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安瑞科能源裝備控股有限公司

Enric Energy Equipment Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3899)

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS

On 1 November 2007, the Company entered into the Product Sales Agreement with CIMC (Group). As CIMC (Group) is the holding company of Charm Wise, a substantial Shareholder, the transactions contemplated under the Product Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the Board anticipates that the percentage ratios (other than the profit ratio) for the Transactions on an annual basis will not be less than 2.5% and the annual consideration is expected to be higher than HK\$10,000,000, the 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.

A circular containing, among other things, details of the Transactions, letters from the Independent Board Committee and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions, together with a notice to convene the EGM for approving the Transactions will be despatched to the Shareholders as soon as practicable.

BACKGROUND

As part of its ordinary course of business, the Group has been purchasing certain transportation equipment (including but not limited to container chassis, semi-trailers and dump semi-trailers) manufactured by the Seller Group since 2004. As announced by the Company by the joint announcements of the Company and Charm Wise dated 3 August 2007 and 7 August 2007, 190,703,000 Shares, representing 42.18% of the issued share capital of the Company as at the date hereof, were acquired by Charm Wise from Xinao Group International Investment Limited. As CIMC (Group) is the holding company of Charm Wise, which became a substantial Shareholder since the completion of the Acquisition on 7 August 2007, the transactions contemplated under the Product Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

THE TRANSACTIONS

Date:

1 November 2007

Parties:

Purchaser the Company
Seller CIMC (Group)

Subject matter:

The Group will purchase and the Seller Group will sell transportation equipment manufactured by the Seller Group (including but not limited to container chassis, semi-trailers and dump semi-trailers).

Term:

From the date of the Product Sales Agreement to 31 December 2009, subject to early termination provisions in the Product Sales Agreement.

Price:

To be determined between the parties by reference to the market price of the particular products.

Priority:

The transportation equipment contemplated under the Product Sales Agreement may be sold to third parties by the Seller Group, provided that under the same terms, the Seller Group shall provide such products to the Group with priority.

THE ANNUAL CAP(S)

After careful evaluation of the historical figures in the past years, the forecasted figures for the three years ended 31 December 2007, 2008 and 2009 and the anticipated development and growth of the Group's relevant businesses, the Board (excluding the independent non-executive Directors) intends to set the Annual Caps as follows (historical figures are also set out below for reference):

Financial year ending 31 December	2007 (1 November to 31 December)			2008	2009
	2005	2006	2007 (1 January to 6 August)		
Annual Caps (<i>in RMB</i>) (<i>approximately in HK\$</i>)	32,000,000 32,960,000	78,000,000 80,340,000	99,000,000 101,970,000		
Transaction amount (<i>in RMB</i>) (<i>approximately in HK\$</i>)	21,926,576 22,584,373	44,206,435 45,532,628	24,817,931 25,562,469		

Basis of determination of the Annual Caps

The Group has not entered into any transactions with the Seller Group during the period from 7 August 2007, the date of the completion of the Acquisition, to 31 October 2007. During the said period, the Group has been using inventories on hand and inventories on which the purchase contracts were entered into with the Seller Group before 7 August 2007. The Board expects that the quantity of transportation equipment to be purchased from the Seller Group will increase year-on-year by 29%, 38% and 28% in 2007, 2008 and 2009 respectively, mainly attributable to the increase in the expected sales of the final products of the Group. The Group is planning to purchase containers being raw materials for the production of CNG hydraulic refueling stations, products of the Group, from the Seller Group starting from 1 January 2008, which the Group has been purchasing from Independent Third Parties for the years 2005, 2006 and 2007. As the Seller Group is also capable of producing this type of containers in its ordinary course of business with quality and price comparable to those of the said Independent Third Parties, the Group plans to start purchasing the said containers from the Seller Group from 1 January 2008 onwards. It is the proposed additional purchase of the said containers that has caused the year-on-year 38% estimated increase in quantity of transportation equipment to be purchased from the Seller Group for the year 2008.

By reference to the existing operation and the anticipated development and growth of the Group's business, the Board derives the projected numbers of CNG trailers, LNG trailers, chemical material trucks, specialty gas trailers and natural gas refueling station systems to be sold to the Group's customers. The Annual Caps are determined based on the projected number of sets of the aforesaid final products to be sold multiplied by the market price of the corresponding transportation equipment to be used for the production of such products.

Hence, the Board (excluding the independent non-executive Directors, whose views will be stated in the circular regarding the Transactions to be despatched to the Shareholders) considers that the Annual Caps are fair and reasonable.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Since most of the Group's customers are city gas operators, natural gas refueling station operators and specialty gas manufacturers and users, they need to use CNG trailers, LNG trailers, chemical material trucks and specialty gas trailers for the storage and transportation of natural gas, chemical materials and specialty gases from the gas sources to operation locations and natural gas refueling stations, and natural gas refueling station systems for selling natural gas fuel. The Group produces seamless pressure cylinders, cryogenic liquid storage tanks and natural gas refueling station systems and mounts the seamless pressure cylinders and cryogenic liquid storage tanks to the container chassis, semi-trailer and dump semi-trailer for the production of the Group's certain final products, including, CNG trailers, LNG trailers, refueling station trailers, chemical material trucks and specialty gas trailers. The Group has been purchasing these kinds of transportation equipment manufactured by the Seller Group since 2004 as components for the production of the Group's certain final products sold to ultimate customers. As there are few suppliers of the products contemplated under the Transactions and CIMC (Group) has long history in supplying such products, the Directors (excluding the independent non-executive Directors, whose views will be stated in the circular regarding the Transactions to be despatched to the Shareholders) are of the view that entering into of the Transactions will benefit both parties and the terms of the Transactions are fair and reasonable so far as the Independent Shareholders are concerned and that the Transactions are carried out in the ordinary course of business, on normal commercial terms and is in the interest of the Company and the Shareholders as a whole.

COMPLIANCE WITH THE LISTING RULES

Since the Board anticipates that the percentage ratios (other than the profit ratio) for the Transactions on an annual basis will not be less than 2.5% and the annual consideration is expected to be higher than HK\$10,000,000, the 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. The threshold under Rule 14A.34 of the Listing Rules will not be exceeded before the approval from the Independent Shareholders having been obtained at the EGM.

In view of the interests of Charm Wise in the Transactions, Charm Wise and its associates will abstain from voting in relation to the resolution(s) approving the Transactions and the Annual Caps at the EGM. The Independent Board Committee will be established to advise the Independent Shareholders as to whether the terms of the Transactions and the Annual Caps are in the interest of the Group and are fair and reasonable so far as the Independent Shareholders are concerned.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Transactions and the Annual Caps are on normal commercial terms, in the ordinary course of business, fair and reasonable and in the interests of the Group and the Independent Shareholders as a whole.

GENERAL

The Group is principally engaged in the provision of integrated business solutions in the energy equipment industry and the design, manufacture and sale of specialized gas equipment. There has been no change in the principal business activities of the Company subsequent to the completion of the Acquisition on 7 August 2007.

CIMC (Group) is principally engaged in the design, manufacturing, sale and provision of repairing services for dry containers, reefers, special containers, road transportation vehicles, tank equipment and airport facilities.

A circular containing, among other things, details of the Transactions, letters from the Independent Board Committee and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions, together with a notice to convene the EGM for approving the Transactions will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

“Acquisition”	the acquisition of 190,703,000 Shares pursuant to the share transfer agreement dated 30 July 2007 entered into between Charm Wise and Xinao Group International Investment Limited
“Annual Cap(s)”	the maximum aggregate annual value(s) of the Transactions for the period from 1 November 2007 to 31 December 2007 and each of the two financial years ending 31 December 2008 and 2009
“associate(s)”	as such term is defined under the Listing Rules
“Board”	the board of Directors

“Charm Wise”	Charm Wise Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial Shareholder of the Company holding 42.18% of the issued share capital of the Company, and a wholly-owned subsidiary of CIMC (Group)
“CIMC (Group)” or “Seller”	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 incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange
“CNG”	compressed natural gas
“Company”	Enric Energy Equipment Holdings Limited 安瑞科能源裝備控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of Stock Exchange
“connected person(s)”	as such term is defined under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held, to approve, among other things, the Transactions and the Annual Caps
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board to be established to advise the Independent Shareholders with regard to the Transactions and the Annual Caps
“Independent Shareholders”	the Shareholders other than Charm Wise and its associates
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of any member of the Group, the directors, the chief executives, the controlling shareholders, the substantial shareholders (as such terms are defined in the Listing Rules) of the Company or its subsidiaries, and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	liquefied natural gas
“PRC”	the People’s Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan

“Product Sales Agreement”	the product sales agreement dated 1 November 2007 entered into between the Company and CIMC (Group)
“Seller Group”	the Seller, together with its subsidiaries and associates
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the continuing connected transactions as contemplated under the Product Sales Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 4 November 2007

As at the date of this announcement, the Board consists of 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 as executive Directors, Mr. Yang Yu as a non-executive Director and Mr. Wong Chun Ho, Mr. Gao Zhengping and Mr. Shou Binan as independent non-executive Directors.

In this announcement, RMB has been converted to HK\$ at the rate of RMB1 = HK\$1.03 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.