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 IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN YPDI

On 19 September 2011, Enric Shenzhen, a wholly-owned subsidiary of the Company, as purchaser and the Vendors, as vendors, entered into the Share Transfer Agreement in which it was agreed that the Vendors shall conditionally sell and Enric Shenzhen shall conditionally purchase the entire equity interest in YPDI.

As the applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition is greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements and is exempt from the shareholders' approval requirement under the Listing Rules.

SHARE TRANSFER AGREEMENT

Date: 19 September 2011

Parties:

1. the Vendors, 28 natural persons, being all the registered shareholders of YPDI and representing all the 159 beneficial shareholders of YPDI, as vendors; and

2. Enric Shenzhen, a wholly-owned subsidiary of the Company, as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and the said 159 beneficial shareholders is independent of the Company and its connected persons.

Subject matter:

The Vendors shall conditionally sell and Enric Shenzhen shall conditionally purchase the entire equity interest in YPDI.

Consideration:

The Consideration of RMB165,000,000 shall be payable by Enric Shenzhen to the Vendors in the following manner:

(i) For the portion of Consideration which corresponds to the aggregate individual capital contribution by the Management Shareholders in YPDI (amounting to RMB74,110,850 and representing approximately 44.92% of the Consideration) (the “**Management Portion**”), Enric Shenzhen shall pay to the Management Shareholders:

(a) RMB14,822,170 as first instalment within 10 Business Days after the Effective Date, being 20% of the Management Portion;

(b) RMB22,233,255 as second instalment within 10 Business Days after the Completion Date, being 30% of the Management Portion;

(c) RMB7,411,085 as third instalment within 10 Business Days after the updated certificates regarding the operation of YPDI are granted to YPDI (but not later than 1 year after the Completion Date, whichever the earlier), being 10% of the Management Portion;

(d) RMB7,411,085 as fourth instalment within 1 year after the Completion Date, being 10% of the Management Portion; and

(e) RMB22,233,255 as fifth instalment, being the remaining 30% of the Management Portion which shall be held by Enric Shenzhen on escrow. The amount shall be paid by Enric Shenzhen to the Management Shareholders within 1 year after the Completion Date. Upon receipt of such amount, the Management Shareholders shall deposit the same with a bank and obtain a certificate of deposit which will be kept by Enric Shenzhen. The rights attached to the certificate of deposit shall serve as guarantee given to Enric Shenzhen by the Management Shareholders for the performance of Management Shareholders’ confidentiality obligation under the Share Transfer Agreement and their commitment not to resign from their positions in YPDI within 3 years after the Completion Date. The certificate of deposit shall be released to the Management Shareholders 2 years after the date when Enric Shenzhen receives the same.

(ii) For the remaining balance of the Consideration (amounting to RMB90,889,150 and representing approximately 55.08% of the Consideration) (the “**Balance**”), Enric Shenzhen shall pay to the Vendors other than the Management Shareholders:

(a) RMB18,177,830 as first instalment within 10 Business Days after the Effective Date, being 20% of the Balance;

(b) RMB36,355,660 as second instalment within 10 Business Days after the Completion Date, being 40% of the Balance;

(c) RMB18,177,830 as third instalment within 10 Business Days after the updated certificates regarding the operation of YPDI are granted to YPDI (but not later than 1 year after the Completion Date, whichever the earlier) , being 20% of the Balance; and

(d) RMB18,177,830 as fourth instalment within 1 year after the Completion Date, being the remaining 20% of the Balance.

The consideration has been arrived at after arms' length negotiations between the parties having regard to the financial and operational track record of YPDI, the industry prospects in which YPDI operates in, and the benefits to the Group following the Acquisition, and shall be adjusted by the financial losses and the amount of expenditure of YPDI (if any) in the following manner:

(i) the loss sustained by YPDI which was caused by any issue of YPDI where the Vendors did not disclose or properly disclose during the due diligence exercised by Enric Shenzhen or in the Share Transfer Agreement.

(ii) the loss sustained by YPDI which was caused by the Vendors' non-disclosure or incorrect disclosure in respect of the operating conditions or values of properties of YPDI (except where the Vendors have made written disclosure with respect to the actual condition of YPDI in the Share Transfer Agreement and during the due diligence exercised by Enric Shenzhen).

(iii) the amount of expenditure on salaries, bonus, allowances or other benefits by YPDI after 1 January 2011 which was not incurred in compliance with the laws and regulations or such expenditure was not supported by any documentation evidence shall be deducted from the Consideration.

The Consideration will be satisfied by way of internal resources of the Group and bank borrowings.

Effectiveness of the Share Transfer Agreement:

The Share Transfer Agreement will become effective upon the following:-

(i) the Vendors providing the powers of attorney, the contents of which having been approved by Enric Shenzhen, executed by the beneficial shareholders of YPDI in which they authorise the nominee shareholders to exercise all their rights relevant to the assignment of their capital investment on their behalf, including but without limitation the power to sign the Share Transfer Agreement, appoint sub-agent and receive the Consideration;

(ii) the Vendors providing resolution(s) signed by all the Vendors (all being registered shareholders of YPDI) for approving, inter alia, the Acquisition and waiving their pre-emptive rights;

(iii) the Vendors providing a letter of guarantee in the form agreed by Enric Shenzhen, confirming that the Sale Shares is assignable under the laws and regulations in the PRC and there exists no circumstances caused by the Vendors or any third party which may encumber the assignment of the Sale Shares;

(iv) the Vendors having provided (1) the confidentiality agreement entered into between the beneficial shareholders of YPDI (other than the Management Shareholders) and YPDI; and (2) the confidentiality agreement and the non-competition agreement entered into between the Management Shareholders and YPDI;

(v) subject to the requirement of the tax authorities, the Vendors agreeing YPDI to withhold and pay for the individual income tax payable by the Vendors for the Consideration received under the Acquisition and the relevant tax authorities providing such certificate of individual income tax payment; and

(vi) Enric Shenzhen having provided resolution(s) duly passed by its board of directors for approving the Acquisition and, where applicable, the Company having held a general meeting pursuant to the Listing Rules in which the resolutions for approving the Share Transfer Agreement and the relevant matters contemplated thereunder were duly passed.

The parties to the Share Transfer Agreement agree to use their best endeavours to procure the fulfilment of (i) to (v) above within 15 Business Days after signing of the Share Transfer Agreement.

The parties to the Share Transfer Agreement may at any time waive in writing any one or more of the above for the other party (except (vi) above).

Conditions Precedent:

The Acquisition is conditional upon the following:-

(i) Enric Shenzhen having obtained the approval from the regulatory authority authorising the transfer of Sale Shares; and

(ii) YPDI having obtained the approval from the regulatory authority (if necessary) authorising the transfer of Sale Shares.

Enric Shenzhen shall be entitled to waive any one or more of the above conditions in order to request the Vendors to proceed with the completion of the Acquisition.

Prior to the completion of the Acquisition, Enric Shenzhen shall be entitled to engage an auditor to audit the financials of YPDI. If the audited financials of YPDI are different from the disclosure made by the Vendors, Enric Shenzhen shall have the discretion to decide whether to proceed with the completion of the Acquisition.

INFORMATION ON YPDI

YPDI is a company established in the PRC on 15 September 2001 with limited liability and has a registered capital of RMB30,000,000. YPDI is principally engaged in consultancy, planning, design, service, procurement and contracting for petrochemical projects; pressure vessels and pressure piping design; computer software development and utilisation.

Based on the unaudited management accounts of YPDI as at 31 July 2011, which were prepared in accordance with the generally accepted accounting principles in the PRC, the net asset value of YPDI as at 31 July 2011 was approximately RMB120,774,843.

Pursuant to a shareholders' meeting of YPDI held on 2 September 2011, in respect of the retained profits of YPDI as at 31 December 2010, it was approved that YPDI shall declare and pay a dividend in the amount of RMB76,500,000 to the Vendors.

In accordance with the generally accepted accounting principles in the PRC, the profits before and after taxation of YPDI for the years ended 31 December 2009 and 31 December 2010 are set out in the following table:

	Year ended 31 December 2009 *RMB*	**Year ended 31 December 2010** *RMB*
Profit before taxation	42,809,771	11,891,505
Profit after taxation	42,809,771	8,918,629

REASONS FOR AND BENEFITS OF THE ACQUISITION

One of the major businesses of the Group is the design, manufacturing, engineering and sale of storage and transportation equipment for liquefied natural gas, liquefied petroleum gas and cryogenic liquids. YPDI possesses the advanced qualifications in engineering design for the chemical and petrochemical industries, engineering consultancy, as well as design of pressure vessels and pressure pipelines. Apart from the relevant qualifications, YPDI has established an experienced professional team and over 10 years' experience in design and project engineering, thus the Board believes that the Acquisition will facilitate the enhancement of manufacturing technology and engineering service capability of the Group, and enable the Group's businesses to expand into the upstream customer network. The Group expects that YPDI will become the Group's engineering business platform for the energy and chemical industries, and provide the relevant engineering services and integrated solutions for the existing and potential customers of the Group.

In addition, the Board believes that brought by the synergy among YPDI and the other operating units of the Group, the Group's capability at EPC (engineering, procurement and construction supervision) will be further strengthened. Therefore, the Board believes that the Acquisition can optimise the Group's business portfolio and create an unparalleled competitive edge over other industry players.

The Directors are of the view that the Acquisition is on normal commercial terms and the terms of the Acquisition are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition is greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements and is exempt from the shareholders' approval requirement under the Listing Rules.

GENERAL

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 equipments that are widely used among the energy, chemical and liquid food industries.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Acquisition"	the conditional acquisition of the Sale Shares by Enric Shenzhen pursuant to the terms and conditions of the Share Transfer Agreement
"Board"	the board of Directors of the Company
"Business Day(s)"	any day(s) excluding the statutory holidays and rest days in the PRC
"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 in the Main Board of Stock Exchange
"Completion Date"	the date on which completion of the Acquisition shall take place
"Director(s)"	director(s) of the Company
"Effective Date"	the day on which the Share Transfer Agreement becomes legally effective and binding on the parties of the Share Transfer Agreement
"Enric Shenzhen"	CIMC Enric Investment Holdings (Shenzhen) Limited* (中集安瑞科投資控股(深圳)有限公司), a company established in the PRC, which is a wholly-owned subsidiary of the Company
"Group"	the Company together with its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange

"Management Shareholders"	the management members of YPDI, each of whom being a Vendor who is the registered holder and/or beneficial owner of a proportionate number of the Sale Shares
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	the entire issued and paid-up share capital of YPDI
"Share Transfer Agreement"	the agreement dated 19 September 2011 entered into between the Vendors and Enric Shenzhen in respect of the sale and purchase of the Sales Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor(s)"	28 natural persons, being all the registered shareholders of YPDI and representing all the 159 beneficial shareholders of YPDI
"YPDI"	Nanjing Yangzi Petrochemical Design & Engineering Co. Ltd.* (南京揚子石油化工設計工程有限責任公司), a company with limited liability established in the PRC
"%"	per cent

** for identification purpose only*

By order of the Board
CIMC Enric Holdings Limited
Cheong Siu Fai
Company Secretary

Hong Kong, 19 September 2011

As at the date of this announcement, the Board consists of Mr. Zhao Qingsheng (Chairman), Mr. Gao Xiang (General Manager), Mr. Jin Jianlong and Mr. Yu Yuqun as executive Directors; Mr. Jin Yongsheng and Mr. Petrus Gerardus Maria van der Burg as non-executive Directors; and Mr. Wong Chun Ho, Mr. Tsui Kei Pang and Mr. Zhang Xueqian as independent non-executive Directors.