

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CIMC Enric Holdings Limited**, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and Independent Shareholders**



A letter from the Board is set out on pages 5 to 11 of this circular. A letter from the Independent Board Committee is set out on page 12 of this circular. A letter from Somerley containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 21 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 23 January 2014 at 3:00 p.m. is set out on pages 29 to 30 of this circular. A form of proxy for use by the Shareholders at the EGM (or any adjourned meeting thereof) is also enclosed.

Whether or not you are able to attend the EGM, please complete and return the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time scheduled for holding the EGM (or any adjourned meeting thereof). Completion and delivery of the proxy form shall not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

Hong Kong, 18 December 2013

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Charm Wise”	Charm Wise Limited, a wholly-owned subsidiary of CIMC
“CIMC”	中國國際海運集裝箱(集團)股份有限公司 China International Marine Containers (Group) Co., Ltd.*, a company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange and the Main Board of the Stock Exchange
“CIMC Group”	CIMC together with its subsidiaries (but excluding members of the Group) and associates
“CIMC HK”	China International Marine Containers (Hong Kong) Limited, a wholly-owned subsidiary of CIMC
“CNG”	compressed natural gas
“Company”	CIMC Enric Holdings Limited, an exempted company incorporated in the Cayman Islands on 28 September 2004 with limited liability under the Companies Law (Revised) of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on Thursday, 23 January 2014 at which ordinary resolutions will be proposed to approve, inter alia, the Sales Agreement, the Proposed Continuing Connected Transactions and the Proposed Annual Caps

DEFINITIONS

“Existing Sales Agreement”	the agreement dated 22 December 2010 entered into between the Company and CIMC in which it was agreed that the Group will sell and the CIMC Group will purchase certain products for a term of three years commencing on 1 January 2011 and expiring on 31 December 2013
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee comprising the independent non-executive Directors of the Company
“Independent Shareholders”	Shareholder(s), other than CIMC, Charm Wise, CIMC HK, Mr. Zhao and their respective associates, who do not have to abstain from voting in respect of the resolutions as set out in the notice of EGM on pages 29 to 30 of this Circular
“Latest Practicable Date”	13 December 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	liquefied natural gas
“Mr. Zhao”	Mr. Zhao Qingsheng, an executive Director and Chairman of the Company
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Products”	products including but not limited to natural gas refueling stations, CNG refueling stations and trailers, cryogenic liquefied gas storage tanks, pressure cylinders, LNG trailers, CNG trailers, compressed specialty gas trailers, compressors, on-vehicle LNG fuel tanks, tank containers and liquid food storage tanks

DEFINITIONS

“Proposed Annual Caps”	for the purposes of Chapter 14A of the Listing Rules, means the proposed annual caps of the Proposed Continuing Connected Transactions as set out under the paragraph headed “Proposed Annual Caps” in the Letter from the Board contained in this circular
“Proposed Continuing Connected Transactions”	the proposed continuing connected transactions contemplated under the Sales Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Agreement”	the agreement dated 28 November 2013 entered into between the Company and CIMC in which it was agreed that the Group will sell and the CIMC Group will purchase the Products for a term of three years commencing on 1 January 2014 and expiring on 31 December 2016
“Sales Customers”	customers referred to the CIMC Group from the Group pursuant to the Sales Agreement
“Sales Market Rate”	the basis upon which the price of Products are sold and purchased and the fees for repair and maintenance services provided after the one-year quality guarantee period under the Sales Agreement, which will be in the following manner: (i) determined with reference to the normal commercial terms on which the Products and aforementioned services are sold or provided by the Group to independent third parties in the area or nearby areas in which the Products and aforementioned services are sold or provided; or (ii) if (i) is inapplicable, determined with reference to the normal commercial terms on which the Products and aforementioned services are sold or provided by the Group to independent third parties in the PRC
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

DEFINITIONS

“Somerley”	Somerley Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO having CE registration number AAJ067, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Sales Agreement, the Proposed Continuing Connected Transactions and the Proposed Annual Caps
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

* *For identification purposes only*

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)

Executive Directors:

Zhao Qingsheng (*Chairman*)
Gao Xiang (*General Manager*)
Jin Jianlong
Yu Yuqun

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-executive Director:

Jin Yongsheng

Principal place of business in Hong Kong:

Unit 908, 9th Floor
Fairmont House
No. 8 Cotton Tree Drive
Central
Hong Kong

Independent non-executive Directors:

Wong Chun Ho
Tsui Kei Pang
Zhang Xueqian

Head office in the PRC:

CIMC R&D Center
No. 2 Gangwan Avenue
Shekou Industrial Zone
Shenzhen, Guangdong
The PRC

18 December 2013

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the announcement of the Company dated 22 December 2010 and the circular of the Company dated 12 January 2011 in relation to the transactions contemplated under the Existing Sales Agreement which will expire on 31 December 2013.

LETTER FROM THE BOARD

Reference is also made to the announcement of the Company dated 28 November 2013, where it was announced that since it was anticipated that the Group would enter into transactions in relation to the Products with the CIMC Group in its ordinary course of business in the three years commencing on 1 January 2014 and ending 31 December 2016, the Company entered into the Sales Agreement with CIMC on 28 November 2013.

Pursuant to the Sales Agreement, the CIMC Group would purchase and the Group would sell the Products for a term of three years commencing on 1 January 2014 and expiring on 31 December 2016.

The main purpose of this circular is to provide you with (a) details of the Proposed Continuing Connected Transactions and the Sales Agreement; (b) a letter from the Independent Board Committee and a letter from Somerley, respectively; (c) a notice of the Company's EGM to seek approval by the Independent Shareholders of the Sales Agreement, the Proposed Continuing Connected Transactions and the Proposed Annual Caps; and (d) other information in accordance with the requirements of the Listing Rules.

2. THE SALES AGREEMENT

Date : 28 November 2013

Parties : 1. the Company; and
2. CIMC

Subject matter:

The CIMC Group will purchase and the Group will sell the Products for the purpose of providing finance leases by the CIMC Group to Sales Customers and/or for the purpose of the CIMC Group's own manufacturing and business operations, for a term of three years commencing on 1 January 2014 and expiring on 31 December 2016.

A written agreement for each individual transaction contemplated under the Sales Agreement will be entered into between the relevant member of the CIMC Group and of the Group. Upon the entering into of such agreement, the Group will offer a one-year quality guarantee period to Sales Customers during which the Group will provide free repair and maintenance services. After the end of such quality guarantee period, the Group will provide repair and maintenance services to Sales Customers at the Sales Market Rate.

Price and payment terms of Products:

Prices of the Products contemplated under the Sales Agreement will be determined, with premium reasonable to the Group to be added to the estimated costs to be incurred by the Group in providing the Products with reference to the then Sales Market Rate, which will be agreed upon by the Group, the CIMC Group and, if applicable, the Sales Customers. The aforementioned premium will be determined by the Group with reference to the level of gross profit margin the Group is able to obtain from the sale of the same or closely similar Products to independent third parties under the then prevailing market condition.

LETTER FROM THE BOARD

The Group adopts the same pricing mechanism for sale transactions towards both independent third parties and connected persons. Therefore, prices of Products sold to both independent third parties and connected persons are determined with premium reasonable to the Group to be added to the estimated costs to be incurred by the Group in providing the Products with reference to the then Sales Market Rate. The aforementioned premium is determined by the Group's sales department, with reference to the level of gross profit margin the Group is able to obtain from the sale of the same or closely similar Products to independent third parties under the then prevailing market condition and is reviewed and approved by the head of the sales department.

Regarding purchase of Products for the purpose of providing finance leases by the CIMC Group to Sales Customers, upon entering into a written agreement for each individual transaction between the relevant member of the CIMC Group and of the Group, the CIMC Group will pay 10% of the consideration thereunder as deposit to the Group within 10 days from the date of such agreement. The CIMC Group will pay the balance of the consideration within 10 days from the date of acknowledgement of receipt of the Products by the CIMC Group and the relevant Sales Customers by cash, cheque, telegraphic transfer or notes.

Regarding the normal sale business between the CIMC Group and the Group (i.e. excluding the business of provision of finance leases by the CIMC Group), it is agreed that the payment terms will be determined on a transaction-by-transaction basis, with reference to market practices and on terms no less favorable to the Group than terms available by the Group to independent third parties.

Historical transaction amounts:

The historical transaction amounts of the Existing Sales Agreement and the corresponding annual caps during the relevant years are as follows:

	Annual caps (in RMB) <i>(Note)</i>			Actual amount (in RMB)		
	For the year ended 31 December 2011	For the year ended 31 December 2012	For the year ending 31 December 2013	For the year ended 31 December 2011	For the year ended 31 December 2012	For the six months ended 30 June 2013
Existing Sales Agreement	294,000,000	386,000,000	489,000,000	266,453,000	376,495,000	217,847,000

Note:

Annual caps figures in the table above derive from the announcement of the Company dated 22 December 2010 and the circular of the Company dated 12 January 2011. The annual caps were approved by the independent shareholders of the Company in an extraordinary general meeting held on 31 January 2011.

LETTER FROM THE BOARD

None of actual amounts above exceeded their respective annual caps for the corresponding years. It is expected that the actual amount for the year ending 31 December 2013 will not exceed the cap for the corresponding year.

3. PROPOSED ANNUAL CAPS

The table below sets out the Proposed Annual Caps for the three years ending 31 December 2014, 2015 and 2016:

	Annual caps (in RMB)		
	For the year ending 31 December 2014	For the year ending 31 December 2015	For the year ending 31 December 2016
Sales Agreement	840,000,000	1,140,000,000	1,487,000,000

The Board derives the projected numbers by reference to the historical transaction amounts under the Existing Sales Agreement, the Group's existing operations and the anticipated development and growth of the Group's business as well as the existing operation and the anticipated development and growth of the CIMC Group's business. Determination of the annual caps are based on the projected number of Products sold to the CIMC Group for providing finance lease by the CIMC Group to Sales Customers and/or for the purpose of the CIMC Group's manufacturing and business operations multiplied by the corresponding price which is determined by reference to the Sales Market Rate. The projected number of Products sold to the CIMC Group is estimated (i) with reference to projected increase in supply of natural gas in the PRC resulting from the natural gas infrastructures such as LNG receiving terminals and long-haul natural gas pipelines expected to be commissioned in the PRC between 2014 and 2016; and (ii) with reference to projected number of large scale natural gas construction projects in the PRC and new products to be launched by the Group between 2014 and 2016 that will likely require finance lease arrangements.

4. REASONS FOR AND BENEFITS OF THE PROPOSED CONTINUING CONNECTED TRANSACTIONS AND THE ENTERING INTO OF THE SALES AGREEMENT

The Group is engaged in the sale of transportation, storage and processing equipment for energy, chemical and liquid food industries and some of its customers may require payment by finance lease in purchasing the Group's Products. As the Group is not engaged in the finance lease business, the Group may refer customers who wish to pay by finance lease for their purchases to the CIMC Group for it to arrange finance leases to such customers.

5. INFORMATION ABOUT CIMC

CIMC is principally engaged in the container manufacturing and service business, road transportation vehicle business, energy, chemical and food equipment business, offshore engineering business and airport facilities equipment business.

LETTER FROM THE BOARD

6. INFORMATION ABOUT THE GROUP

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.

7. IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, CIMC indirectly owns as to 1,322,335,645 Shares (representing approximately 69.96% of the Shares), comprising 190,703,000 Shares (representing approximately 10.09% of the Shares) held by Charm Wise and 1,131,632,645 Shares (representing approximately 59.87% of the Shares) held by CIMC HK. Charm Wise and CIMC HK are both wholly-owned subsidiaries of CIMC. Accordingly, CIMC is a substantial shareholder of the Company and is therefore a connected person of the Company. Hence, the transactions contemplated under the Sales Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps will, on an annual basis, respectively be more than 5% and as it is expected that the annual consideration will be more than HK\$10,000,000, the Proposed Continuing Connected Transactions are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and also the independent shareholders' approval requirements set out in Rules 14A.48 to 14A.55 under Chapter 14A of the Listing Rules.

The Sales Agreement will not take effect if the resolution for approving the Sales Agreement, the Proposed Continuing Connected Transactions and the Proposed Annual Caps is not passed in the EGM.

8. EXTRAORDINARY GENERAL MEETING

There is set out on pages 29 to 30 of this circular a notice convening the EGM to be held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 23 January 2014 at 3:00 p.m. at which ordinary resolutions will be proposed for, inter alia, the approval by the Independent Shareholders of the Sales Agreement, the Proposed Continuing Connected Transactions and the Proposed Annual Caps.

Pursuant to Rule 14A.59(5) of the Listing Rules, any connected person with a material interest in a transaction, and any shareholder with a material interest in the transaction and its associates will not vote.

LETTER FROM THE BOARD

In view of the interests of Charm Wise and CIMC HK (both of which are wholly-owned subsidiaries of CIMC) in the Proposed Continuing Connected Transactions, Charm Wise and CIMC HK and their respective associates, which were holding approximately 69.96% of the Shares in aggregate as at the Latest Practicable Date and being connected persons of the Company, will abstain from voting in respect of such resolution.

In view of the directorship and/or senior management position held by Mr. Zhao, a Director and thus a connected person of the Company, in CIMC, and certain subsidiaries of CIMC (including Charm Wise and CIMC HK), Mr. Zhao is deemed to be materially interested in the Proposed Continuing Connected Transactions and he who beneficially owned 214,000 Shares which carry voting rights, representing approximately 0.01% of the Shares as at the Latest Practicable Date, and his associates, will abstain from voting in respect of such resolution.

As far as the Company was aware, having made all reasonable enquiries, as at the Latest Practicable Date:

- (a) Charm Wise, CIMC HK, Mr. Zhao and their respective associates controlled or were entitled to exercise control over the voting right in respect of their respective Shares;
- (b)
 - (i) there were no voting trust or other agreements or arrangements or understanding (other than an outright sale) entered into by or binding upon any of Charm Wise, CIMC HK, Mr. Zhao or their respective associates;
 - (ii) there were no obligations or entitlements of Charm Wise, CIMC HK, Mr. Zhao or their respective associates, whereby it/he/they had or might have temporarily or permanently passed control over the exercise of the voting rights in respect of its/his/their Shares to a third party, either generally or on a case-by-case basis; and
- (c) there is no discrepancy between the beneficial shareholding interest of Charm Wise, CIMC HK, Mr. Zhao or their respective associates in the Company as disclosed in this circular and the number of Shares in respect of which it/he/they would control or would be entitled to exercise control over the voting rights at the EGM where an ordinary resolution will be proposed to approve the Proposed Continuing Connected Transactions.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. The completion of the enclosed proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting thereof should you so wish.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Independent Board Committee, having considered the terms of the Sales Agreement and the Proposed Continuing Connected Transactions (including the Proposed Annual Caps) as well as the advice and recommendations of Somerley set out in the section titled “Letter from Somerley” in this circular, considers that, (i) the terms of the Sales Agreement and the Proposed Continuing Connected Transactions are in the ordinary and usual course of business of the Group and are on normal commercial terms; and (ii) the terms of the Sales Agreement and the Proposed Continuing Connected Transactions and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Sales Agreement, the Proposed Continuing Connected Transactions and the Proposed Annual Caps. The “Letter from the Independent Board Committee” is set out on page 12 of this circular.

In view of the directorship(s) and/or senior management position(s) held by Mr. Zhao, Mr. Gao Xiang, Mr. Jin Jianlong and Mr. Yu Yuqun, all of whom are executive Directors of the Company, in CIMC and/or certain subsidiaries of CIMC, they are deemed to be materially interested in the transactions contemplated under the Sales Agreement and have abstained from voting on the relevant Board resolutions. On the basis of the information set out in this circular, the Directors are of the opinion that (i) the terms of the Sales Agreement and the Proposed Continuing Connected Transactions are in the ordinary and usual course of business of the Group and are on normal commercial terms; and (ii) the terms of the Sales Agreement and the Proposed Continuing Connected Transactions and the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors therefore recommend the Independent Shareholders to vote in favour of the resolutions as set out in the notice of EGM on pages 29 to 30 of this circular.

10. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on page 12 of this circular and the Letter from Somerley to the Independent Board Committee and the Independent Shareholders set out on pages 13 to 21 of this circular, and the information set out in the appendix to this circular.

By order of the Board
CIMC Enric Holdings Limited
Zhao Qingsheng
Chairman

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)

18 December 2013

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 18 December 2013 issued by the Company (the “Circular”), of which this letter forms part. Unless otherwise stated, terms defined in the Circular have the same meaning when used in this letter. We have been appointed as the members of the Independent Board Committee to consider and to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Sales Agreement, and the Proposed Continuing Connected Transactions (including the Proposed Annual Caps) and whether they are in the interests of the Company and the Shareholders as a whole, and to recommend whether or not the Independent Shareholders should vote for the ordinary resolutions to be proposed at the Company’s EGM in relation to (a) the Sales Agreement, and (b) the Proposed Continuing Connected Transactions (including the Proposed Annual Caps).

Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of: (a) the fairness and reasonableness of the terms of the Sales Agreement, and (b) the Proposed Continuing Connected Transactions (including the Proposed Annual Caps).

We wish to draw your attention to the letter from the Board (which is set out on pages 5 to 11 of the Circular) and the letter of advice from Somerley (which is set out on pages 13 to 21 of the Circular).

Having taken into account the advice from Somerley, we consider that (i) the terms of the Sales Agreement and the Proposed Continuing Connected Transactions are in the ordinary and usual course of business of the Group and are on normal commercial terms; and (ii) the terms of the Sales Agreement and the Proposed Continuing Connected Transactions and the Proposed Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the Company’s EGM in relation to the Sales Agreement and the Proposed Continuing Connected Transactions (including the Proposed Annual Caps).

Yours faithfully,
Independent Board Committee
CIMC Enric Holdings Limited

WONG Chun Ho

TSUI Kei Pang

ZHANG Xueqian

Independent non-executive Directors

LETTER FROM SOMERLEY

The following is the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

18 December 2013

To: *the Independent Board Committee and
the Independent Shareholders*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders on transactions in relation to the sale of the Products by the Group to the CIMC Group pursuant to the terms of the Sales Agreement for which the Independent Shareholders' approval is being sought, including the Proposed Annual Caps. Details of the Proposed Continuing Connected Transactions are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 18 December 2013 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, CIMC indirectly owns 69.96% of the entire issued ordinary share capital of the Company. Being a substantial shareholder, CIMC is therefore a connected person of the Company and the Proposed Continuing Connected Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the Company anticipates that the applicable percentage ratios for the Proposed Continuing Connected Transactions for the three years ending 31 December 2016 will exceed 5% and the annual consideration is expected to be higher than HK\$10 million, the Proposed Continuing Connected Transactions will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules and will also be required to be approved by way of poll by the Independent Shareholders. CIMC and its associates will abstain from voting in relation to the resolution approving the Sales Agreement and the Proposed Annual Caps at the EGM.

The Independent Board Committee comprising all the Company's independent non-executive Directors, namely Mr. Wong Chun Ho, Mr. Tsui Kei Pang and Mr. Zhang Xueqian, has been established to advise the Independent Shareholders whether the terms of the Sales Agreement (including the Proposed Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. We, Somerley, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM SOMERLEY

In formulating our opinion and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company and have assumed that such information, facts and opinions were true, accurate and complete in all material aspects and will remain so up to the date of the EGM. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information has been withheld, or to doubt the truth, accuracy or completeness of the information provided. We have not conducted any independent investigation into the business, affairs and financial position of the Group or the CIMC Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendations on the terms of the Sales Agreement (including the Proposed Annual Caps), we have taken the following principal factors and reasons into consideration:

1. Background to and reasons for the Proposed Continuing Connected Transactions

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance services for, a range of transportation, storage and processing equipment that is widely used in the energy, chemical and liquid food industries. Key products of the Group include seamless pressure cylinders, natural gas refueling station systems, tanks containers, compressed natural gas trailers, liquefied natural gas trailers, specialty gas trailers, cryogenic tanks, liquid food tanks and road tanks.

CIMC is mainly engaged in the container manufacturing and service businesses, road transportation vehicle business, energy, chemical and food equipment business, offshore engineering business and airport facilities equipment business. Apart from selling the Products to the CIMC Group for its own manufacturing and business operation, since the Group is not engaged in the finance lease business and some of the Group's customers require finance lease arrangements to finance their purchases of the Products, the Group in the past has been referring such customers to the CIMC Group, which owns its finance leases business. In such cases, the Group just sells the Products to the CIMC Group and the CIMC Group resells them to the Sales Customers under the finance lease arrangements. The Directors believe that by providing such referral arrangement for finance leases, the Group is able to solicit and retain more customers. In this regard, the Existing Sales Agreement was entered into between the Company and CIMC on 22 December 2010 for the three years ending 31 December 2013, which was approved by the then independent shareholders of the Company at a shareholders' meeting held on 31 January 2011.

LETTER FROM SOMERLEY

Since the Existing Sales Agreement is due to expire on 31 December 2013 and it is expected that the Group and the CIMC Group will continue to enter into such transactions in the ordinary course of business for the coming three years ending 31 December 2016, the Company considers that the Existing Sales Agreement should be renewed. Consequently, the Sales Agreement was entered into between the Company and CIMC on 28 November 2013 in order to govern the sales and purchases of the Products between the Group and the CIMC Group for the coming three years ending 31 December 2016.

2. Principal terms of the Sales Agreement

Pursuant to the Sales Agreement, the Group will sell the Products to the CIMC Group for the purpose of the CIMC Group providing finance leases to Sales Customers and/or for the purpose of the CIMC Group's own manufacturing and business operations, for the three years commencing on 1 January 2014 and expiring on 31 December 2016.

The selling price of the Products will be agreed upon by the Group, the CIMC Group and if applicable, the Sales Customers by making reference to the then Sales Market Rate, with a premium reasonable to the Group to be added to the estimated costs to be incurred by the Group in providing the Products, which is comparable to the sales market rate applicable to independent third party customers. The aforementioned premium will be determined by the Group with reference to the level of gross profit margin the Group is able to obtain from the sale of the same or closely similar Products to independent third parties under the then prevailing market condition. The Group and the CIMC Group will enter into separate written agreements to govern each individual transaction contemplated under the Sales Agreement. A one-year quality guarantee period would be offered by the Group to Sales Customers during which the Group will provide free repair and maintenance services for the Products according to the terms and conditions of the Sales Agreement. After the one-year quality guarantee period, the Group will provide repair and maintenance services at the Sales Market Rate.

The Sales Market Rate will be (i) determined with reference to the normal commercial terms on which the Products and aforementioned services are sold or provided by the Group to independent third parties in the area or nearby areas in which the Products and aforementioned services are sold or provided; or (ii) if (i) is not applicable, determined with reference to the normal commercial terms on which the Products and aforementioned services are sold or provided by the Group to independent third parties in the PRC.

In relation to the purchase of the Products for the purpose of providing finance leases by the CIMC Group to Sales Customers, the CIMC Group will pay 10% of the consideration as deposit to the Group within 10 days from the date of such agreement. The balance of the consideration will be settled within 10 days from the date of acknowledgement of receipt of the Products by the CIMC Group and the relevant Sales Customers. In relation to the purchase of the Products for the purpose of own manufacturing by the CIMC Group, the payment terms will be determined

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on a transaction-by-transaction basis, with reference to market practices and on terms no less favourable to the Group than terms made available by the Group to independent third parties.

We have reviewed sample contracts for the sales of the Products by the Group to the CIMC Group and compared them against similar sales contracts entered into between the Group and independent customers. We noted that the terms of sales of the Products to the CIMC Group are no less favourable to the Group than the terms offered by the Group to other independent customers.

Based on the above, we consider the pricing terms of the Sales Agreement and the basis thereof to be fair and reasonable.

3. Proposed Annual Caps

The Proposed Continuing Connected Transactions are subject to the Listing Rules requirements and conditions as more particularly discussed under the section headed "Reporting requirements and conditions of the Proposed Continuing Connected Transactions" below. In particular, the Proposed Continuing Connected Transactions are subject to the Proposed Annual Caps as discussed below.

(a) Review of historical figures

Set out below are the historical sales of the Products by the Group to the CIMC Group during the two years ended 31 December 2012 and for the six months ended 30 June 2013, and the relevant annual caps for the three years ending 31 December 2013:

	For the financial year ended 31 December		For the six months ended 30 June
	2011	2012	2013
	Audited	Audited	Unaudited
	RMB	RMB	RMB
Existing Sales Agreement	266,453,000	376,495,000	217,847,000*
Relevant annual caps	294,000,000	386,000,000	489,000,000*

* Existing Sales Agreement covered sales to the CIMC Group for the six months ended 30 June 2013, whereas the relevant annual cap governs the sales to the CIMC Group for the full year of 2013.

Sales of the Products to the CIMC Group by the Group rose by approximately 41.3% from approximately RMB266.5 million in 2011 to approximately RMB376.5 million in 2012. We are advised by the Directors that such growth was mainly driven by the increasing number of customers opting for purchase of the Products under the finance lease arrangements under the tight monetary conditions in the PRC, which in turn resulted in more Products being sold to the CIMC Group.

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Following the PRC Government's efforts (as discussed in sub-section below headed "Assessment of the Proposed Annual Caps") in raising the public's awareness of the usage of clean energy, the demand for the Group's products in the PRC for the storage, transportation and distribution of natural gas has continued the growth seen in the first half of 2013. Accordingly, the total sales of the Products to the CIMC Group for the six months ended 30 June 2013 amounted to approximately RMB217.8 million, representing approximately 57.9% of the total sales of the Products to the CIMC Group in 2012.

As set out in the above table, we note that the relevant annual caps for the two years ended 31 December 2012 have been utilised to a large extent, with a utilisation rate of approximately 90.6% and 97.5% in 2011 and 2012 respectively.

(b) Assessment of the Proposed Annual Caps

Set out below are the Proposed Annual Caps for each of the three years ending 31 December 2016:

	For the financial year ending 31 December		
	2014	2015	2016
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Proposed Continuing Connected Transactions contemplated under the Sales Agreement	840,000,000	1,140,000,000	1,487,000,000

In assessing the reasonableness of the Proposed Annual Caps, we have discussed with the Company the basis and assumptions underlying the projections for the sale of the Products to the CIMC Group. In determining the Proposed Annual Caps for the three years ending 31 December 2016, the Directors have made reference to the existing operations and the anticipated development and growth of the business of each of the Group and the CIMC Group, the expected production capacity and the projected demand for finance lease arrangements. The Proposed Annual Caps are then arrived at by adopting (i) projected numbers of the Products to be sold multiplied by the corresponding market price of the relevant products and then multiplied by the percentage of customers for the relevant products that will likely require payment by finance lease; and (ii) the projected number of the Products to be purchased from the Group by the CIMC Group for its own manufacturing operation multiplied by the corresponding market price of the relevant products.

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In recent years, the PRC government has been promoting the use of clean energies in the PRC. According to the “New Natural Gas Utilisation Policy (天然氣利用政策)” promulgated by the National Development and Reform Commission which became effective from 1 December 2012 (the “**Natural Gas Policy**”), the use of natural gas vehicles (“**NGVs**”) will continue to be a priority in the PRC. In addition, the definition of NGVs has been widened to include gas-fuelled buses, taxis, logistics distribution vehicles, passenger vehicles, sanitation vehicles and trucks. The Natural Gas Policy is expected to generate strong demand for gas refuelling station equipment as the use of NGVs grows. On this basis, the demand for the Group’s products is believed to be rising strongly in the coming three years, which in turn is expected to bring an increase in the sales to the CIMC Group under the Proposed Continuing Connected Transactions.

Proposed Annual Cap for the year ending 31 December 2014

According to the management of the Group, sales of the Group’s CNG and LNG products have been robust during the first half of 2013, as evidenced by the increase in sales of approximately 26.1% when compared to the same period in 2012, with a particular strong growth in sales of the Group’s LNG products. Such increase is supported by the increase in production capacity through the acquisition of a new subsidiary, Nantong CIMC Transportation & Storage Equipment Co., Ltd. completed in 2012. The production capacity of the Group has also been significantly enhanced to meet the growing demand for CNG and LNG transportation and storage equipment. For example, the production capacities of LNG fuel tanks in the Group’s facilities in Shijiazhuang and Zhangjiagang in aggregate will be doubled by the end of 2013.

In addition, the construction of the Sino-Burma Oil-and-Gas Pipeline is completed and has become operational in October 2013, which is expected to bring additional supply of natural gas to the PRC and accordingly support the demand for the Group’s products.

The Directors have estimated a Proposed Annual Cap of RMB840 million in 2014, which represents an increase of approximately 71.8% when compared to the relevant annual cap of RMB489 million in 2013. This is a substantial increase but we consider it is justified in view of the above factors.

Proposed Annual Caps for each of the two years ending 31 December 2015 and 2016

The Third West-East Gas Pipeline is scheduled for completion in 2015. In addition, several LNG receiving terminals are currently under construction and are expected to become operational during 2014 to 2016. Completion of the above infrastructures is expected to enhance the coverage and accessibility of natural gas throughout the PRC.

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In deriving the Proposed Annual Caps for the two years ending 31 December 2015 and 2016, the Directors estimate that there will be a year-on-year growth of approximately 35.7% and 30.4% in sales amounts respectively. In view of the major infrastructure projects coming on stream, we believe the Directors' estimates are reasonable.

Pricing

The Directors estimate that there will be an annual growth of 3.2% in unit price of the Products during the coming three years, with reference to the year-on-year increase in the consumer price index as at October 2013 according to National Bureau of Statistics of China. Based on our research, we noted that the historical average year-on-year increase in consumer price index of the PRC amounted to approximately 3% during the period from January 2008 to October 2013, which is similar to the expected inflation applied to the calculation of the Proposed Annual Caps.

Generally speaking, in our opinion, it is in the interests of the Group and the Shareholders to determine the Proposed Annual Caps in a way that can accommodate the potential growth of the Group's business. Provided that the Proposed Continuing Connected Transactions are subject to annual review by the independent non-executive Directors and auditors of the Company (as discussed below) as required under the Listing Rules, the Group would have desirable flexibility in conducting its businesses if the Proposed Annual Caps are tailored to future business growth. In assessing the reasonableness of the Proposed Annual Caps, we have discussed with the management of the Group the factors taken into account as stated earlier in this section. We consider it reasonable for the Company to use the above factors in determining the Proposed Annual Caps.

4. Reporting requirements and conditions of the Proposed Continuing Connected Transactions

Pursuant to Rules 14A.37 to 14A.40 of the Listing Rules, the Proposed Continuing Connected Transactions are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the Proposed Continuing Connected Transactions and confirm in the annual report and accounts that the Proposed Continuing Connected Transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal

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commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and

- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least ten business days prior to the bulk printing of the Company's annual report) confirming that the Proposed Continuing Connected Transactions:
 - (i) have received the approval of the Board;
 - (ii) are in accordance with the pricing policies of the Group;
 - (iii) have been entered into in accordance with the relevant agreements governing the Proposed Continuing Connected Transactions; and
 - (iv) have not exceeded the Proposed Annual Caps;
- (c) the Company shall allow, and shall procure the relevant counterparties to the Proposed Continuing Connected Transactions to allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Proposed Continuing Connected Transactions as set out in paragraph (b);
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively.

In light of the reporting requirements relating to the Proposed Continuing Connected Transactions, in particular, (i) the restriction of the value of the Proposed Continuing Connected Transactions by way of the Proposed Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and auditors of the Company of the terms of the Proposed Continuing Connected Transactions and the Proposed Annual Caps not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Proposed Continuing Connected Transactions and assist to safeguard the interests of the Independent Shareholders.

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OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Proposed Continuing Connected Transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. We also consider that the terms of the Sales Agreement (including the Proposed Annual Caps) are fair and reasonable. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, that the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Proposed Continuing Connected Transactions (including the Proposed Annual Caps).

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
M. N. Sabine
Chairman

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in the Shares

Director	Capacity	Number of shares held as at the Latest Practicable Date	% of issued share capital as at the Latest Practicable Date (Note)
Mr. Zhao	Beneficial owner	214,000	0.01%

Note:

The percentage is calculated based on the total number of ordinary shares of the Company in issue as at the Latest Practicable Date, which was 1,890,031,522.

(ii) Long position in underlying shares of equity derivatives of the Company

Options were granted by the Company on 11 November 2009 and 28 October 2011 under a share option scheme approved by the Shareholders on 12 July 2006:

Name of Director	Exercise price (HK\$)	Number of share options outstanding as at the Latest Practicable Date	% of total Shares as at the Latest Practicable Date	Exercisable period
Mr. Zhao	4.00	1,000,000	0.05%	11/11/2010 – 10/11/2019
	2.48	450,000	0.02%	28/10/2013 – 27/10/2021
Gao Xiang	4.00	1,000,000	0.05%	11/11/2010 – 10/11/2019
	2.48	500,000	0.03%	28/10/2013 – 27/10/2021
Jin Jianlong	4.00	800,000	0.04%	11/11/2010 – 10/11/2019
	2.48	300,000	0.02%	28/10/2013 – 27/10/2021
Yu Yuqun	4.00	800,000	0.04%	11/11/2010 – 10/11/2019
	2.48	300,000	0.02%	28/10/2013 – 27/10/2021
Jin Yongsheng	4.00	500,000	0.03%	11/11/2010 – 10/11/2019
	2.48	300,000	0.02%	28/10/2013 – 27/10/2021
Wong Chun Ho	4.00	500,000	0.03%	11/11/2010 – 10/11/2019
	2.48	300,000	0.02%	28/10/2013 – 27/10/2021
Tsui Kei Pang	2.48	300,000	0.02%	28/10/2013 – 27/10/2021
Zhang Xueqian	2.48	300,000	0.02%	28/10/2013 – 27/10/2021

(iii) Long position in the shares of associated corporations

Associated corporation	Name of Director	Capacity	Number of shares/underlying shares held as at the Latest Practicable Date	Shareholding % as at the Latest Practicable Date
CIMC Vehicle (Group) Co., Ltd.	Mr. Zhao	Beneficiary of a trust (Note 1)	3,350,000	1.52% (Note 2)
	Gao Xiang	Beneficiary of a trust (Note 1)	1,350,000	0.61% (Note 2)
	Jin Jianlong	Beneficiary of a trust (Note 1)	2,350,000	1.06% (Note 2)
	Yu Yuqun	Beneficiary of a trust (Note 1)	2,350,000	1.06% (Note 2)
CIMC	Mr. Zhao	Beneficial owner (Note 3)	1,500,000	0.06% (Note 4)
	Gao Xiang	Beneficial owner (Note 3)	500,000	0.02% (Note 4)
	Jin Jianlong	Beneficial owner (Note 3)	1,000,000	0.04% (Note 4)
	Yu Yuqun	Beneficial owner (Note 3)	1,000,000	0.04% (Note 4)

Notes:

- Pursuant to a stock credit plan (the "Stock Credit Plan") adopted by CIMC Vehicle (Group) Co., Ltd. ("CIMC Vehicle Group"), China Resources SZITIC Trust Co., Ltd. has been appointed as trustee to acquire and to hold on trust, for the benefit of certain employees of CIMC Vehicle Group, a 20% equity interest in CIMC Vehicle Group. Under the Stock Credit Plan, there are a total of 220,700,000 units, of which 214,010,354 units were allocated as at the Latest Practicable Date. Mr. Zhao, Gao Xiang, Jin Jianlong and Yu Yuqun, all being executive Directors, are participants in the Stock Credit Plan, with 3,350,000 units, 1,350,000 units, 2,350,000 units and 2,350,000 units allocated respectively. CIMC Vehicle Group is controlled by CIMC as to 80%.
- The percentage is calculated based on the total number of allocated stock credit units under the Stock Credit Plan as at the Latest Practicable Date, which was 220,700,000.
- Mr. Zhao, Gao Xiang, Jin Jianlong and Yu Yuqun were granted stock options by CIMC, an associated corporation of the Company listed on the Shenzhen Stock Exchange and the Main Board of the Hong Kong Stock Exchange, with 1,500,000 units, 500,000 units, 1,000,000 units and 1,000,000 units of options respectively on 28 September 2010, pursuant to a stock option incentive scheme adopted by CIMC. The stock options granted to any grantee are exercisable at an exercise price of RMB11.35 per share, and 25% of which are exercisable between 28 September 2012 and 27 September 2014; another 75% of which are exercisable between 28 September 2014 and 27 September 2020.
- The percentage is calculated based on the total number of share capital of CIMC in issue as at the Latest Practicable Date, which was 2,662,396,051.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations were recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the SFO and the Model Code.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any rights to subscribe for equity or debt securities of the Company.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as was known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) or corporations had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group or in any options in respect of such capital:

Substantial shareholder	Capacity	Number of shares held as at the Latest Practicable Date	% of issued share capital as at the Latest Practicable Date (Note 1)
CIMC	Interest of controlled corporation	1,322,335,645 (Note 2)	69.96%
CIMC HK	Interest of controlled corporation	190,703,000 (Note 3)	10.09%
	Beneficial owner	1,131,632,645	59.87%
Charm Wise	Beneficial owner	190,703,000 (Note 3)	10.09%

Notes:

- The percentages are calculated based on the total number of ordinary shares of the Company in issue as at the Latest Practicable Date, which was 1,890,031,522.
- These ordinary shares comprise 190,703,000 ordinary shares held by Charm Wise and 1,131,632,645 ordinary shares held by CIMC HK. Charm Wise and CIMC HK are wholly-owned subsidiaries of CIMC.
- The two references to 190,703,000 ordinary shares refer to the same block of shares held by Charm Wise, which is directly held by CIMC HK as to 100%.

4. The table below sets out the posts held by the Directors in the following substantial Shareholders as at the Latest Practicable Date:

CIMC

Name of Director	Posts held in CIMC
Mr. Zhao	Vice-president
Jin Jianlong	General manager of financial management department
Yu Yuqun	Secretary to the board of directors

CIMC HK

Name of Director	Posts held in CIMC HK
Mr. Zhao	Director
Jin Jianlong	Director

Charm Wise

Name of Director	Posts held in Charm Wise
Mr. Zhao	Director

Save as disclosed above, as at the Latest Practicable Date, the Directors or the chief executive of the Company were not aware of any other person or corporation (other than a Director or the chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or in any options in respect of such capital.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Director has entered, or is proposing to enter, into any service contract with any member of the Group which does not expire or is not terminable within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened against the Company or any of its subsidiaries.

6. DIRECTORS' INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement which is significant in relation to the business of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the following Directors were interested in the following businesses apart from the Group's business, which competes or may compete, either directly or indirectly, with the business of the Group:

Director	Name of competing entity	Description of business	Nature of interest of the Director in the competing entity
Mr. Zhao	Holvrieka (China) Co., Ltd. 南通中集大型儲罐有限公司("NCLS")	manufacturing of stainless steel, static storage tanks and crafts tanks used to store beer, fruit juice and other food and chemical products	director and chairman of the board
Gao Xiang	NCLS	(same as above)	director
Jin Jianlong	NCLS	(same as above)	director

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competed or was likely to compete with the business of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up.

9. QUALIFICATIONS AND CONSENT OF EXPERT

The following is the qualification of Somerley which has given its opinion or advice which is contained in this circular:

Name	Qualification
Somerley	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO having CE registration number AAJ067.

- (a) Somerley does not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (b) As at the Latest Practicable Date, Somerley does not have any direct or indirect interest in any asset which had been, since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) Somerley has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and reference to its name in the form and context in which they appear.
- (d) The letter from Somerley is given as at the date of this circular for incorporation herein.

10. GENERAL

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company in Hong Kong is at Unit 908, 9th Floor, Fairmont House, No. 8 Cotton Tree Drive, Central, Hong Kong.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The Sales Agreement will be available for inspection at the principal place of business of the Company in Hong Kong at Unit 908, 9th Floor, Fairmont House, No. 8 Cotton Tree Drive, Central, Hong Kong during normal business hours up to and including the date of EGM, which is 23 January 2014.

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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of CIMC Enric Holdings Limited (the “**Company**”) will be held at Regus Conference Centre, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 23 January 2014 at 3:00 p.m. for the purposes of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the Sales Agreement (a copy of which is marked “A” and tabled before the meeting for identification purpose), the Proposed Continuing Connected Transactions and the Proposed Annual Caps, all as defined and described in the circular of the Company dated 18 December 2013, and all other transactions contemplated thereunder and in connection therewith and any other ancillary documents, be and are hereby approved, confirmed and/or ratified; and
- (b) the directors of the Company be and are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and do all such acts, matters and things and take all such steps as they may in their discretion consider necessary, desirable or expedient to implement and/or to give effect to the Sales Agreement, the Proposed Continuing Connected Transactions and the Proposed Annual Caps, all as defined and described in the circular of the Company dated 18 December 2013, and all other transactions contemplated thereunder as they may in their discretion consider to be desirable and in the interests of the Company.”

By order of the Board
CIMC Enric Holdings Limited
Zhao Qingsheng
Chairman

Hong Kong, 18 December 2013

NOTICE OF EGM

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principle place of business in Hong Kong:

Unit 908, 9th Floor
Fairmont House
No. 8 Cotton Tree Drive
Central
Hong Kong

Head office in the PRC:

CIMC R&D Center
No. 2 Gangwan Avenue
Shekou Industrial Zone
Shenzhen, Guangdong
The PRC

Notes:

1. Any member of the Company entitled to attend and vote at the meeting (or any adjourned meeting thereof) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed, or a certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.
5. As at the date of this notice, the board of directors of the Company consists of Mr. Zhao Qingsheng (*Chairman*), Mr. Gao Xiang (*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.