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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL
OF BRIGGS GROUP LIMITED**

On 3 June 2016, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors, pursuant to which the Vendors agreed to sell and the Purchaser agreed to purchase the Sale Shares at a maximum Consideration of GBP23,000,000.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the maximum Consideration is more than 5% but less than 25%, the Acquisition constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 3 June 2016, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors, pursuant to which the Vendors agreed to sell and the Purchaser agreed to purchase the Sale Shares on the terms set out in the Agreement.

I. AGREEMENT

The principal terms of the Agreement are set out below.

Date: 3 June 2016

Parties: The Purchaser; and

The Vendors, namely:

- (i) Ian McFarlane holding 21,250 A Shares;
- (ii) Gareth Cure holding 21,250 B Shares;
- (iii) Thomas Poynton holding 7,500 C Shares; and
- (iv) John Stitchman holding 1 D Share.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendors are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets to be acquired: Sales Shares, representing the entire issued share capital of the Target Company. Upon completion of the Acquisition, the Target Company has become a wholly-owned subsidiary of the Company.

Consideration: Subject to a maximum consideration of GBP23,000,000 (approximately RMB222,231,000), the aggregated consideration for the Acquisition (the “**Consideration**”) is an amount equal to:

- (i) GBP14,000,000 (approximately RMB135,721,000);
- (ii) *PLUS* the aggregate amount of cash of the Target Group Companies on 31 March 2016;
- (iii) *LESS* the aggregate amount of all borrowings and indebtedness of all the Target Group Companies on 31 March 2016; and
- (iv) *PLUS* working capital adjustment of an amount equal to any excess of working capital of the Target Group Companies at 31 March 2016 above zero; or *LESS* working capital adjustment of an amount equal to any shortfall of working capital of the Target Group Companies at 31 March 2016 below zero.

The Purchaser has paid GBP22,500,000 (the “**Completion Payment**”) in cash on completion of the Acquisition in the following manner:

- (i) GBP21,500,000 to the Vendors; and
- (ii) GBP1,000,000 to a retention account maintained by the Purchaser, the Vendors and a retention account agent for payment of any claim (including claims relating to warranties, tax and indemnity) to the Purchaser pursuant to the Agreement; and the remaining sum (if any) shall be released to the Vendors immediately if there is no outstanding claim by the Purchaser on 30 April 2018.

Within five business days of the Agreement, deemed agreement or determination of the completion statements of the Target Group Companies as at 31 March 2016 in accordance with the Agreement:

- (i) if the Consideration exceeds the Completion Payment, then the Purchaser shall pay the amount of such excess to the Vendors (provided that the maximum Consideration payable by the Purchaser shall not exceed GBP23,000,000);
- (ii) if the Consideration is less than the Completion Payment, then the Vendors shall repay to the Purchaser in cash the amount by which the Completion Payment exceeds the Consideration.

All payments to the Vendors under the Agreement shall be made to them by reference to the rights attaching to their respective Shares being sold. The consideration will be funded through the Group’s internal resources. The consideration has been determined among the Vendors and the Purchaser

after arm's length negotiations with reference to a combination of the Target Group Companies' financial and operational track record, the industry prospects in which the Target Group Companies operate in, and the benefits to the Group following the Acquisition.

Completion

The Acquisition is unconditional and completion of the Acquisition took place on the date of the Agreement immediately after the Agreement was entered into.

II. INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated under the laws of England and Wales in 2008. The principal business of the Target Group Companies is engineering, process engineering and sale of equipment and process control systems in the brewing, beverage, distilling food, pharmaceutical, health and beauty and bio-fuel industries, together with project management and consulting services to those markets (together, the "**Business**"). The Target Company has the following principal subsidiaries:

- (i) Briggs Holdings Limited which is principally engaging in the Business;
- (ii) Briggs of Burton PLC which is principally engaging in the Business;
- (iii) Briggs of Burton Inc. which is principally engaging in the Business; and
- (iv) Briggs Pension Trustees Limited which is acting as the trustee of the Target Company's pension scheme.

Based on the unaudited consolidated management accounts of the Target Company prepared in accordance with the Generally Accepted Accounting Practice in the United Kingdom, the consolidated net asset value of the Target Company as of 31 March 2016 amounted to approximately GBP9,845,000 (approximately RMB95,124,000). Set out below is the audited consolidated financial information of the Target Company for the year ended 31 March 2015 and the unaudited consolidated financial information for the year ended 31 March 2016 prepared in accordance with the Generally Accepted Accounting Practice in the United Kingdom:

	<i>For the year ended 31 March 2015 (audited) GBP</i>	<i>For the year ended 31 March 2016 (unaudited) GBP</i>
Net profit before tax	3,973,000	4,214,000
Net profit after tax	3,526,000	3,592,000

III. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition provides the Group with the opportunity to extend its product and service portfolios in the liquid food industry. It will strengthen the Group in the market by diversification in products and services and geographical region. Synergies are expected as the Target Group Companies' business is complementary to the existing business of the Group's liquid food equipment segment. The Acquisition also creates opportunities for the Group to diversify its operation into the non-beer sectors of the liquid food industry, as well as biofuels and pharmaceutical industries. Moreover, as the Target Group Companies have operations in the United Kingdom and the United States, the Acquisition is expected to strengthen the Group's presence in these countries.

The Directors (including the independent non-executive Directors) believe that the terms of the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IV. IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the maximum consideration payable under the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

V. GENERAL INFORMATION

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that are widely used among the energy, chemical and liquid food industries.

The Purchaser is an investment holding company.

VI. DEFINITIONS

In this announcement, the following expressions shall have the respective meanings ascribed adjacently below, unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Shares from the Vendors by the Purchaser pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 3 June 2016 and entered into among the Vendors and the Purchaser for the sale and purchase of the Sale Shares
“Board”	the board of Directors
“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 of Hong Kong Limited
“Director(s)”	the director(s) of the Company
“GBP”	British Pounds, the lawful currency of the United Kingdom
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Purchaser”	CIMC Enric Tank and Process B.V., a company incorporated in the Netherlands and a wholly-owned subsidiary of the Company

“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Sale Shares”	the entire issued shares capital of the Target Company, being 21,250 A Shares, 21,250 B Shares, 7,500 C Shares and 1 D Share
“Shares”	the ordinary shares of GBP1.00 each in the capital of the Target Company, classified into class A, class B, class C and class D
“Target Company”	Briggs Group Limited, a private limited company incorporated in England and Wales
“Target Group Companies”	the Target Company and its subsidiaries
“Vendors”	Ian McFarlane, Gareth Cure, Thomas Poynton and John Stitchman
“%”	per cent

By order of the Board
CIMC Enric Holdings Limited
Gao Xiang
Chairman

Hong Kong, 3 June 2016

As at the date of this announcement, the Board consists of Mr. Gao Xiang (Chairman), Mr. Liu Chunfeng (General Manager), Mr. Jin Jianlong and Mr. Yu Yuqun as executive Directors; Mr. Jin Yongsheng as a non-executive Director; and Mr. Wong Chun Ho, Mr. Tsui Kei Pang and Mr. Zhang Xueqian as independent non-executive Directors.

For the purpose of this announcement, the translation of GBP into RMB is based on the exchange rate of GBP1.00 = RMB9.6622.