reviewing the Group's continuing connected transactions for the year ended 31 December 2018, it was noted that during the year ended 31 December 2018, the 2018 Actual Deposit Amount in the Group Savings Account exceeded the 2018 Deposit Services Annual Cap of RMB80,000,000 on 19 days. The 2018 Actual Deposit Amount for the 19 Exceeded Days ranged from RMB80,165,978 to RMB123,213,229.

REVISION OF ANNUAL CAPS FOR DEPOSIT SERVICES

In response to the 2018 Deposit Services Annual Cap being exceeded and the expected increase in cash deposits in the Group Savings Accounts in the future in light of the growth in business of the Group, the Original Annual Caps for Deposit Services contemplated under the Financial

Services Framework Agreement for the years ending 31 December 2019 and 2020 are revised.

As at the date of this announcement, the Original Annual Cap for Deposit Services for the year ending 31 December 2019 has not been exceeded.

Notwithstanding the revision of the Revised Annual Caps for Deposit Services for the years ending 31 December 2019 and 2020, the terms of the Financial Services Framework Agreement remain unchanged.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CIMC indirectly holds approximately 51.1% of the issued share capital of the Company and is the controlling shareholder of the Company. CIMC Finance is a wholly-owned subsidiary of CIMC. Accordingly, the CIMC and CIMC Finance are connected persons of the Company. Hence, each of the services contemplated under the Financial Services Framework Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the 2018 Deposit Services Annual Cap was exceeded, pursuant to Rule 14A.54 of the Listing Rules, the Company is required to re-comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratios in respect of the 2018 Actual Deposit Amount for each of the 19 Exceeded Days and the Revised Annual Caps for Deposit Services were more than 0.1% but less than 5%, the Deposit Services under the Financial Framework Agreement and the Revised Annual Caps for Deposit Services were subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under the Listing Rules.

Reference is made to the Announcement in relation to the Financial Services Framework Agreement. Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

Pursuant to the Financial Services Framework Agreement, CIMC Finance shall provide to the Group the Financial Services, which include (i) Deposit Services; (ii) loan services; and (iii) other financial services. The Financial Services Framework Agreement took effect on 29 June 2018 and shall be effective for the period up to 31 December 2020 and Annual Caps for Deposit Services, being the maximum daily closing cash balance of deposits, were set for the year ended 31 December 2018 and for the years ending 31 December 2019 and 2020.

2018 DEPOSIT SERVICES ANNUAL CAP BEING EXCEEDED

When reviewing the Group's continuing connected transactions for the year ended 31 December 2018, it was noted that during the year ended 31 December 2018, the 2018 Actual Deposit Amount in the Group Savings Account exceeded the 2018 Deposit Services Annual Cap of RMB80,000,000 on 19 days. The 2018 Actual Deposit Amount for the 19 Exceeded Days ranged from RMB80,165,978 to RMB123,213,229.

REASONS FOR EXCEEDING THE 2018 DEPOSIT SERVICES ANNUAL CAP

The 2018 Deposit Services Annual Cap was exceeded mainly due to reasons as follows:-

1. Loans advanced by CIMC Finance were directly deposited into the Group Savings Accounts. During the year ended 31 December 2018, there were occasions on which such loans were advanced at a time near the close of the banks' office hours, upon which the Group was not able to transfer the deposits out of the Group Saving Accounts in time and resulted in the daily closing balance of deposits exceeded the 2018 Deposit Services Annual Cap on certain days;
2. During the year ended 31 December 2018, there were occasions on which certain amounts were deposited by the Group into the Group Savings Accounts for loan repayment, of which CIMC Finance did not draw such repayment amount until the working day that followed, which resulted in the daily closing balance of deposits exceeded the 2018 Deposit Services Annual Cap on certain days;
3. During the year ended 31 December 2018, there were occasions on which certain amounts were deposited in the Group Saving Accounts on a date which fell on a Friday, in which the Group was not able to transfer such amount which exceeded the 2018 Deposit Services Annual Cap on the following Saturday and Sunday.
4. During the year ended 31 December 2018, there were occasions on which staff of the relevant subsidiaries of the Company deposited certain amounts to the Group Saving Accounts which exceeded the daily cap designated to the relevant subsidiaries of the Company.

Due to oversight, the staff of the relevant subsidiaries of the Company who are responsible for monitoring the compliance of the 2018 Deposit Services Annual Cap has overlooked the effect of the time gap between (i) the date(s) on which the loans were advanced by CIMC Finance to the Group Savings Accounts and the date(s) of withdrawal of such loans from the Group Savings Accounts; and (ii) the date(s) on which amounts were deposited in the Group Savings Accounts for loan repayment and the date(s) of withdrawal of such amounts by CIMC Finance from the Group Savings Accounts, on the closing cash balance of deposits in the Group Savings Accounts and inadvertently omitted to report the incidents in relation to the 2018 Deposit Services Annual Cap being exceeded to the Company. This oversight was only discovered until and during the course of reviewing the Group's continuing connected transactions for the year ended 31 December 2018 in March 2019.

REVISION OF ANNUAL CAPS FOR DEPOSIT SERVICES

As stated in the Announcement, the Original Annual Caps for Deposit Services contemplated under the Financial Services Framework Agreement were determined on the basis of several factors including (i) the strategies of the finance management of the Group; (ii) the development and financial needs of the Group during the term of the Financial Services Framework Agreement;

and (iii) the estimated business growth of the Group.

In response to the 2018 Deposit Services Annual Cap being exceeded and the expected increase in cash deposits in the Group Savings Accounts in the future in light of the growth in business of the Group, the Original Annual Caps for Deposit Services contemplated under the Financial Services Framework Agreement for the years ending 31 December 2019 and 2020 are revised.

In determining the Revised Annual Caps for Deposit Services, the Company has considered average fund flow of the Group, the loan facilities granted by CIMC Finance to the Group and the fund requirement of the Group. As the business of the Group has developed rapidly, the Board considers that the Original Annual Caps for Deposit Services contemplated under the Financial Services Framework Agreement for the years ending 31 December 2019 and 2020 would not be sufficient to accommodate with the demand of the Group for each of the years ending 31 December 2019 and 2020.

Set out below are the (i) Original Annual Caps for Deposit Services for the year ended 31 December 2018 and each of the years ending 31 December 2019 and 2020 (ii) 2018 Actual Deposit Amount (unaudited) which exceeded the 2018 Deposit Services Annual Cap for the year ended 31 December 2018; and (iii) Revised Annual Caps for Deposit Services for each of the years ending 31 December 2019 and 2020:

	Original Annual Caps for Deposit Services for the years ended/ending 31 December			Actual Deposit Amount which exceeded the 2018 Deposit Services Annual Cap for the year ended	Revised Annual Caps for Deposit Services	
	2018	2019	2020	2018	2019	2020
Maximum daily closing cash balance of deposits in the Group Savings Accounts	RMB80,000,000 (equivalent to approximately HK\$93,520,000)	RMB85,000,000 (equivalent to approximately HK\$99,365,000)	RMB90,000,000 (equivalent to approximately HK\$105,210,000)	Ranged from RMB80,165,978 (equivalent to approximately HK\$93,714,028) to RMB123,213,229 (equivalent to approximately HK\$144,036,265)	RMB150,000,000 (equivalent to approximately HK\$175,350,000)	RMB150,000,000 (equivalent to approximately HK\$175,350,000)

As at the date of this announcement, the Original Annual Cap for Deposit Services for the year ending 31 December 2019 have not been exceeded.

Notwithstanding the revision of the Revised Annual Caps for Deposit Services for the years ending 31 December 2019 and 2020, the terms of the Financial Services Framework Agreement remain unchanged.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

The entering into of the Financial Services Framework Agreement allows the Group to make full use of the Financial Services provided by CIMC Finance. Since the terms of services offered by CIMC Finance will be no less favourable to the Group than those offered by independent third party banks and/or financial institutions in the PRC and the Financial Services Framework Agreement is non-exclusive and does not limit the Group's choice in engaging any other financial services providers, it represents potential cost savings to the Group. The Group also expects to benefit from the efficient services from CIMC Finance as it has a good understanding of the Group's operations.

MEASURES ADOPTED BY THE COMPANY TO ENSURE FUTURE COMPLIANCE WITH THE LISTING RULES

To ensure the applicable Listing Rules requirements will be complied with going forward, the Group has adopted the following measures:

1. the Group has liaised with CIMC Finance such that CIMC Finance has assigned a specified staff to monitor the daily closing balances of the Group Savings Accounts and will alert the Group to transfer the excess fund out of the Group Savings Accounts in the event that the Annual Cap for the Deposit Services is likely to be exceeded;
2. the Company will segregate the loans to be borrowed from CIMC Finance into smaller sums and will instruct CIMC Finance to release such sums to the Group Savings Accounts on different days to avoid accumulation of excess funds in the Group Savings Accounts;
3. the Group has liaised with CIMC Finance such that the drawing of the loan repayment amount out of the Group Savings Accounts will be made on a more timely manner; and
4. the Group will closely monitor the daily closing balances of the Group Savings Accounts on a daily basis and approval from head office must be obtained before funds are deposited into the Group Savings Accounts by any of the subsidiaries of the Company to ensure that the total amount of deposits in the Group Savings Accounts will not exceed the annual caps for the Deposit Services.

GENERAL INFORMATION

The Group is principally engaged in fire engines and fire equipment business. It is also engaged in the design and manufacturing of passenger boarding bridges, auto stereoscopic parking systems and provision of integrated solutions of airport facility equipment including airport logistic systems (baggage handling and material handling) and ground support equipment.

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

CIMC is principally engaged in the container manufacturing and service business, road transportation vehicle business, energy, chemical and food equipment business, offshore engineering business, airport facilities equipment business and fire safety business.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CIMC indirectly holds approximately 51.1% of the issued share capital of the Company and is the controlling shareholder of the Company. CIMC Finance is a wholly-owned subsidiary of CIMC. Accordingly, the CIMC and CIMC Finance are connected persons of the Company. Hence, each of the services contemplated under the Financial Services Framework Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors but excluding Dr. Li Yin Hui, Mr. Zheng Zu Hua, Mr. Luan You Jun and Mr. Yu Yu Qun, who abstained from voting at the meeting of the Board due to conflict of interest) consider that the Deposit Services under the Financial Framework Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Having considered the factors in determining the Revised Annual Caps for Deposit Services as set out in the section headed “Revision of Annual Caps for Deposit Services” above, the Board (including the independent non-executive Directors but excluding Dr. Li Yin Hui, Mr. Zheng Zu Hua, Mr. Luan You Jun and Mr. Yu Yu Qun, who abstained from voting at the meeting of the Board due to conflict of interest) are also of the view that the Revised Annual Caps for Deposit Services are fair and reasonable.

The Board (including the independent non-executive Directors but excluding Dr. Li Yin Hui, Mr. Zheng Zu Hua, Mr. Luan You Jun and Mr. Yu Yu Qun, who abstained from voting at the meeting of the Board due to conflict of interest) has considered, approved and ratified the 2018 Actual Deposit Amount for each of the 19 Exceeded Days and the Revised Annual Caps for Deposit Services.

As the 2018 Deposit Services Annual Cap was exceeded, pursuant to Rule 14A.54 of the Listing Rules, the Company is required to re-comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratios in respect of the 2018 Actual Deposit Amount for each of the 19 Exceeded Days and the Revised Annual Caps for Deposit Services were more than 0.1% but less than 5%, the Deposit Services under the Financial Framework Agreement and the Revised Annual Caps for Deposit Services were subject to the reporting, announcement and annual review requirements and are exempt from the independent shareholders’ approval requirements under the Listing Rules.

DEFINITIONS

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

“2018 Actual Deposit Amount”	the actual daily closing cash balance of deposits in the Group Savings Accounts for the year ended 31 December 2018
“2018 Deposit Services Annual Cap”	the maximum daily closing cash balance of deposits in the Group Savings Accounts of RMB80,000,000 for the year ended 31 December 2018
“Announcement”	the announcement of the Company dated 29 June 2018 in relation to the Financial Services Framework Agreement entered into between the Company and CIMC Finance
“connected person(s)”, “controlling shareholder” and “subsidiary(ies)”	have the meanings ascribed to them 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 shares of which are listed on the Shenzhen Stock Exchange (Stock code: 000039) and the Main Board of the Stock Exchange (H Share Stock code: 2039), and the controlling shareholder of the Company, indirectly holding approximately a 51.1% interest in the Company
“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
“Company”	中集天達控股有限公司 (CIMC-TianDa Holdings Company Limited), a company incorporated with limited liability in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Deposit Services”	the deposit services provided by CIMC Finance to the Group under the Financial Services Framework Agreement

“Directors”	the directors of the Company
“Exceeded Day(s)”	the days on which the 2018 Actual Deposit Amount exceeded the 2018 Deposit Services Annual Cap
“Financial Services”	the financial services to be provided under the Financial Services Framework Agreement
“Financial Services Framework Agreement”	the financial services framework agreement dated 29 June 2018 entered into between the Company and the CIMC Finance in respect of the provision of the Financial Services to the Group
“Group”	the Company and its subsidiaries
“Group Savings Account(s)”	relevant saving accounts of the subsidiaries of the Company maintained with CIMC Finance
“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
“Original Annual Caps for Deposit Services”	the original maximum daily closing cash balance for the Deposit Services per annum for the year ended 31 December 2018 and for the years ending 31 December 2019 and 2020 as disclosed in the Announcement
“PRC”	People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Revised Annual Caps for Deposit Services”	the revised maximum daily closing cash balance for the Deposit Services per annum for the years ending 31 December 2019 and 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

Per cent

For the purposes of this announcement, the exchange rate RMB1 = HK\$1.169 has been used for currency translation, where applicable. Such exchange rate is for illustration purposes only and does not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted at such rate.

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

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>

Hong Kong, 13 March 2019