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## **Enric Energy Equipment Holdings Limited**

**安瑞科能源裝備控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 3899)

### **CONTINUING CONNECTED TRANSACTIONS**

#### **DESPATCH OF CIRCULAR**

##### **Continuing connected transactions**

###### ***Master Agreements***

The Company and CIMC have agreed on the terms of the Master Supply of Spare Parts Agreement, the Master Sale of Products Agreement, the Master Processing Services Agreement and the Master Comprehensive Services Agreement and propose to enter into such agreements on the date on which the Proposed Transactions are approved by the Independent Shareholders at the EGM.

Charm Wise is beneficially interested in 41.55% of the issued share capital of the Company. Charm Wise is a direct wholly-owned subsidiary of CIMC HK, which in turn is a direct wholly-owned subsidiary of CIMC. Accordingly, CIMC is the controlling shareholder of the Company under the Listing Rules. Immediately following completion of the Proposed Transactions, CIMC will, through CIMC HK, Charm Wise and CIMC Vehicle, hold beneficial interest in approximately 56.59% of the issued share capital of the Company as enlarged by the allotment and issue of the New Ordinary Shares and the New Convertible Preference Shares (assuming none of the New Convertible Preference Shares has been converted) and will therefore remain as the controlling shareholder of the Company. Accordingly, the transactions contemplated under the Master Supply of Spare Parts Agreement, the Master Sale of Products Agreement, the Master Processing Services Agreement and the Master Comprehensive Services Agreement between the Company and CIMC will constitute continuing connected transactions of the Company under the Listing Rules.

The Company and Burg Industries have agreed on the terms of the Holvrieka Master Sale of Tanks Agreement, the Holvrieka Supply of Spare Parts Agreement and the Holvrieka Management Agreement and propose to enter into such agreements on the date on which the Proposed Transactions are approved by the Independent Shareholders at the EGM.

Burg Industries is a wholly-owned subsidiary of CIMC Burg, which in turn is beneficially owned as to 80% by CIMC Europe BVBA and as to 20% by PGM. CIMC Europe BVBA is an indirect wholly-owned subsidiary of CIMC, the controlling shareholder of the Company under the Listing Rules. Burg Industries is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Holvrieka Master Sale of Tanks Agreement, the Holvrieka Supply of Spare Parts Agreement and the Holvrieka Management Agreement between the Company and Burg Industries will constitute continuing connected transactions of the Company under the Listing Rules.

#### ***Technology Agreements***

On 19 March 2009, Holvrieka Holding, a member of the Target Group, and CIMC Tank Equipment entered into the Technology Licence Agreement, pursuant to which Holvrieka Holding has granted to CIMC Tank Equipment and its affiliates a non-exclusive licence to use the know-how and trademarks of Holvrieka Holding in respect of the design, manufacturing and sale of tank and related parts in China during the three years' term of the Technology Licence Agreement commencing from 19 March 2009.

On 29 July 2002, Nantong CIMC Special Transportation Equipment Co., Ltd. (the predecessor of Nantong CIMC which is a member of the Target Group), UBHI and CIMC BVI entered into the Universal Collar Tank Technology Transfer Agreement, pursuant to which UBHI has granted CIMC BVI an exclusive non-transferable licence to use certain know-how in China to manufacture tank containers for a term of ten years commencing from 29 July 2002 and a non-transferable licence to use the name or mark "Universal Collar Tank" on the products. After the establishment of Nantong CIMC on 14 August 2003, CIMC BVI and Nantong CIMC entered into the Universal Collar Tank Technology Transfer Sub-licence Agreement on 1 January 2004, pursuant to which CIMC BVI has sub-licensed to Nantong CIMC to use such know-how in China to manufacture tank containers on terms set out in the Universal Collar Tank Technology Transfer Sub-licence Agreement at nil consideration during the remainder of the term of the Universal Collar Tank Technology Transfer Agreement.

On 28 September 2006, Nantong CIMC, UBHI and CIMC BVI entered into the Low Height Frame Tank Container Technology Transfer Agreement, pursuant to which (1) UBHI has granted CIMC BVI an exclusive non-transferable licence to use advanced proprietary technologies in China to manufacture 11,000 litre and 14,000 litre low height frame tank containers during a term of ten years commencing from 28 September 2006; and (2) CIMC BVI has granted Nantong CIMC a sub-licence to use such advanced proprietary technologies in China to manufacture 11,000 litre and 14,000 litre low height frame tank containers in China on terms set out in such agreement at nil consideration during a term of ten years commencing from 28 September 2006.

CIMC Tank Equipment is beneficially owned as to 15% by CIMC HK and as to 85% by CIMC BVI, both indirect wholly-owned subsidiaries of CIMC. Each of CIMC BVI and CIMC Tank Equipment is therefore a connected person of the Company under the Listing Rules.

Upon completion of the Proposed Transactions, the Target Group (including Holvrieka Holding and Nantong CIMC) will become part of the Restructured Group, as a result of which the transactions contemplated under the Technology Licence Agreement between Holvrieka Holding and CIMC Tank Equipment and those under the Universal Collar Tank Technology Transfer Sub-licence Agreement Technology Licence Agreement and the Low Height Frame Tank Container Technology Transfer Agreement between Nantong CIMC and CIMC BVI will constitute continuing connected transactions of the Company under the Listing Rules.

#### **Despatch of circular**

The Circular in relation to, among other things, the Proposed Transactions, the Whitewash Waiver and the continuing connected transactions contemplated under the Master Agreements and the Technology Agreements, was despatched on 3 June 2009.

Reference is made to the announcements of Enric Energy Equipment Holdings Limited (the “**Company**”) dated 10 September 2008, 30 September 2008, 2 October 2008, 12 December 2008 and 20 April 2009 (collectively, the “**Relevant Announcements**”). Terms defined in the Relevant Announcements have the same meanings when used in this announcement unless otherwise stated. Terms used in this announcement which are not defined in the Relevant Announcements have the meanings stated in the section headed “Definitions” of this announcement unless the context requires otherwise.

## CONTINUING CONNECTED TRANSACTIONS

### (a) Master Agreements

The Company and CIMC have agreed on the terms of the Master Supply of Spare Parts Agreement, the Master Sale of Products Agreement, the Master Processing Services Agreement and the Master Comprehensive Services Agreement and propose to enter into such agreements on the date on which the Proposed Transactions are approved by the Independent Shareholders at the EGM.

The Company and Burg Industries have agreed on the terms of the Holvrieka Master Sale of Tanks Agreement, the Holvrieka Supply of Spare Parts Agreement and the Holvrieka Management Agreement and propose to enter into such agreements on the date on which the Proposed Transactions are approved by the Independent Shareholders at the EGM.

#### *Major particulars of the Master Agreements*

<b>Title</b>	<b>Contracting parties</b>	<b>Reasons for entering into the relevant Master Agreement</b>	<b>Type of spare parts, products and services provided</b>
Master Supply of Spare Parts Agreement	The Company and CIMC	To regulate the supply of spare parts by CIMC Group (excluding the Restructured Group) and its associates to the Restructured Group	— Provision of vehicle chassis, vehicle platform and intelligent remote monitoring system — Other related spare parts
Holvrieka Master Supply of Spare Parts Agreement	The Company and Burg Industries	To regulate the supply of spare parts by the Burg Industries Group and its associates to the Restructured Group	— Provision of vehicle chassis — Other related spare parts

<b>Title</b>	<b>Contracting parties</b>	<b>Reasons for entering into the relevant Master Agreement</b>	<b>Type of spare parts, products and services provided</b>
Master Sale of Products Agreement	The Company and CIMC	To regulate the sale of products by the Restructured Group to the CIMC Group (excluding the Restructured Group) and its associates	<ul style="list-style-type: none"> <li>— Sale of oil tanks, pressure cylinder tanks, International Organisation for Standardisation (ISO) tanks and storage tanks</li> <li>— Other related products</li> </ul>
Master Processing Services Agreement	The Company and CIMC	To regulate the provision of processing services (including site leasing) by the CIMC Group (excluding the Restructured Group) and its associates to support the production of the Restructured Group	<ul style="list-style-type: none"> <li>— Provision of processing services including uncoiling steel, sand blasting and base coat spraying</li> <li>— Site leasing</li> <li>— Other related services</li> </ul>
Master Comprehensive Services Agreement	The Company and CIMC	To regulate the general services provided by the CIMC Group (excluding the Restructured Group) and its associates to the Restructured Group	<ul style="list-style-type: none"> <li>— Provision of comprehensive services including catering for staff, health services</li> <li>— Miscellaneous general services</li> </ul>
Holvrieka Master Sale of Tanks Agreement	The Company and Burg Industries	To regulate the sale of tanks for the production of road tankers of the Burg Industries Group and its associates by the Restructured Group	<ul style="list-style-type: none"> <li>— Sale of tanks</li> </ul>

<b>Title</b>	<b>Contracting parties</b>	<b>Reasons for entering into the relevant Master Agreement</b>	<b>Type of spare parts, products and services provided</b>
Holvrieka Management Agreement	Holvrieka Holding and Burg Industries	To regulate the provision of management services by the Burg Industries Group and its associates to the Holvrieka Group	Provision of management services by the Burg Industries Group and its associates to the Holvrieka Group

### ***Principal general terms of the Master Agreements***

Each of the Master Agreements contains the following binding principles, guidelines, terms and conditions upon which the relevant spare parts, products and services will be provided:-

#### ***(i) General principles, prices and terms***

The Master Agreements require, in general terms, that:

- the prices at which the spare parts, products and services to be provided must be fair and reasonable; and
- the terms and conditions on which the spare parts, products and services will be provided to the Restructured Group should not be less favourable than those:
  - (a) available from the relevant connected persons, their subsidiaries and/or associates to Independent Third Parties;
  - (b) available to the relevant connected persons, their subsidiaries and/or associates from Independent Third Parties;
  - (c) available from Independent Third Parties to the Restructured Group; and
  - (d) available to Independent Third Parties from the Restructured Group.

(ii) *Price determination*

Each of the Master Supply of Spare Parts Agreement, the Master Sale of Products Agreement, the Master Processing Services Agreement and the Master Comprehensive Services Agreement provides that the relevant spare parts, products or services should be provided in accordance with the following general pricing principles:

- the relevant spare parts, products or services should be provided at State-prescribed prices, being the prices set by the relevant laws, regulations and other governmental regulatory documents issued by the relevant authorities of the Chinese government;
- where there is no State-prescribed price, the relevant spare parts, products or services should be provided at relevant market prices, being the prices at which the same or comparable type of spare parts, products or services are provided from or to (as appropriate) Independent Third Parties in the same area in the ordinary course of business; or
- where there is no relevant market prices, the relevant spare parts, products or services should be provided at prices equivalent to the actual costs incurred in providing those spare parts, products or services plus an appropriate margin. Pursuant to the terms of the above agreements, an appropriate margin means a fair and reasonable margin determined by the parties to such agreements based on normal commercial terms and prevailing market prices.

According to the Holvrieka Master Sale of Tanks Agreement, the Holvrieka Master Supply of Spare Parts Agreement and the Holvrieka Management Agreement, prices payable under those agreements should be determined on an arms' length basis and comparable to the prevailing market rates or at rates similar to those available from the Restructured Group to Independent Third Parties.

(iii) *Term and termination*

The initial term of each of the Master Agreements will commence from the date of completion of the Proposed Transactions and will end on 31 December 2011. Upon expiration of the initial term, subject to compliance by the Company with applicable requirements under the Listing Rules, each of the Master Agreements will be renewed automatically for a further term of three years (or for such other longer period as

may be permitted for continuing connected transactions under the Listing Rules), unless a party to the relevant Master Agreement gives at least 30 days' prior written notice of termination to the other party to such agreement.

*(iv) Execution agreements*

The Master Agreements are framework agreements which provide the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time and as required, individual execution agreements may be required to be entered into between the Restructured Group and the relevant connected persons or their subsidiaries or associates (as appropriate) pursuant to the relevant Master Agreements.

An execution agreement should set out the specific spare parts, products and services requested by the relevant party and the detailed technical and other specifications which are relevant to those spare parts, products or services. An execution agreement may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions contained in the Master Agreement pursuant to which such execution agreement is entered into.



## *Historical Figures*

The table below sets forth the historical transaction amounts of the transactions between the Target Group (on the one part) and the CIMC Group and its associates and the Burg Industries Group (on the other part) for each of the three years ended 31 December 2006, 2007 and 2008:

	<b>For the year ended 31 December</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
Transactions of a nature similar to those under the Master Supply of Spare Parts Agreement	approximately RMB13,532,000	approximately RMB28,961,000	approximately RMB52,171,000
Transactions of a nature similar to those under the Holvrieka Master Supply of Spare Parts Agreement	approximately EURO371,000 (equivalent to approximately RMB3,290,807)	approximately EURO377,000 (equivalent to approximately RMB3,344,028)	approximately EURO375,000 (equivalent to approximately RMB3,326,288)
Transactions of a nature similar to those under the Master Sale of Products Agreement	approximately RMB1,735,000	approximately RMB8,481,000	approximately RMB126,533,000
Transactions of a nature similar to those under the Master Processing Services Agreement	approximately RMB4,748,000	approximately RMB4,543,000	approximately RMB21,628,000
Transactions of a nature similar to those under the Master Comprehensive Services Agreement	approximately RMB2,664,000	approximately RMB2,745,000	approximately RMB3,019,000
Transactions of a nature similar to those under the Holvrieka Master Sale of Tanks Agreement	approximately EURO6,783,000 (equivalent to approximately RMB60,165,888)	approximately EURO6,897,000 (equivalent to approximately RMB61,177,080)	approximately EURO9,222,000 (equivalent to approximately RMB81,800,062)
Transactions of a nature similar to those under the Holvrieka Management Agreement	approximately EURO525,000 (equivalent to approximately RMB4,656,803)	approximately EURO525,000 (equivalent to approximately RMB4,656,803)	approximately EURO555,000 (equivalent to approximately RMB4,922,906)

**(b) Technology Agreements**

On 19 March 2009, Holvrieka Holding, a member of the Target Group, and CIMC Tank Equipment entered into the Technology Licence Agreement, pursuant to which Holvrieka Holding has granted to CIMC Tank Equipment and its affiliates a non-exclusive licence to use the know-how and trademarks of Holvrieka Holding in respect of the design, manufacturing and sale of tank and related parts in China during the three years' term of the Technology Licence Agreement commencing from 19 March 2009. CIMC Tank Equipment will pay a licence fee equivalent to 2.15% of the revenue generated from the sales of the products by CIMC Tank Equipment and its affiliates, including NCLS. It is intended that the know-how and trademarks will be used by NCLS for its design, manufacturing and sale of tank and related parts in China. Since NCLS had not been established as at the date of execution of the Technology Licence Agreement, the Technology Licence Agreement was signed by CIMC Tank Equipment.

On 29 July 2002, Nantong CIMC Special Transportation Equipment Co., Ltd. (the predecessor of Nantong CIMC which is a member of the Target Group), UBHI and CIMC BVI entered into the Universal Collar Tank Technology Transfer Agreement, pursuant to which UBHI has granted CIMC BVI an exclusive non-transferable licence to use certain know-how in China to manufacture tank containers for a term of ten years commencing from 29 July 2002 and a non-transferable licence to use the name or mark "Universal Collar Tank" on the products. After the establishment of Nantong CIMC on 14 August 2003, CIMC BVI and Nantong CIMC entered into the Universal Collar Tank Technology Transfer Sub-licence Agreement on 1 January 2004, pursuant to which CIMC BVI has sub-licensed to Nantong CIMC to use such know-how in China to manufacture tank containers on terms set out in the Universal Collar Tank Technology Transfer Sub-licence Agreement at nil consideration during the remainder of the term of the Universal Collar Tank Technology Transfer Agreement.

On 28 September 2006, Nantong CIMC, UBHI and CIMC BVI entered into the Low Height Frame Tank Container Technology Transfer Agreement, pursuant to which (1) UBHI has granted CIMC BVI an exclusive non-transferable licence to use advanced proprietary technologies in China to manufacture 11,000 litre and 14,000 litre low height frame tank containers during a term of ten years commencing from 28 September 2006; and (2) CIMC BVI has granted Nantong CIMC a sub-licence to use such advanced proprietary technologies in China to manufacture 11,000 litre and 14,000 litre low height frame tank containers in China on terms set out in such agreement at nil consideration during a term of ten years commencing from 28 September 2006.

## PROPOSED ANNUAL CAPS

The proposed annual caps for the transactions contemplated under each of the Master Agreements and the Technology Agreements for the three years ending 31 December 2009, 2010 and 2011 are as follows:

	<b>For the year ending 31 December</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
Transactions under the Master Supply of Spare Parts Agreement ( <i>Note 1</i> )	RMB53,139,000	RMB65,987,000	RMB95,722,000
Transactions under the Holvrieka Master Supply of Spare Parts Agreement ( <i>Note 2</i> )	EURO375,000 (equivalent to approximately RMB3,326,288)	EURO375,000 (equivalent to approximately RMB3,326,288)	EURO375,000 (equivalent to approximately RMB3,326,288)
Sub-total: ( <i>Note 3</i> )	RMB56,465,288	RMB69,313,288	RMB99,048,288
Transactions under the Master Sale of Products Agreement ( <i>Note 4</i> )	RMB178,699,000	RMB240,879,000	RMB349,211,000
Transactions under the Master Processing Services Agreement ( <i>Note 5</i> )	RMB11,252,000	RMB15,262,000	RMB18,171,000
Transactions under the Master Comprehensive Services Agreement ( <i>Note 5</i> )	RMB3,261,000	RMB3,522,000	RMB3,804,000
Transactions under the Holvrieka Master Sale of Tanks Agreement ( <i>Note 6</i> )	EURO2,775,000 (equivalent to approximately RMB24,614,528)	EURO4,238,000 (equivalent to approximately RMB37,591,484)	EURO5,800,000 (equivalent to approximately RMB51,446,580)
Transactions under the Holvrieka Management Agreement ( <i>Note 7</i> )	EURO560,000 (equivalent to approximately RMB4,967,256)	EURO565,000 (equivalent to approximately RMB5,011,607)	EURO570,000 (equivalent to approximately RMB5,055,957)

	<b>For the year ending 31 December</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
Transactions under the Technology Licence Agreement ( <i>Note 8</i> )	RMB4,000,000	RMB6,000,000	RMB8,000,000
Transactions under the Universal Collar Tank Technology Transfer Sub-licence Agreement	Nil	Nil	Nil
Transactions under the Low Height Frame Tank Container Technology Transfer Agreement	Nil	Nil	Nil
Sub-total: ( <i>Note 9</i> )	RMB4,000,000	RMB6,000,000	RMB8,000,000

*Notes:*

- (1) The proposed annual caps for the transactions under the Master Supply of Spare Parts Agreement have been determined based on the estimated increase in purchase volumes with reference to the historical transaction amounts and the expected growth of the Restructured Group.

There was a significant increase in the historical transaction amount for the year ended 31 December 2008 due to the increase in purchases of vehicle chassis and vehicle platforms.

There is an increasing trend in the annual caps for the years ending 31 December 2010 and 2011 due to the planned introduction of a new product in 2010. The expected selling prices of the products under the Master Supply of Spare Parts Agreement have been determined based on historical price trends and market prices.

- (2) The proposed annual caps for the transactions under the Holvrieka Master Supply of Spare Parts Agreement have been determined with reference to the relatively stable historical transaction amounts.
- (3) In accordance with Rule 14A.25 of the Listing Rules, the proposed annual caps of the transactions contemplated under the Master Supply of Spare Parts Agreement and the Holvrieka Master Supply of Spare Parts Agreement for the three years ended 31 December 2009, 2010 and 2011 are aggregated.
- (4) The proposed annual caps for the transactions under the Master Sale of Products Agreement have been determined based on the estimated increase in sales volumes with reference to the historical transaction amounts and expected growth of the Restructured Group. There is a significant increase in the estimated transaction amount for the year ending 31 December 2009 as compared

to the historical amount for the year ended 31 December 2008 due to finance lease services introduced in early 2008 which allow customers to acquire products from the Target Group China under a finance lease arrangement. The Company anticipates that the introduction of finance lease services will accelerate the growth of the sales volumes in the three years ending 31 December 2009, 2010 and 2011.

- (5) The proposed annual caps for the transactions under the Master Processing Services Agreement and the Master Comprehensive Services Agreement have been determined with reference to the historical transaction amounts, the expected growth in market prices and the expected growth in the business of the Restructured Group.
- (6) The proposed annual caps for the transactions under the Holvrieka Master Sale of Tanks Agreement have been determined with reference to the historical transaction amounts, the expected growth in market prices and the expected growth in the business of the Restructured Group.

The proposed annual cap for the year ending 31 December 2009 is determined with reference to the extrapolation of the current number of orders received. There is a significant decrease in the estimated transaction amount for the year ending 31 December 2009 as compared to the historical amount for the year ended 31 December 2008 due to the expected decline in demand stemming from the slowdown in the global macro economy and an expected decrease in average selling price.

In determining the proposed annual caps for the year ending 31 December 2010 and 2011, it was assumed that there will be an increase in units sold as well as minimal increase in average selling price.

- (7) The proposed annual caps for the transactions under the Holvrieka Management Agreement have been determined with reference to the historical transaction amounts and the expected growth of the Restructured Group.

The number of staff employed under the Holvrieka Management Agreement is expected to be maintained at the current levels for the three years ending 31 December 2009, 2010 and 2011; the modest increase in the proposed annual caps for the year ending 31 December 2009 to the year ending 31 December 2011 has taken into account the potential increase in wages over the years.

- (8) The proposed annual caps for the transactions under the Technology Licence Agreement have been determined with reference to the current business plan and the expected revenue of NCLS.
- (9) In accordance with Rule 14A.25 of the Listings Rules, the proposed annual caps of the transactions contemplated under the Technology Licence Agreement, the Universal Collar Tank Technology Transfer Sub-licence Agreement and the Low Height Frame Tank Container Technology Transfer Agreement for the three year ended 31 December 2009, 2010 and 2011 are aggregated.

## CONNECTED PERSONS

Charm Wise is beneficially interested in 41.55% of the issued share capital of the Company. Charm Wise is a direct wholly-owned subsidiary of CIMC HK, which in turn is a direct wholly-owned subsidiary of CIMC. Accordingly, CIMC is the controlling shareholder of the Company under the Listing Rules. Immediately following completion of the Proposed Transactions, CIMC will, through CIMC HK, Charm Wise and CIMC Vehicle, hold beneficial interest in approximately 56.59% of the issued share capital of the Company as enlarged by the allotment and issue of the New Ordinary Shares and the New Convertible Preference Shares (assuming none of the New Convertible Preference Shares has been converted) and will therefore remain as the controlling shareholder of the Company. Accordingly, the transactions contemplated under the Master Supply of Spare Parts Agreement, the Master Sale of Products Agreement, the Master Processing Services Agreement and the Master Comprehensive Services Agreement between the Company and CIMC will constitute continuing connected transactions of the Company under the Listing Rules.

Burg Industries is a wholly-owned subsidiary of CIMC Burg, which in turn is beneficially owned as to 80% by CIMC Europe BVBA and as to 20% by PGM. CIMC Europe BVBA is an indirect wholly-owned subsidiary of CIMC, the controlling shareholder of the Company under the Listing Rules. Burg Industries is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Holvrieka Master Sale of Tanks Agreement, the Holvrieka Supply of Spare Parts Agreement and the Holvrieka Management Agreement between the Company and Burg Industries will constitute continuing connected transactions of the Company under the Listing Rules.

CIMC Tank Equipment is beneficially owned as to 15% by CIMC HK and as to 85% by CIMC BVI, both indirect wholly-owned subsidiaries of CIMC. Each of CIMC BVI and CIMC Tank Equipment is therefore a connected person of the Company under the Listing Rules. Upon completion of the Proposed Transactions, the Target Group (including Holvrieka Holding and Nantong CIMC) will become part of the Restructured Group, as a result of which the transactions contemplated under the Technology Licence Agreement between Holvrieka Holding and CIMC Tank Equipment and those under the Universal Collar Tank Technology Transfer Sub-licence Agreement Technology Licence Agreement and the Low Height Frame Tank Container Technology Transfer Agreement between Nantong CIMC and CIMC BVI will constitute continuing connected transactions of the Company under the Listing Rules.

## **LISTING RULES IMPLICATIONS**

As each of the relevant percentage ratios of the proposed annual caps of the transactions contemplated under each of the Master Processing Services Agreement, the Master Comprehensive Services Agreement and the Holvrieka Management Agreement and the proposed aggregated annual caps of the transactions contemplated under the Technology Agreements for the three years ending 31 December 2009, 2010 and 2011 exceeds 0.1% but is less than 2.5%, such transactions are subject to the reporting and announcement requirements under Rule 14A.34 of the Listing Rules and are exempted from independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

As each of the relevant percentage ratios of the proposed aggregated annual caps of the transactions contemplated under the Master Supply of Spare Parts Agreement and the Holvrieka Master Supply of Spare Parts Agreement and the proposed annual caps of the transactions contemplated under each of the Master Sale of Products Agreement and the Holvrieka Master Sale of Tanks Agreement for the three years ending 31 December 2009, 2010 and 2011 exceeds 2.5%, such transactions and the relevant proposed annual caps for the three years ending 31 December 2009, 2010 and 2011 are subject to the reporting, announcement and independent shareholders' approval requirements in accordance with the requirements of Chapter 14A of the Listing Rules.

The Independent Financial Adviser is of the view that the Master Supply of Spare Parts Agreement, the Master Sale of Products Agreement, the Holvrieka Master Supply of Spare Parts Agreement and the Holvrieka Master Sale of Tanks Agreement and the transactions contemplated thereunder will be entered into in the ordinary and usual course of the business of the Restructured Group, on normal commercial terms which are fair and reasonable and in the interest of the Shareholders as a whole and the proposed annual caps for such transactions are fair and reasonable.

The Directors (including the independent non-executive Directors) consider that the Master Agreements and the Technology Agreements and the transactions contemplated thereunder have been and will be entered into in the ordinary and usual course of business of the Restructured Group, on normal commercial terms, and are fair and reasonable and in the interest of the Shareholders as a whole, and that the proposed annual caps of each of such transactions disclosed above are fair and reasonable and in the interests of the Shareholders as a whole.



## **INFORMATION ABOUT THE GROUP, THE TARGET GROUP AND THE COUNTERPARTIES**

The Group is principally engaged in manufacturing of energy equipment and the provision of integrated business solutions in the energy equipment industry and the design, manufacturing and sales of specialised gas equipment. The Group produces specialised gas equipment including (but not limited to) seamless pressure cylinders, cryogenic liquid storage tanks, natural gas refueling station systems, compressed natural gas trailers, liquefied natural gas trailers, refueling station trailers, chemical material trucks and specialty gas trailers.

The Target Group, comprised of the Target Group China and the Target Group Europe, is a well established international transportation, storage and processing equipment manufacturer and service provider. It is 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 is widely used in the energy, chemical and liquid food industries. It is also a global leader in the manufacturing and sales of tank containers as illustrated by the respective recognitions received by the Target Group China and the Target Group Europe.

CIMC is principally engaged in the manufacturing and sales of containers, road transportation vehicles, energy, chemical and liquid food equipment as well as air and sea transportation equipment through its various direct and indirect operating subsidiaries.

CIMC Tank Equipment is principally engaged in investment holdings.

CIMC BVI is principally engaged in investment holdings.

The Burg Industries Group (excluding the Holvrieka Group) is principally engaged in the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance services for, road transportation equipment such as trailers and truck bodies for the transportation of various kinds of cargo.

## **DESPATCH OF CIRCULAR**

The Circular in relation to, among other things, the Proposed Transactions, the Whitewash Waiver and the continuing connected transactions contemplated under the Master Agreements and the Technology Agreements, was despatched on 3 June 2009.



Shareholders are encouraged to review the Circular carefully, in particular, the letter of advice of the Independent Financial Adviser, the recommendation of the Independent Board Committee and the recommendation of the Whitewash Independent Board Committee before making decision on whether or not to vote in favour of the resolutions in relation to the Proposed Transactions, the continuing connected transactions contemplated under the Master Agreements and the Technology Agreements, the proposal for the grant of specific mandate, the Whitewash Waiver, the proposal for change of name, the proposal for increase in the authorised share capital and the proposed amendments to the memorandum and articles of association of the Company to be proposed at the EGM.

## DEFINITIONS

Terms defined in the Relevant Announcements have the same meanings when used in this announcement unless otherwise stated. Terms used in this announcement which are not defined in the Relevant Announcements have the following meanings unless the context requires otherwise:

<b>“associate”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Burg Industries”</b>	Burg Industries B.V., a company ( <i>Besloten Vennootschap</i> ) established under the laws of the Netherlands with limited liability, which is beneficially owned as to 100% by CIMC Burg, and is a holding company of the Holvrieka Group before Reorganisation
<b>“Burg Industries Group”</b>	Burg Industries and its subsidiaries, and, where the context so admits or requires, excluding the Holvrieka Group
<b>“CIMC Burg”</b>	CIMC Burg B.V., a company ( <i>Besloten Vennootschap</i> ) established under the laws of the Netherlands with limited liability and an indirect non wholly-owned subsidiary of CIMC, which is beneficially owned as to 20% by PGM and 80% by CIMC Europe BVBA
<b>“CIMC BVI”</b>	CIMC Holdings (B.V.I.) Limited, a company incorporated under the laws of BVI, which is an indirect wholly-owned subsidiary of CIMC
<b>“CIMC Group”</b>	CIMC and its subsidiaries (excluding members of the Group), and, where the context so admits or requires, excluding members of the Target Group

<b>“CIMC Tank Equipment”</b>	CIMC Tank Equipment Investment Holdings Co., Ltd., a company incorporated under the laws of Hong Kong with limited liability, which is beneficially owned as to 15% by CIMC HK and as to 85% by CIMC BVI, both indirect wholly-owned subsidiaries of CIMC
<b>“China Acquisition Agreement”</b>	the conditional sale and purchase agreement dated 2 September 2008 made among the Company as purchaser and CIMC HK and CIMC Vehicle as vendors, in respect of the sale and purchase of the entire issued share capital of Target Co China
<b>“China Supplemental Agreement”</b>	the supplemental agreement dated 20 April 2009 made among the Company as purchaser and CIMC HK and CIMC Vehicle as vendors, in respect of the China Acquisition Agreement
<b>“connected person”</b>	has the meaning ascribed to it under the Listing Rules
<b>“controlling shareholder”</b>	has the meaning ascribed to it under the Listing Rules
<b>“EGM”</b>	the extraordinary general meeting of the Company to be held at Room K-2, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Friday, 26 June 2009 at 11:00 a.m. to approve, among other things, the Proposed Transactions, the Whitewash Waiver and the non-exempt continuing connected transactions (including the related proposed annual caps) described in this announcement
<b>“European Acquisition Agreement”</b>	the conditional sale and purchase agreement dated 2 September 2008 made among the Company as purchaser and CIMC HK and PGM as vendors, in respect of the sale and purchase of the entire issued share capital of Target Co Europe
<b>“European Supplemental Agreement”</b>	the supplemental agreement dated 20 April 2009 made among the Company as purchaser and CIMC HK and PGM as vendors in relation to the European Acquisition Agreement
<b>“Holvrieka Management Agreement”</b>	the management agreement to be entered into between Holvrieka Holding and Burg Industries for the management services provided by Burg Industries to the Holvrieka Group
<b>“Holvrieka Master Sale of Tanks Agreement”</b>	the master sale of tanks agreement to be entered into between the Company and Burg Industries for the sale of tanks by the Restructured Group and its associates to Burg Industries Group

<b>“Holvrieka Master Supply of Spare Parts Agreement”</b>	the master supply of spare parts agreement to be entered into between the Company and Burg Industries for the supply of spare parts by Burg Industries Group to the Restructured Group and its associates
<b>“Independent Board Committee”</b>	the independent board committee of the Company constituted to make recommendations to the Independent Shareholders in respect of, among other things, the Proposed Transactions and the continuing connected transactions contemplated under the Master Supply of Spare Parts Agreement, the Holvrieka Master Supply of Spare Parts Agreement, the Master Sale of Products Agreement and the Holvrieka Master Sale of Tanks Agreement
<b>“Independent Financial Adviser”</b>	Somerley Limited, which is the independent financial adviser to the Independent Board Committee and the Whitewash Independent Board Committee, and which is a licensed corporation to conduct Type 1 (dealings in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>“Low Height Frame Tank Container Technology Transfer Agreement”</b>	the 11,000 litre and 14,000 litre low height frame tank container technology transfer and technical assistance contract dated 28 September 2006 made among CIMC BVI, UBHI and Nantong CIMC, pursuant to which UBHI has granted CIMC BVI an exclusive, non-transferable licence to use certain know-how to manufacture 11,000 litre and 14,000 litre low height frame tank containers in China, and CIMC BVI has granted Nantong CIMC a sub-licence to use such know-how to manufacture 11,000 litre and 14,000 litre low height frame tank containers in China
<b>“Master Agreements”</b>	collectively, the Master Supply of Spare Parts Agreement, the Master Sale of Products Agreement, the Master Processing Services Agreement, the Master Comprehensive Services Agreement, the Holvrieka Master Sale of Tanks Agreement, the Holvrieka Supply of Spare Parts Agreement and the Holvrieka Management Agreement

<b>“Master Comprehensive Services Agreement”</b>	the master comprehensive services agreement to be entered into between the Company and CIMC for the provision of comprehensive services by the Restructured Group and its associates to CIMC Group (excluding the Restructured Group) and its associates
<b>“Master Processing Services Agreement”</b>	the master processing services agreement to be entered into between the Company and CIMC for the provision of processing services by CIMC Group (excluding the Restructured Group) and its associates to the Restructured Group and its associates
<b>“Master Sale of Products Agreement”</b>	the master sale of products agreement to be entered into between the Company and CIMC for the sale of products by the Restructured Group and its associates to CIMC Group (excluding the Restructured Group) and its associates
<b>“Master Supply of Spare Parts Agreement”</b>	the master supply of spare parts agreement to be entered into between the Company and CIMC for the provision of spare parts by CIMC Group (excluding the Restructured Group) and its associates to the Restructured Group and its associates
<b>“NCLS”</b>	南通中集大型儲罐有限公司 (Holvrieka China Company Limited), a company established under the laws of the PRC with limited liability, which is an indirect wholly-owned subsidiary of CIMC
<b>“Restructured Group”</b>	the Company and its subsidiaries, together with the Target Group, following completion of the Proposed Transactions
<b>“Technology Licence Agreement”</b>	The Technology Licence Agreement dated 19 March 2009 between Holvrieka Holding and CIMC Tank Equipment, pursuant to which Holvrieka Holding has granted to CIMC Tank Equipment and its affiliates a non-exclusive licence to use the know-how and trademarks of Holvrieka Holding in respect of the design, manufacturing and sale of tank and related parts in China
<b>“Technology Agreements”</b>	collectively, the Technology Licence Agreement, the Universal Collar Tank Technology Transfer Sub-licence Agreement and the Low Height Frame Tank Container Technology Transfer Agreement

- “UBHI”** Universal Bulk Handling International Ltd., a company incorporated under the laws of England, which engages in the business of manufacturing and sales of tank containers, which is an Independent Third Party
- “Universal Collar Tank Technology Transfer Agreement”** the universal collar tank technology transfer and technical assistance contract dated 29 July 2002 made among CIMC BVI, UBHI and Nantong CIMC Special Transportation Equipment Co., Ltd., pursuant to which UBHI has granted CIMC BVI an exclusive, non-transferable licence to use certain know-how to manufacture collar tank containers in China and a non-transferable licence to use the name or mark “Universal Collar Tank” on those products
- “Universal Collar Tank Technology Transfer Sub-licence Agreement”** the technology transfer sub-licence agreement dated 1 January 2004 made among CIMC BVI and Nantong CIMC, pursuant to which CIMC BVI has granted Nantong CIMC a sub-licence to use the know-how mentioned in the Technology Transfer Agreement to manufacture collar tank containers in China and a sub-licence to use the name or mark “Universal Collar Tank” on those products

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of EURO1.00 = RMB8.8701 has been used for currency translation, where applicable. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in EURO and RMB have been, could have been or may be converted at such or any other rates or at all.*

By order of the Board  
**Enric Energy Equipment Holdings Limited**  
**Cheong Siu Fai**  
*Company Secretary*

Hong Kong, 3 June 2009

*As at the date of this announcement, the executive directors of the Company are Mr. ZHAO Qingsheng (Chairman), Mr. JIN Yongsheng (Chief Executive Officer), Mr. WU Fapei, Mr. JIN Jianlong, Mr. YU Yuqun, Mr. SHI Caixing and Mr. QIN Gang; and the independent non-executive directors of the Company are Mr. WONG Chun Ho, Mr. GAO Zhengping and Mr. SHOU Binan.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*