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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)**

### **CONTINUING CONNECTED TRANSACTIONS**

#### **Independent Financial Adviser to the Independent Board Committee**



**中國農信財務顧問有限公司**  
China AF Corporate Finance Limited

#### **CONTINUING CONNECTED TRANSACTIONS**

The Board announces that on 20 September 2018 (after trading hours of the Stock Exchange), the Company entered into the following Continuing Connected Transactions Agreements with CIMC Group:

- (i) the Master Sourcing Agreement;
- (ii) the Master Transportation Service Agreement;
- (iii) the Master Installation Service Agreement;
- (iv) the CIMC-Tianda Shenzhen Management Service Agreement;
- (v) the AZ Management Service Agreement; and
- (vi) the Master Sale and Purchase Agreement.

#### **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, and is therefore a connected person of the Company. As such, the transactions contemplated under the Master Sourcing Agreement, the Master Transportation Service Agreement, the Master Installation Service Agreement and the Master Sale and Purchase Agreement constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, CIMC-Tianda Shenzhen is an indirect wholly-owned subsidiary of CIMC, and is therefore a connected person of the Company. As such, the transactions contemplated under the CIMC-Tianda Shenzhen Management Service Agreement constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Albert Ziegler Beijing is an indirect non-wholly-owned subsidiary of CIMC, and is therefore a connected person of the Company. As such, the transactions contemplated under the AZ Management Service Agreement constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the Master Sourcing Agreement, the Master Transportation Service Agreement and the Master Installation Service Agreement, when aggregated, is more than 5% and the annual consideration, when aggregated, is expected to be more than HK\$10,000,000, the entering into of the Master Sourcing Agreement, the Master Transportation Service Agreement and the Master Installation Service Agreement are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement, when aggregated, is more than 5% and the annual consideration, when aggregated, is expected to be more than HK\$10,000,000, the entering into of the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Independent Board Committee (which consists of all the independent non-executive Directors) has been established to consider the terms of the Continuing Connected Transactions Agreements and to advise the Independent Shareholders as to whether the terms of the Continuing Connected Transactions Agreements, including their respective annual caps, and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations on the same to be given by the Independent Financial Adviser. The Company has appointed China AF as its Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Continuing Connected Transactions Agreements, including their respective annual caps and the transactions contemplated thereunder.

The EGM will be convened and held at which the Independent Shareholders will consider, and, if thought fit, approve the Continuing Connected Transactions Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder, a letter of recommendation from the Independent Board Committee, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions Agreements and a notice convening the EGM is expected to be despatched to the Shareholders on or before 19 October 2018 in compliance with the Listing Rules.

## CONTINUING CONNECTED TRANSACTIONS AGREEMENTS

The Board announces that on 20 September 2018 (after trading hours of the Stock Exchange), the Company entered into the following Continuing Connected Transactions Agreements with CIMC Group:

- (i) the Master Sourcing Agreement;
- (ii) the Master Transportation Service Agreement;
- (iii) the Master Installation Service Agreement;
- (iv) the CIMC-Tianda Shenzhen Management Service Agreement;
- (v) the AZ Management Service Agreement; and
- (vi) the Master Sale and Purchase Agreement.

Details of each of the Continuing Connected Transactions Agreements are set out below.

### (i) THE MASTER SOURCING AGREEMENT

**Date:** 20 September 2018

**Parties:** (i) CIMC, as provider;  
(ii) the Company, as purchaser

**Subject matter:** Sale of spare parts, raw materials, computer hardware, chassis, fire engines, firefighting equipment and/or provision of IT support services by the CIMC Group to the Group.

The Group may purchase from third parties and the CIMC Group may sell to third parties such spare parts, raw materials, computer hardware, chassis, fire engines, firefighting equipment and/or provision of IT support services.

**Term:** Subject to the approval of the Independent Shareholders, the term shall be commencing from the date on which the Master Sourcing Agreement becoming unconditional and ending on 31 December 2020.

**Condition precedent:** The Master Sourcing Agreement shall be conditional upon the Independent Shareholders' approval having been obtained.

**Pricing basis:**

The relevant member(s) of the Group and the relevant member(s) of the CIMC Group will enter into separate contract(s) with respect to the individual transactions contemplated under the Master Sourcing Agreement in accordance with the principal terms set out therein.

The terms, including the payment terms, will be determined on a transaction-by-transaction basis, and on normal commercial terms, or on terms no less favourable to the Group than terms available from Independent Third Parties.

The price of the spare parts, raw materials, computer hardware, chassis, fire engines, firefighting equipment and/or provision of IT support services contemplated under the Master Sourcing Agreement will be determined with reference to market price, being the price of the same type of spare parts, raw materials, computer hardware, chassis, fire engines, firefighting equipment and/or provision of IT support services provided by Independent Third Parties to the Group or provided by the CIMC Group to the Independent Third Parties at or near the same area in the ordinary course of business and on normal commercial terms.

The Group selects potential suppliers by reference to a number of factors such as their operation scale, product/service quality, cost, delivery arrangement, range of products/services and technology capability. Upon receiving purchase requests from the technical department/information management department, the procurement department of the Group will compare the material price and/or service price offered by the approved suppliers. The head of procurement department of the Group is responsible for approving the purchase orders and the Group will enter into purchase contracts with approved suppliers upon approval. The sourcing process and policy for all suppliers (including connected persons and Independent Third Parties) are the same.

### **Annual caps for the Master Sourcing Agreement**

The proposed annual caps for the years ending 31 December 2018, 31 December 2019 and 31 December 2020 for the Master Sourcing Agreement are set out below:

#### **Annual caps for the Master Sourcing Agreement for the years ending 31 December**

<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
4,000	52,000	60,000

In arriving at the above annual caps for the Master Sourcing Agreement, the Directors have taken into account the factors including but not limited to, (a) the strategies of the procurement management of the Group; (b) the expected development and business need of the Group during the term of the Master Sourcing Agreement; and (c) the expected business growth of the Group.

#### **(ii) THE MASTER TRANSPORTATION SERVICE AGREEMENT**

**Date:** 20 September 2018

**Parties:** (i) CIMC, as service provider;  
(ii) the Company, as service user

**Subject matter:** Provision of transportation service by the CIMC Group to the Group.

The Group may obtain from third parties and the CIMC Group may provide to third parties such transportation service.

**Term:** Subject to the approval of the Independent Shareholders, the term shall be commencing from the date on which the Master Transportation Service Agreement becoming unconditional and ending on 31 December 2020.

**Condition precedent:** The Master Transportation Service Agreement shall be conditional upon the Independent Shareholders' approval having been obtained.

**Pricing basis:**

The relevant member(s) of the Group and the relevant member(s) of the CIMC Group will enter into separate contract(s) with respect to the individual transactions contemplated under the Master Transportation Service Agreement in accordance with the principal terms set out therein.

The terms, including the payment terms, will be determined on a transaction-by-transaction basis, and on normal commercial terms, or on terms no less favourable to the Group than terms available from Independent Third Parties.

The service fees for the provision of transportation service contemplated under the Master Transportation Service Agreement will be determined with reference to market price, being the price of the same type of transportation service provided by Independent Third Parties to the Group or provided by the CIMC Group to the Independent Third Parties at or near the same area in the ordinary course of business and on normal commercial terms.

The Group selects potential suppliers by reference to a number of factors such as their operation scale, service quality, cost, delivery arrangement, range of services and technology capability. Upon receiving requests from the project management department of the Group, the procurement department of the Group will compare the transportation service fee offered by the approved suppliers. The head of procurement department of the Group is responsible for approving the purchase orders and the Group will enter into transportation service contracts with approved suppliers upon approval. The sourcing process and policy for all suppliers (including connected persons and Independent Third Parties) are the same.

### **Annual caps for the Master Transportation Service Agreement**

The proposed annual caps for the years ending 31 December 2018, 31 December 2019 and 31 December 2020 for the Master Transportation Service Agreement are set out below:

#### **Annual caps for the Master Transportation Service Agreement for the years ending 31 December**

<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
7,000	15,000	18,000

In arriving at the above annual caps for the Master Transportation Service Agreement, the Directors have taken into account the factors including but not limited to, (a) the strategies of the logistics management of the Group; (b) the expected development and business need of the Group during the term of the Master Transportation Service Agreement; and (c) the expected business growth of the Group.

### **(iii) THE MASTER INSTALLATION SERVICE AGREEMENT**

**Date:** 20 September 2018

**Parties:** (i) CIMC, as service provider;  
(ii) the Company, as service user

**Subject matter:** Provision of installation service for baggage, materials and warehouse handling systems by CIMC Group to the Group.

The Group may obtain from third parties and the CIMC Group may provide to third parties such installation service.

**Term:** Subject to the approval of the Independent Shareholders, the term shall be commencing from the date on which the Master Installation Service Agreement becoming unconditional and ending on 31 December 2020.

**Condition precedent:** The Master Installation Service Agreement shall be conditional upon the Independent Shareholders' approval having been obtained.



**Pricing basis:**

The relevant member(s) of the Group and the relevant member(s) of the CIMC Group will enter into separate contract(s) with respect to the individual transactions contemplated under the Master Installation Service Agreement in accordance with the principal terms set out therein.

The terms, including the payment terms, will be determined on a transaction-by-transaction basis, and on normal commercial terms, or on terms no less favourable to the Group than terms available from Independent Third Parties.

The service fees for the provision of installation service contemplated under the Master Installation Service Agreement will be determined with reference to market price, being the price of the same type of installation service provided by Independent Third Parties to the Group or provided by the CIMC Group to the Independent Third Parties at or near the same area in the ordinary course of business and on normal commercial terms.

The Group selects potential suppliers by reference to a number of factors such as their operation scale, service quality, cost, delivery arrangement, range of services and technology capability. Upon receiving requests from the project management department or technical department of the Group, the procurement department of the Group will compare the installation service fee offered by the approved suppliers. The head of procurement department of the Group is responsible for approving the purchase orders and the Group will enter into installation service contracts with approved suppliers upon approval. The sourcing process and policy for all suppliers (including connected persons and Independent Third Parties) are the same.

### **Annual caps for the Master Installation Service Agreement**

The proposed annual caps for the years ending 31 December 2018, 31 December 2019 and 31 December 2020 for the Master Installation Service Agreement are set out below:

#### **Annual caps for the Master Installation Service Agreement for the years ending 31 December**

<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
2,000	6,000	12,000

In arriving at the above annual caps for the Master Installation Service Agreement, the Directors have taken into account the factors including but not limited to, (a) the strategies of the resources management of the Group; (b) the expected development and business need of the Group during the term of the Master Installation Service Agreement; and (c) the expected business growth of the Group.

#### **(iv) THE CIMC-TIANDA SHENZHEN MANAGEMENT SERVICE AGREEMENT**

**Date:** 20 September 2018

**Parties:** (i) the Company, as service provider;  
(ii) CIMC-Tianda Shenzhen, as service user

CIMC-Tianda Shenzhen Limited, being a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CIMC, is a connected person of the Company.

**Subject matter:** Provision of management service, including but not limited to strategic management, financial management, marketing management and technical management, by the Group to CIMC-Tianda Shenzhen.

CIMC-Tianda Shenzhen may obtain from third parties and the Group may provide to third parties such management service.

- Term:** Subject to the approval of the Independent Shareholders, the term shall be commencing from the date on which the CIMC-Tianda Shenzhen Management Service Agreement becoming unconditional and ending on 31 December 2020.
- Condition precedent:** The CIMC-Tianda Shenzhen Management Service Agreement shall be conditional upon the Independent Shareholders' approval having been obtained.
- Fee:** Service fees are charged monthly based on the labour costs of the relevant employees of the Group, with reference to respective salaries level ranging from approximately RMB6,500 to approximately RMB42,000 and the discretionary bonus payable to the relevant employees, apportioned by the actual time spent on providing the relevant management services.

**Annual caps for the CIMC-Tianda Shenzhen Management Service Agreement**

The proposed annual caps for the years ending 31 December 2018, 31 December 2019 and 31 December 2020 for the CIMC-Tianda Shenzhen Management Service Agreement are set out below:

<b>Annual caps for the CIMC-Tianda Shenzhen Management Service Agreement for the years ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
1,000	4,000	5,000

In arriving at the above annual caps for the CIMC-Tianda Shenzhen Management Service Agreement, the Directors have taken into account the factors including but not limited to, (a) the service demand of CIMC-Tianda Shenzhen; and (b) the cost of labour of the Group.

(v) **THE AZ MANAGEMENT SERVICE AGREEMENT**

**Date:** 20 September 2018

**Parties:** (i) the Company, as service provider;  
(ii) Albert Ziegler Beijing, as service user

Albert Ziegler Beijing, being a company incorporated in PRC with limited liability and an indirect non-wholly-owned subsidiary of CIMC, is a connected person of the Company.

**Subject matter:** Provision of management service, including but not limited to strategic management, financial management, marketing management and technical management, by the Group to Albert Ziegler Beijing.

Albert Ziegler Beijing may obtain from third parties and the Group may provide to third parties such management service.

**Term:** Subject to the approval of the Independent Shareholders, the term shall be commencing from the date on which the AZ Management Service Agreement becoming unconditional and ending on 31 December 2020.

**Condition precedent:** The AZ Management Service Agreement shall be conditional upon the Independent Shareholders' approval having been obtained.

**Fee:** Service fees are charged monthly based on the labour costs of the relevant employees of the Group, with reference to respective salaries level ranging from approximately RMB20,000 to approximately RMB38,000 and the discretionary bonus payable to the relevant employees, apportioned by the actual time spent on providing the relevant management services.

### **Annual caps for the AZ Management Service Agreement**

The proposed annual caps for the years ending 31 December 2018, 31 December 2019 and 31 December 2020 for the AZ Management Service Agreement are set out below:

#### **Annual caps for the AZ Management Service Agreement for the years ending 31 December**

<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
450	1,800	2,000

In arriving at the above annual caps for the AZ Management Service Agreement, the Directors have taken into account the factors including but not limited to, (a) the service demand of Albert Ziegler Beijing; and (b) the cost of labour of the Group.

#### **(vi) THE MASTER SALE AND PURCHASE AGREEMENT**

**Date:** 20 September 2018

**Parties:** (i) the Company, as seller;  
(ii) CIMC, as purchaser

**Subject matter:** Sale of fire engines, firefighting equipment and baggage, materials and warehouse handling system and equipment by the Group to the CIMC Group.

The Group may sell such fire engines, firefighting equipment and baggage, materials and warehouse handling systems and equipment to third parties.

**Term:** Subject to the approval of the Independent Shareholders, the term shall be commencing from the date on which the Master Sale and Purchase Agreement becoming unconditional and ending on 31 December 2020.

**Condition precedent:** The Master Sale and Purchase Agreement shall be conditional upon the Independent Shareholders' approval having been obtained.

**Pricing basis:**

The relevant member(s) of the Group and the relevant member(s) of the CIMC Group will enter into separate contract(s) with respect to the individual transactions contemplated under the Master Sale and Purchase Agreement in accordance with the principal terms set out therein.

The terms, including the payment terms, will be determined on a transaction-by-transaction basis, and on normal commercial terms, or on terms no less favourable to the Group than terms available from Independent Third Parties.

The price of the fire engines, firefighting equipment and baggage, materials and warehouse handling systems and equipment contemplated under the Master Sale and Purchase Agreement will be determined with reference to market price, being the price of the same type of fire engines, firefighting equipment and baggage, materials and warehouse handling systems and equipment provided by the Group to Independent Third Parties or provided by the Independent Third Parties to the CIMC Group at or near the same area in the ordinary course of business and on normal commercial terms.

**Annual caps for the Master Sale and Purchase Agreement**

The proposed annual caps for the years ending 31 December 2018, 31 December 2019 and 31 December 2020 for the Master Sale and Purchase Agreement are set out below:

<b>Annual caps for the Master Sale and Purchase Agreement for the years ending 31 December</b>		
<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
90,000	150,000	190,000

In arriving at the above annual caps for the Master Sale and Purchase Agreement, the Directors have taken into account the factors including but not limited to the expected demand of the fire engines, firefighting equipment and baggage, materials and warehouse handling systems and equipment from the CIMC Group during the term of the Master Sale and Purchase Agreement.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE CONTINUING CONNECTED TRANSACTIONS AGREEMENTS**

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.

CIMC is a joint stock 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 Hong Kong Stock Exchange. 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.

The Continuing Connected Transactions Agreements are conducted in the ordinary course of and are essential to the operations of the business of the Group.

Regarding the transactions contemplated under the Master Sourcing Agreement, the Master Transportation Service Agreement and the Master Installation Service Agreement, the Directors (excluding the independent non-executive Directors whose view will be included in the circular after taking into account the advice from the Independent Financial Adviser and excluding Dr. Li Yin Hui, Mr. Zheng Zu Hua, Mr. Luan You Jun and Mr. Yu Yu Qun, who had abstained from voting at the meeting of the Board due to conflict of interest) consider that the entering into of each of the Master Sourcing Agreement, the Master Transportation Service Agreement and the Master Installation Service Agreement will facilitate the smooth operation of the Group's business by providing a stable and reliable source of supply of materials and service necessary for its operation on normal commercial terms.

Regarding the transactions contemplated under the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement, the Directors (excluding the independent non-executive Directors whose view will be included in the circular after taking into account the advice from the Independent Financial Adviser and excluding Dr. Li Yin Hui, Mr. Zheng Zu Hua, Mr. Luan You Jun and Mr. Yu Yu Qun, who had abstained from voting at the meeting of the Board due to conflict of interest) consider that the entering into of each of the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement will generate stable revenue by supplying products and services to the CIMC Group on normal commercial terms.

Furthermore, the Directors (excluding the independent non-executive Directors whose view will be included in the circular after taking into account the advice from the Independent Financial Adviser and excluding Dr. Li Yin Hui, Mr. Zheng Zu Hua, Mr. Luan You Jun and Mr. Yu Yu Qun, who had abstained from voting at the meeting of the Board due to conflict of interest) also consider that the terms of the Continuing Connected Transactions Agreements are no less favourable to the Group than those of Independent Third Parties.

For the reasons set out above, the Directors (excluding the independent non-executive Directors whose view will be included in the circular after taking into account the advice from the Independent Financial Adviser and excluding Dr. Li Yin Hui, Mr. Zheng Zu Hua, Mr. Luan You Jun and Mr. Yu Yu Qun, who had abstained from voting at the meeting of the Board due to conflict of interest) take the view that the terms of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group; and are fair and reasonable and in the interests of the Company the Shareholders as a whole.

#### **AGGREGATE PROPOSED ANNUAL CAPS**

Given the similar nature of the transactions under, and the contracting parties to, the Master Sourcing Agreement, the Master Transportation Service Agreement and the Master Installation Service Agreement, the annual caps for the Master Sourcing Agreement, the Master Transportation Service Agreement and the Master Installation Service Agreement are aggregated for the compliance with the requirements under the Listing Rules. As such, the aggregate proposed annual caps for the Master Sourcing Agreement, the Master Transportation Service Agreement and the Master Installation Service Agreement for the years ending 31 December 2018, 31 December 2019 and 31 December 2020 are RMB13,000,000 (equivalent to approximately HK\$14,950,000), RMB73,000,000 (equivalent to approximately HK\$83,950,000) and RMB90,000,000 (equivalent to approximately HK\$103,500,000), respectively.

Given the similar nature of the transactions under the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement, the annual caps for the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement are aggregated for the compliance with the requirements under the Listing Rules. As such, the aggregate proposed annual caps for the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement for the years ending 31 December 2018, 31 December 2019 and 31 December 2020 are RMB91,450,000 (equivalent to approximately HK\$105,167,500), RMB155,800,000 (equivalent to approximately HK\$179,170,000) and RMB197,000,000 (equivalent to approximately HK\$226,550,000), respectively.



## **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, and is therefore a connected person of the Company. As such, the transactions contemplated under the Master Sourcing Agreement, the Master Transportation Service Agreement, the Master Installation Service Agreement and the Master Sale and Purchase Agreement constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, CIMC-Tianda Holdings (Shenzhen) Limited is an indirect wholly-owned subsidiary of CIMC, and is therefore a connected person of the Company. As such, the transactions contemplated under the CIMC-Tianda Shenzhen Management Service Agreement constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, Albert Ziegler Beijing Ltd. is an indirect non-wholly-owned subsidiary of CIMC, and is therefore a connected person of the Company. As such, the transactions contemplated under the AZ Management Service Agreement constitute a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the Master Sourcing Agreement, the Master Transportation Service Agreement and the Master Installation Service Agreement, when aggregated, is more than 5% and the annual consideration, when aggregated, is expected to be more than HK\$10,000,000, the entering into of the Master Sourcing Agreement, the Master Transportation Service Agreement and the Master Installation Service Agreement are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) for the transactions contemplated under the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement, when aggregated, is more than 5% and the annual consideration, when aggregated, is expected to be more than HK\$10,000,000, the entering into of the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement are subject to the reporting, announcement, annual review, circular (including independent financial advice) and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Independent Board Committee (which consists of all the independent non-executive Directors) has been established to consider the terms of the Continuing Connected Transactions Agreements and to advise the Independent Shareholders as to whether the terms of the Continuing Connected Transactions Agreements, including their respective annual caps, and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations on the same to be given by the Independent Financial Adviser. The Company has appointed China AF as its Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Continuing Connected Transactions Agreements, including their respective annual caps and the transactions contemplated thereunder.

The EGM will be convened and held at which the Independent Shareholders will consider, and, if thought fit, approve the Continuing Connected Transactions Agreements (including but not limited to their respective annual caps) and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Continuing Connected Transactions Agreements and the transactions contemplated thereunder, a letter of recommendation from the Independent Board Committee, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions Agreements and a notice convening the EGM is expected to be despatched to the Shareholders on or before 19 October 2018 in compliance with the Listing Rules.

## **DEFINITIONS**

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

“Albert Ziegler Beijing”	Albert Ziegler Beijing Ltd., a company incorporated in PRC with limited liability and an indirect non-wholly-owned subsidiary of CIMC
“AZ Management Service Agreement”	the agreement dated 20 September 2018 and entered into between the Company and Albert Ziegler Beijing in relation to the provision of management services by the Company to Albert Ziegler Beijing for a term commencing from the date on which the AZ Management Service Agreement becoming unconditional and ending on 31 December 2020
“Board”	board of directors of the Company

“China AF”/“Independent Financial Adviser”	China AF Corporate Finance Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transaction Agreements
“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 Stock Exchange (Stock code: 2039)
“CIMC Group”	CIMC and its subsidiaries
“CIMC-Tianda Shenzhen”	CIMC-Tianda Holdings (Shenzhen) Limited, a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CIMC
“CIMC-Tianda Shenzhen Management Service Agreement”	the agreement dated 20 September 2018 and entered into between the Company and CIMC-Tianda Shenzhen in relation to the provision of management services by the Company to CIMC-Tianda Shenzhen for a term commencing from the date on which the CIMC-Tianda Shenzhen Management Service Agreement becoming unconditional and ending on 31 December 2020
“Company”	CIMC-TianDa Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 445)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions Agreements”	collectively, the Master Sourcing Agreement, the Master Transportation Service Agreement, the Master Installation Service Agreement, the CIMC-Tianda Shenzhen Management Service Agreement, the AZ Management Service Agreement and the Master Sale and Purchase Agreement

“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Continuing Connected Transaction Agreements and the respective transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee comprising all the independent non-executive Directors, established to advise the Independent Shareholders as to the Continuing Connected Transactions Agreements
“Independent Shareholder(s)”	Shareholders who are not interested in and are entitled to vote in the resolution in relation to the Continuing Connected Transactions Agreements and the respective transactions contemplated thereunder at the EGM
“Independent Third Party(ies)”	any person(s) or company(s) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third party(ies) independent of and not connected with any director, chief executive or substantial shareholders or management shareholders of the Company or its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Master Installation Service Agreement”	the master agreement dated 20 September 2018 and entered into between the Company and CIMC in relation to the provision of installation service for baggage, materials and warehouse handling systems by the CIMC Group to the Group for a term commencing from the date on which the Master Installation Service Agreement becoming unconditional and ending on 31 December 2020
“Master Sale and Purchase Agreement”	the master agreement dated 20 September 2018 and entered into between the Company and CIMC in relation to the sale of fire engines, firefighting equipment, and baggage, materials and warehouse handling systems and equipment by the Group to the CIMC Group for a term commencing from the date on which the Master Sale and Purchase Agreement becoming unconditional and ending on 31 December 2020
“Master Sourcing Agreement”	the master agreement dated 20 September 2018 and entered into between the Company and CIMC in relation to the sale of spare parts, raw materials, computer hardware, chassis, fire engines, firefighting equipment and/or provision of IT support services by the CIMC Group to the Group for a term commencing from the date on which the Master Sale and Purchase Agreement becoming unconditional and ending on 31 December 2020
“Master Transportation Service Agreement”	the master agreement dated 20 September 2018 and entered into between the Company and CIMC in relation to the provision of transportation service by the CIMC Group to the Group for a term commencing from the date on which the Master Transportation Service Agreement becoming unconditional and ending on 31 December 2020
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*For the purposes of this announcement, the exchange rate RMB1.00 = HK\$1.15 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, or at all.*

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

Hong Kong, 20 September 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>