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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)**

**ADOPTION OF EQUITY INCENTIVE SCHEME  
OF A SUBSIDIARY  
AND  
CONNECTED TRANSACTION  
IN RELATION TO THE CAPITAL INCREASE OF A SUBSIDIARY**

**THE SCHEME**

The Board announces that it has resolved to adopt the implementation details of the Scheme to recognize the past and present contributions and to incentivize the future contributions by the Participants to the Liquid Food Business Unit.

Pursuant to the Scheme, Incentive Equity Interest in CIMC LPT will be granted to the Participants through the Partnership Platforms by way of subscribing for new registered capital in CIMC LPT.

The Participants (through the Partnership Platforms) will make a total capital contribution of approximately RMB83 million to subscribe for registered capital of approximately RMB44 million of CIMC LPT, representing approximately 6.33% of the enlarged registered capital of CIMC LPT upon completion of the Capital Increase pursuant to the Scheme, and the remaining capital contribution will be calculated as capital reserve of CIMC LPT.

**IMPLICATIONS UNDER THE LISTING RULES**

**Adoption of the Scheme**

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules.

## **The Capital Increase**

As (i) the General Partner (which is a connected person of the Company) has full control over the business operations and affairs of the Partnership Platforms; and (ii) certain Limited Partners are connected persons of the Company who hold in aggregate more than 30% of the equity in ESOP Platform 1 and ESOP Platform 3 respectively, according to the Listing Rules, the Partnership Platforms are connected persons of the Company by virtue of being associates of such Limited Partners and the General Partner. Accordingly, the subscription by the Partnership Platforms for the new registered capital of CIMC LPT pursuant to the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Increase are more than 0.1% but less than 5%, the entering into of the Capital Increase Agreement is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon completion of the Capital Increase, the Company's interest in CIMC LPT would decrease from 100% to approximately 93.67%. Therefore, the Capital Increase would constitute a deemed disposal of the Company under the Listing Rules. Given that all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Increase are less than 5%, the deemed disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Board announces that it has resolved to adopt the implementation details of the Scheme to recognize the past and present contributions and to incentivize the future contributions by the Participants to the Liquid Food Business Unit.

Pursuant to the Scheme, Incentive Equity Interest in CIMC LPT will be granted to the Participants through the Partnership Platforms by way of subscribing for new registered capital in CIMC LPT.

On 8 June 2022, the Partnership Platforms entered into the Capital Increase Agreement to subscribe for the Incentive Equity Interest. The total additional capital contribution to CIMC LPT will be approximately RMB83 million, which shall be funded by the Limited Partners through cash contribution to the Partnership Platforms. After completion of the Capital Increase, the Partnership Platforms will hold approximately 6.33% of the enlarged registered capital of CIMC LPT.

## **THE SCHEME**

The principal terms of the Scheme are summarized as follows:

### **PURPOSES**

The purposes of the Scheme are to provide incentives to the Participants to (i) encourage the management to achieve performance targets to enhance the value of the Group in the future; and (ii) retain the management and core employees to continue to serve and contribute to the Group and the Liquid Food Business Unit and align the interests of such employees with that of the Company.

### **PARTICIPANTS**

#### **Basis for selecting the Participants**

The Participants shall be the management and core employees of the Liquid Food Business Unit or the Group who have made and shall continue to make significant contributions to the Liquid Food Business Unit or the Group, having been employed for five months or more as at the Grant Date and will continue to serve the Liquid Food Business Unit or the Group for a long period from the Grant Date unless a special exemption for the minimum employment period has been granted to newly recruited core employees for the business.

The Scheme shall involve 82 Participants. The specific list of Participants and the amount of capital contribution to be made by each of them shall be assessed and determined by the Board in accordance with the Scheme.

### **INCENTIVE EQUITY INTEREST TO BE GRANTED UNDER THE SCHEME**

#### **Form of Incentive Equity Interest to be granted under the Scheme**

The Partnership Platforms will hold the Incentive Equity Interest for and on behalf of the Participants. The Participants shall contribute capital to become a Limited Partner of the Partnership Platforms. The Participants will not directly hold Incentive Equity Interest in CIMC LPT.

## **Basis for determination of the subscription price for the Incentive Equity Interest**

The subscription price for the Incentive Equity Interest shall be determined by the net asset value of CIMC LPT as shown in its financial records as at 31 December 2020 with a multiplier factor applied. The total subscription price payable by the Partnership Platforms to CIMC LPT shall be approximately RMB83 million. The slight delay in the implementation of the Scheme was caused by the preparation of the notarization and apostille documentation in the respective residential countries required by Chinese related authorities to register non-Chinese employees as Limited Partners during the challenging COVID-19 times in their respective countries, Chinese restriction policies for international couriers containing original legal documents as well as prior foreign currency control approvals needed to be obtained for non-Chinese employees to remit the funds to the respective Partnership Platforms.

## **Amount of Incentive Equity Interest to be granted under the Scheme and its percentage of the registered capital of CIMC LPT**

The Incentive Equity Interest proposed to be granted to the Participants pursuant to the Scheme represents approximately 6.33% of the enlarged registered capital of CIMC LPT after the completion of the Capital Increase. ESOP Platform 1 will inject approximately RMB28 million, ESOP Platform 2 will inject approximately RMB9 million and ESOP Platform 3 will inject approximately RMB46 million, to subscribe for registered capital of approximately RMB15 million, RMB5 million and RMB24 million of CIMC LPT respectively, which represents approximately 2.17%, 0.68% and 3.48% of the enlarged registered capital of CIMC LPT after completion of the Capital Increase respectively.

## **LOCK-UP PERIOD**

The Incentive Equity Interest shall be subject to a Lock-up Period. During the Lock-up Period, Participants are not permitted to dispose of or otherwise deal with their Incentive Equity Interest, and the Partnership Platforms shall not dispose of any part of their Incentive Equity Interest.

## **THE CAPITAL INCREASE AGREEMENT**

The principal terms of the Capital Increase Agreement are summarized as follows:

<b>Date</b>	:	8 June 2022
<b>Parties</b>	:	(1) ESOP Platform 1; (2) ESOP Platform 2; (3) ESOP Platform 3; and (4) CIMC LPT

- Capital Increase** : As at the date of this announcement, CIMC LPT has a registered capital of RMB650 million.
- ESOP Platform 1 will inject approximately RMB28 million, ESOP Platform 2 will inject approximately RMB9 million and ESOP Platform 3 will inject approximately RMB46 million, to subscribe for registered capital of approximately RMB15 million, RMB5 million and RMB24 million of CIMC LPT respectively, which represents approximately 2.17%, 0.68% and 3.48% of the enlarged registered capital of CIMC LPT respectively, which will be funded by the Participants. The remaining capital contribution will be calculated as capital reserve of CIMC LPT.
- Upon completion of the Capital Increase, the registered capital of CIMC LPT will increase to approximately RMB694 million. The capital contribution in CIMC LPT made by Sound Winner, ESOP Platform 1, ESOP Platform 2 and ESOP Platform 3 will be approximately 93.67%, 2.17%, 0.68% and 3.48% respectively. CIMC LPT will continue to be a subsidiary of the Company.
- Payment of the capital contribution and the date of completion** : The respective capital contribution of ESOP Platform 1, ESOP Platform 2 and ESOP Platform 3 shall be paid to CIMC LPT in cash before 31 December 2022. The date of completion shall be the registration of all the information required for the Capital Increase with the relevant authorities.

## EQUITY-HOLDING STRUCTURE OF CIMC LPT

The table below sets forth the equity-holding structure of CIMC LPT before and immediately following the Capital Increase for illustrative purpose only (assuming that there is no other change in the equity-holding structure of CIMC LPT between the date of this announcement and the Grant Date).

Equity holder	Equity-holding structure before the Capital Increase		Equity-holding structure immediately following the Capital Increase	
	Registered capital RMB'000	Percentage of the registered capital of CIMC LPT	Registered capital contribution RMB'000	Approximate percentage of the registered capital of CIMC LPT
<b>Sound Winner</b>	<b>650,000</b>	<b>100%</b>	<b>650,000</b>	<b>93.67%</b>
<b>ESOP Platform 1</b>	–	–	<b>15,012</b>	<b>2.17%</b>
– connected Participants	–	–	7,494	1.08%
– non-connected Participants	–	–	7,518	1.09%
<b>ESOP Platform 2</b>	–	–	<b>4,731</b>	<b>0.68%</b>
– non-connected Participants	–	–	4,731	0.68%
<b>ESOP Platform 3</b>	–	–	<b>24,170</b>	<b>3.48%</b>
– connected Participants	–	–	16,585	2.39%
– non-connected Participants	–	–	7,585	1.09%
<b>Total</b>	<b><u>650,000</u></b>	<b><u>100%</u></b>	<b><u>693,913</u></b>	<b><u>100%</u></b>

The connected Participant of ESOP Platform 1 is 1 connected person of the Company, namely Mr. Ko Brink, who has subscribed for approximately 1.08% of the enlarged registered capital of CIMC LPT. ESOP Platform 2 has no connected Participant. The connected Participants of ESOP Platform 3 are 6 connected persons of the Company, namely Mr. Gao Xiang, Mr. Yang Xiaohu, Mr. Zeng Han, Mr. Wang Yu, Mr. Lai Zeqiao and Ms. Zhong Yingxin, who have subscribed for approximately 0.63%, 1.25%, 0.10%, 0.10%, 0.15% and 0.16% of the enlarged registered capital of CIMC LPT respectively.

## **REASONS FOR AND BENEFITS OF THE ADOPTION OF THE SCHEME**

The Participants are the management and core employees who are important to and have made and will continue to make significant contributions to the Liquid Food Business Unit or the Group. The Company considers employees to be the most valuable assets of the Group and the granting of the Incentive Equity Interest will provide additional incentive for the Participants to continue to contribute to the Liquid Food Business Unit and the Group.

The proceeds from the Capital Increase are intended to be applied to the general working capital of CIMC LPT.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Scheme are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. The entering into of the Capital Increase Agreement would constitute a connected transaction of the Company, despite the relevant transaction was not entered into in the ordinary and usual course of business of the Group, it was entered into upon normal commercial terms and the terms of the connected transaction are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Mr. Gao Xiang is the chairman of the Company, Mr. Yang Xiaohu is a director of the Company and the chairman of CIMC LPT, and Mr. Zeng Han and Mr. Wang Yu are directors of the Company, in view of their interests in the relevant Partnership Platforms as disclosed above, they are deemed or may be perceived to have a material interest in the transactions contemplated under the Scheme. Accordingly, they have abstained from voting on the relevant Board resolutions approving the Scheme and the Capital Increase Agreement. Save as disclosed in this announcement, no other Directors have or may be perceived to have a material interest in the transactions contemplated under the Scheme or are required to abstain from voting on the relevant Board resolutions under the requirements of the Listing Rules.

## **INFORMATION ABOUT THE PARTIES**

### **CIMC LPT and the Group**

CIMC LPT is principally engaged in equipment manufacturing in the liquid food business and the provision of related project-engineering services for the liquid food industry on a global scale. As at the date of this announcement, the ultimate controlling party of CIMC LPT is the Company.

The following table sets out certain consolidated financial information of CIMC LPT and its subsidiaries for the two financial years ended 31 December 2020 and 31 December 2021:

	<b>For the financial year ended</b>	
	<b>31 December</b>	
	<b>2020</b>	<b>2021</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net profit before tax	573,895	538,370
Net profit after tax	416,435	397,284

The unaudited consolidated net asset value of CIMC LPT as at 31 December 2021 was approximately RMB1,392 million.

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, as well as the provision of technical maintenance services for, a wide range of transportation, storage and processing equipment used in the clean energy, chemical and environmental and liquid food industries. As at the date of this announcement, the Directors consider the ultimate controlling party of the Company to be CIMC.

### **The Partnership Platforms**

ESOP Platform 1 is a limited partnership enterprise established in the PRC and is principally engaged in enterprise management and carrying out investment activities with its own funds. The General Partner of ESOP Platform 1 is Shenzhen Pengrui Senmao Investment Development Co., Ltd.. For the Limited Partners of ESOP Platform 1, 1 is a connected person of the Company, namely Mr. Ko Brink (a director of CIMC LPT).

ESOP Platform 2 is a limited partnership enterprise established in the PRC and is principally engaged in enterprise management and carrying out investment activities with its own funds. The General Partner of ESOP Platform 2 is Shenzhen Pengrui Senmao Investment Development Co., Ltd.. For the Limited Partners of ESOP Platform 2, none are connected persons of the Company.

ESOP Platform 3 is a limited partnership enterprise established in the PRC and is principally engaged in enterprise management and carrying out investment activities with its own funds. The General Partner of ESOP Platform 3 is Shenzhen Pengrui Senmao Investment Development Co., Ltd.. For the Limited Partners of ESOP Platform 3, 6 are connected persons of the Company, namely Mr. Gao Xiang (chairman of the Company), Mr. Yang Xiaohu (a director of the Company, and chairman of CIMC LPT), Mr. Zeng Han (a director of the Company), Mr. Wang Yu (a director of the Company), Mr. Lai Zeqiao (a director of CIMC LPT) and Ms. Zhong Yingxin (a director of CIMC LPT).



To the best of the Company's knowledge, information and belief and having made all reasonable enquiries, each of the connected Participants is not connected with any other connected Participants.

### **The General Partner**

Shenzhen Pengrui Senmao Investment Development Co., Ltd. is a limited liability company established in the PRC principally engaged in enterprise management and carrying out investment activities with its own funds, and its equity is held as to 95% by Mr. Yang Xiaohu and 5% by an employee of the Group who is not a connected person of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **Adoption of the Scheme**

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules.

### **The Capital Increase**

As (i) the General Partner (which is a connected person of the Company) has full control over the business operations and affairs of the Partnership Platforms; and (ii) certain Limited Partners are connected persons of the Company who hold in aggregate more than 30% of the equity in ESOP Platform 1 and ESOP Platform 3 respectively, according to the Listing Rules, the Partnership Platforms are connected persons of the Company by virtue of being associates of such Limited Partners and the General Partner. Accordingly, the subscription by the Partnership Platforms for the new registered capital of CIMC LPT pursuant to the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Increase are more than 0.1% but less than 5%, the entering into of the Capital Increase Agreement is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon completion of the Capital Increase, the Company's interest in CIMC LPT would decrease from 100% to approximately 93.67%. Therefore, the Capital Increase would constitute a deemed disposal of the Company under the Listing Rules. Given that all of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Increase are less than 5%, the deemed disposal does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

## 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
“Capital Increase”	the capital increase made by the Partnership Platforms to CIMC LPT to subscribe for Incentive Equity Interest in CIMC LPT pursuant to the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 8 June 2022 entered into among ESOP Platform 1, ESOP Platform 2, ESOP Platform 3 and CIMC LPT in relation to the Capital Increase
“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 (as defined under the Listing Rules) of the Company
“CIMC LPT”	CIMC Liquid Process Technologies Co., Ltd. (中集安瑞醇科技有限公司), a wholly-owned subsidiary of the Company, which will become an approximately 93.67% owned subsidiary of the Company upon completion of the Capital Increase
“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
“Director(s)”	director(s) of the Company

“ESOP Platform 1”	Zhuhai Pengrui Yingxi Enterprise Administration Partnership (Limited Partnership) (珠海鵬瑞滢璽企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC as an equity-holding platform for certain employees
“ESOP Platform 2”	Zhuhai Yunhao Enterprise Administration Partnership (Limited Partnership) (珠海韻濠企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC as an equity-holding platform for certain employees
“ESOP Platform 3”	Zhuhai Pengrui Runxi Enterprise Administration Partnership (Limited Partnership) (珠海鵬瑞潤璽企業管理合夥企業(有限合夥)), a limited liability partnership established in the PRC as an equity-holding platform for certain employees
“General Partner”	Shenzhen Pengrui Senmao Investment Development Co., Ltd. (深圳市鵬瑞森茂投資發展有限公司), being the general partner of ESOP Platform 1, ESOP Platform 2 and ESOP Platform 3, and a connected person of the Company
“Grant Date”	the date on which the Incentive Equity Interest is granted to the Participants through the Partnership Platforms in accordance with the Scheme
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Incentive Equity Interest”	the incentive equity interest in CIMC LPT granted under the Scheme for subscription by the Participants through the Partnership Platforms
“Limited Partners”	limited partners of the Partnership Platforms, being the Participants who have become holders of incentive equity interests in ESOP Platform 1, ESOP Platform 2 or ESOP Platform 3 (as the case may be) in accordance with the Scheme, and each a “Limited Partner”

“Liquid Food Business Unit”	CIMC LPT and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Period”	the respective stipulated period for ESOP Platform 1, ESOP Platform 2 or ESOP Platform 3 commencing from the Grant Date to a date as stipulated by the Company, during which the Limited Partners may not dispose of any portion or the whole of the incentive equity interests in ESOP Platform 1, ESOP Platform 2 or ESOP Platform 3 and the Incentive Equity Interest
“Participants”	certain senior management and employees of the Liquid Food Business Unit or the Group (as the case may be) who are eligible to participate in the Scheme, and each a “Participant”
“Partnership Platforms”	ESOP Platform 1, ESOP Platform 2 and ESOP Platform 3 respectively
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan region
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Scheme”	the share incentive scheme of CIMC LPT adopted by the Board
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Sound Winner”	Sound Winner Holdings Limited, a wholly-owned subsidiary of the Company holding 100% of the registered capital of CIMC LPT before the Capital Increase

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

By order of the Board  
**CIMC Enric Holdings Limited**  
**GAO Xiang**  
*Chairman*

Hong Kong, 8 June 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.*