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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)

CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF 10% EQUITY INTEREST IN SHENZHEN CIMC HUIJIE SUPPLY CHAIN CO., LTD

THE DISPOSAL

The Board announces that on 21 June 2019 (after trading hours of the Stock Exchange), Allied Best (China), being an indirect wholly-owned subsidiary of the Company, entered into the Disposal Agreement with CIMC Investment, pursuant to which Allied Best (China) has conditionally agreed to dispose of and CIMC Investment has conditionally agreed to acquire the Sale Capital in Huijie at a nominal consideration. As Allied Best (China) has not made its capital contribution of RMB10,000,000 to the registered capital of RMB100,000,000 of Huijie as at the date of the Disposal Agreement, CIMC Investment shall assume the obligation of Allied Best (China) to contribute RMB10,000,000 to the registered capital of Huijie upon completion of the Disposal Agreement.

As at the date of this announcement, Huijie is owned as to 40% by CIMC Investment, 25% by CIMC Technology, 10% by Enric Shenzhen, 15% by Shenzhen Shangyi and 10% by Allied Best (China). Upon Completion, Allied Best (China) shall cease to hold any interest in Huijie and shall no longer be obliged to contribute RMB10,000,000 to the registered capital of Huijie.

LISTING RULES IMPLICATIONS

CIMC Investment is a direct wholly-owned subsidiary of CIMC, which is the controlling shareholder of the Company, and hence a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction on the part of the Company.

As all the applicable percentage ratios (as defined in the Listing Rules) in respect of the

Disposal exceed 0.1% but are less than 5%, the Disposal is subject to the reporting and announcement requirements, but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Completion is subject to the fulfillment of the conditions precedent set out in the Disposal Agreement and therefore the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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THE DISPOSAL AGREEMENT

The principal terms of the Disposal Agreement are as follows:

- Date: 21 June 2019
- Parties: (i) Allied Best (China), as the vendor; and
(ii) CIMC Investment, as the purchaser

As at the date of this announcement, each of CIMC Investment and Allied Best (China) is a beneficial owner of 40% and 10% equity interest in Huijie respectively.

Allied Best (China) is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company.

CIMC Investment is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of CIMC, which is the controlling shareholder of the Company. As such, CIMC Investment is a connected person of the Company under Chapter 14A of the Listing Rules.

Assets to be disposed of

Pursuant to the terms and conditions of the Disposal Agreement, Allied Best (China) has conditionally agreed to dispose of and CIMC Investment has conditionally agreed to acquire the Sale Capital.

Consideration

As at the date of this announcement, Allied Best (China) has not made its capital contribution of RMB10,000,000 to the registered capital of RMB100,000,000 of Huijie. As such, the consideration for the Disposal is RMB 1 which shall be satisfied within 30 days from the date of Completion by cash and CIMC Investment shall instead assume the obligation of Allied Best (China) to contribute RMB10,000,000 to the registered capital of Huijie upon Completion.

The consideration for the Disposal was determined after arm's length negotiations between Allied Best (China) and CIMC Investment after taking into consideration (i) the reasons for and benefits of the Disposal as set out in the section headed "Reasons for and benefits of the Disposal" in this announcement; and (ii) the financial position of the Disposal Group as at 31 May 2019.

Conditions precedent

Completion is conditional upon the fulfillment of the following conditions:

- (i) all necessary consents, authorisations, licences and approvals required to be obtained on the part of Allied Best (China) and Huijie in respect of the Disposal Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (ii) all necessary consents, authorisations, licences and approvals required to be obtained on the part of CIMC Investment in respect of the Disposal Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (iii) the passing of such resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder by the shareholder(s) and director(s) of Huijie; and
- (iv) the business registration procedures with the relevant administrative authority for industry and commerce in the PRC in relation to the Disposal having been completed by Huijie.

All conditions above are incapable of being waived by the parties to the Disposal Agreement. If any of the conditions mentioned above has not been fulfilled on or before 30 September 2019 or such other date as Allied Best (China) and CIMC Investment may otherwise agree, the Disposal Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Pre-emptive Rights

For the purpose of the Disposal, the other existing shareholders of Huijie, namely CIMC Technology, Enric Shenzhen and Shenzhen Shangyi, have agreed not to exercise their pre-emptive rights to purchase the Sale Capital.

Completion

Completion shall take place on the date which all the conditions above are fulfilled.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Group comprises Huijie and its direct wholly-owned subsidiary, namely Ningbo Ximake.

Huijie is a company established in the PRC on 13 July 2018 with limited liability. As at the date of this announcement, Huijie is owned as to 40% by CIMC Investment, 25% by CIMC Technology, 10% by Enric Shenzhen, 15% by Shenzhen Shangyi and 10% by Allied Best (China). It is principally engaged in the provision of procurement services. Its target customers are CIMC and its subsidiaries and business enterprises outside the CIMC Group. Huijie is mainly focused on ancillary materials for production such as chemical materials, paint, engine oil, etc., hazardous waste treatment and machinery repair and maintenance services.

Ningbo Ximake is a company established in the PRC with limited liability and the entire equity interest of which was acquired by Huijie on 24 December 2018. It is principally engaged in the trading of labour protection supplies such as protective clothing, masks, gloves and earplugs, and handheld tools.

Financial information of the Disposal Group

Set out below is a summary of the unaudited consolidated financial information on the Disposal Group for the period from the date of its establishment (i.e. 13 July 2018) to 31 December 2018 and the five months ended 31 May 2019:

	For the five months ended 31 May 2019	For the period from the date of establishment to 31 December 2018
	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>RMB</i>	<i>RMB</i>
Revenue	101,060,352	101,948,288
Profit before taxation	808,574	2,447,845
Profit after taxation	680,295	1,803,281

As at 31 May 2019, the unaudited consolidated net asset value of the Disposal Group was approximately RMB78,530,149.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in 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.

Huijie is principally engaged in the provision of procurement services. As at the date of this announcement, Allied Best (China) has not made its capital contribution of RMB10,000,000 to the registered capital of Huijie. Upon Completion, Allied Best (China) shall no longer be obliged to contribute RMB10,000,000 to the registered capital of Huijie, which in turn will enable the Company to better allocate its financial resources on the development of its core businesses. Hence, the Directors consider that the Disposal would further enhance the development of the Group's core businesses, including but not limited to the manufacture of fire engines, fire prevention and fighting equipment in the PRC, by focusing more resources on its development.

Based on the above factors, the Directors (including the independent non-executive Directors) consider that the entering into of the Disposal Agreement and the terms of the Disposal, including the consideration, are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

The Group is not expected to record any material gain or loss in connection with the Disposal. The actual financial impact in connection with the Disposal will be assessed after Completion and is subject to audit. The proceeds from the Disposal will be retained as internal resources of the Group.

Upon Completion, Allied Best (China) shall cease to hold any interest in the Disposal Group and the Disposal Group shall also cease to be accounted for as associated companies of the Group. Upon Completion, Allied Best (China) shall no longer be obliged to contribute RMB10,000,000 to the registered capital of Huijie.

LISTING RULES IMPLICATIONS

CIMC Investment is a direct wholly-owned subsidiary of CIMC, which is the controlling shareholder of the Company, and hence a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction on the part of the Company.

As all the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 0.1% but are less than 5%, the Disposal is subject to the reporting and announcement requirements, but exempted from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save for Dr. Li Yin Hui, Mr. Zheng Zu Hua, Mr. Luan You Jun and Mr. Yu Yu Qun, who are the Directors nominated by CIMC and have therefore abstained from voting on the relevant resolution(s) of the Board approving the Disposal, none of the other Directors has material interest in the Disposal and is required to abstain from voting on the relevant resolution(s).

Completion is subject to the fulfillment of the conditions precedent set out in the Disposal Agreement and therefore the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Allied Best (China)”	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 in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CIMC”	China International Marine Containers (Group) Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2039)
“CIMC Investment”	Shenzhen CIMC Investment Co., Ltd* (深圳市中集投資有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of CIMC
“CIMC Technology”	CIMC Technology Co., Ltd* (中集技術有限公司), a company established in the PRC with limited liability and an indirect wholly owned subsidiary of CIMC
“Company”	CIMC-TianDa Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 445)
“Completion”	completion of the Disposal in accordance with terms and conditions of the Disposal Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

“Disposal”	the proposed disposal of the Sale Capital by Allied Best (China) to CIMC Investment pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the equity transfer agreement dated 21 June 2019 and entered into between Allied Best (China) and CIMC Investment in relation to the Disposal
“Disposal Group”	Huijie and its wholly-owned subsidiary, namely Ningbo Ximake
“Enric Shenzhen”	CIMC Enric Investment Holdings (Shenzhen) Ltd.* (中集安瑞科投資控股(深圳)有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of CIMC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huijie”	Shenzhen CIMC Huijie Supply Chain Co., Ltd.* (深圳中集匯杰供應鏈有限公司), a company established in the PRC with limited liability and an indirect non-wholly-owned subsidiary of CIMC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ningbo Ximake”	Ningbo Ximake Trading Co., Ltd.* (寧波西馬克貿易有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Huijie
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale Capital”	10% equity interest in Huijie, which is beneficially owned by Allied Best (China) as at the date of this announcement
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company

“Shenzhen Shangyi”	Shengzhen Shangyi Corporate Management Partnership (Limited Partnership)* (深圳市上壹企業管理合夥企業(有限合夥)), a limited partnership established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

* *The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*

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

Hong Kong, 21 June 2019

As at the date of this announcement, the Board comprises:

<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>