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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
CONNECTED TRANSACTION
ASSET TRANSFER AGREEMENT**

On 16 January 2008, the Agreement was entered into between Enric Gas Equipment, a wholly-owned subsidiary of the Company, as transferee and Xinao Shijiazhuang as transferor pursuant to which Enric Gas Equipment agreed to acquire and Xinao Shijiazhuang agreed to sell the Assets for a consideration of RMB10,105,500 (equivalent to approximately HK\$10,812,885).

As Xinao Shijiazhuang is an associate of Mr. Wang, a previous executive Director who resigned as a Director with effect from 15 October 2007, the Transaction constitutes connected transaction for the Company under Chapter 14A of the Listing Rules. Since all the percentage ratios are below 2.5%, the Transaction is subject to reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirement.

THE AGREEMENT

Date:

16 January 2008

Parties:

Transferor	Xinao Shijiazhuang
Transferee	Enric Gas Equipment, a wholly-owned subsidiary of the Company

The Assets:

- (i) Land use rights for a piece of land located at Beigaojidajie, Zhaolinpu Village, Xinhua District, Shijiazhuang, Hebei, the PRC (中國河北石家莊新華區趙陵鋪村)

- 北高基大街), of an area of 7,210.30 square metres for industrial use (the “**Land**”)
- (ii) office building of an area of 2,024.86 square metres located on the Land
 - (iii) LNG tank plant of an area of 2,774.17 square metres located on the Land
 - (iv) staff canteen and bathroom of a total area of 1,035.00 square metres located on the Land

The Transferor is the legal owner of the land use rights and property ownership rights of the Assets, except that the property ownership certificate(s) in respect of (iii) and (iv) above are in the process of application.

Consideration and basis of consideration:

RMB10,105,500 (equivalent to approximately HK\$10,812,885), which will be financed by the Group’s internal resources.

As at 31 October 2007, the net book value of the Assets was RMB7,274,694 (equivalent to appropriately HK\$7,783,923). According to a valuation done by Shijiazhuang Shifang Real Estate Appraisal Firm Company Limited (石家莊石房房地產評估事務所有限公司), a qualified real estate appraisal company in the PRC and an Independent Third Party, based on cost approach and land datum value method, the aggregate market value of the Assets as at 2 November 2007 was RMB10,105,500 (equivalent to approximately HK\$10,812,885). The Consideration has been arrived at after arm’s length negotiation between the parties based on the abovementioned valuation result.

As far as the Directors are aware, the original purchase costs (including costs of acquisition of land and constructions thereon) of the Assets paid by the Transferor was RMB9,493,610 (equivalent to appropriately HK\$10,158,163).

Payment terms and Delivery of the Assets:

Within three business days from the date of the Agreement, RMB7,000,000 (equivalent to appropriately HK\$7,490,000) shall be paid by the Transferee while the balance of the Consideration in the sum of RMB3,105,500 (equivalent to appropriately HK\$3,322,885) shall be paid by the Transferee in accordance with the written instructions of the Transferor within three business days from the date on which the property ownership certificate and land use rights certificate or property and land ownership certificate of the Assets have been transferred to the name of the Transferee.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Enric Gas Equipment, located in Shijiazhuang, Hebei, the PRC, is specialised in the production of pressure vessels and tanks for storage and transportation of CNG and LNG. In order to enhance the Group’s production capacity of cryogenic storage tanks, being one of the Group’s major products, the Group decided to acquire the Assets, which are also situated in the same city of the PRC from the Transferor. With the combination of the Assets together with the Group’s existing production facilities in Shijiazhuang, Hebei, the PRC, the Group’s production capacity of cryogenic storage tanks can be enhanced by economy of scale.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Transaction, including the Consideration, are fair and reasonable so far as the Shareholders are concerned and that the Transaction is 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

As Xinao Shijiazhuang is an associate of Mr. Wang, a previous executive Director who resigned as a Director with effect from 15 October 2007, the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since all the percentage ratios are below 2.5%, the Transaction is subject to reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirement.

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 specialised gas equipment.

Xinao Shijiazhuang is principally engaged in natural gas vehicle conversion.

DEFINITIONS

“Agreement”	the asset transfer agreement dated 16 January 2008 entered into between Enric Gas Equipment as transferee and Xinao Shijiazhuang as transferor regarding the transfer of the Assets
“Assets”	the assets to be transferred pursuant to the Agreement, as described in the paragraph “The Assets” under the section headed “The Agreement”
“associate(s)”	as such term is defined under the Listing Rules
“Board”	the board of Directors
“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
“Consideration”	consideration in the sum of RMB10,105,500 (equivalent to approximately HK\$10,812,885) to be paid by the Transferee to the Transferor pursuant to the Agreement
“Director(s)”	the director(s) of the Company
“Enric Gas Equipment” or “Transferee”	石家莊安瑞科氣體機械有限公司 Shijiazhuang Enric Gas Equipment Company Limited, a company with limited liability incorporated under the laws of the PRC and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Mr. Wang”	Mr. Wang Yusuo (王玉鎖), a previous executive Director who resigned from directorship with effect from 15 October 2007
“PRC”	the People’s Republic of China and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“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
“Transaction”	the transaction as contemplated under the Agreement
“Xiniao Shijiazhuang”	新奧集團石家莊化工機械股份有限公司 Xiniao

or “Transferor”	Group Shijiazhuang Chemical Machinery Company Limited, a company with limited liability incorporated under the laws of the PRC and an associate of Mr. Wang
“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, 16 January 2008

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\$1.07 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.