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 OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

The board of Directors (the "Board") of Enric Energy Equipment Holdings Limited (the "Company" and together with its subsidiaries, the "Group") is pleased to announce the unaudited financial results of the Group for the six months ended 30 June 2006 together with the comparative figures for the corresponding period in 2005. The interim results is unaudited but has been reviewed by the Company's auditors, KPMG and the Company's Audit Committee.

CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2006

		Six months ended 30 June	
		2006	2005
		Unaudited	Unaudited
	Note	***RMB***	*RMB*
Turnover	*4*	**326,744,510**	209,724,253
Cost of sales		**(225,532,291)**	(143,756,435)
Gross profit		**101,212,219**	65,967,818
Other revenue		**2,889,672**	575,290
Selling expenses		**(14,493,212)**	(8,966,704)
Administrative expenses		**(29,075,020)**	(19,834,140)
Other net (expenses)/income		**(5,827,080)**	3,440
Profit from operations		**54,716,579**	37,745,704
Professional and other expenses incurred in connection with the listing of the Company's shares on the Main Board		**(5,250,881)**	–
Finance costs		**(3,791,614)**	(4,048,792)
Profit before taxation	*5*	**45,674,084**	33,696,912
Income tax	*6*	**(3,765,733)**	(1,375,662)
Profit for the period and attributable to equity shareholders of the Company		**41,908,351**	32,321,250
Earnings per share	*7*		
– Basic		**0.094**	0.124
– Diluted		**0.092**	N/A

CONSOLIDATED BALANCE SHEET

At 30 June 2006

	Note	At 30 June 2006 Unaudited *RMB*	At 31 December 2005 Audited *RMB*
Non-current assets			
Property, plant and equipment		**103,461,296**	89,496,679
Construction in progress		**18,736,441**	12,333,721
Lease prepayments		**30,249,284**	30,566,484
Intangible assets		**6,351,695**	6,806,125
		158,798,716	139,203,009
Current assets			
Inventories		**161,280,576**	124,998,815
Trade and bills receivable	*9*	**106,621,527**	72,407,090
Deposits, other receivables and prepayments		**43,551,335**	26,731,532
Amounts due from related parties		**9,014,399**	20,297,299
Cash at bank and in hand		**247,226,287**	339,319,669
		567,694,124	583,754,405
Current liabilities			
Bank loans		**50,000,000**	125,000,000
Trade and bills payable	*10*	**111,998,317**	95,167,162
Other payables and accrued expenses		**62,417,139**	86,174,220
Amounts due to related parties		**47,990,637**	9,147,663
Provisions		**1,621,471**	1,281,780
Income tax payable		**2,368,585**	928,539
		276,396,149	317,699,364
Net current assets		**291,297,975**	266,055,041
Total assets less current liabilities		**450,096,691**	405,258,050
NET ASSETS		**450,096,691**	405,258,050
CAPITAL AND RESERVES			
Share capital		**4,630,080**	4,630,080
Reserves		**445,466,611**	400,627,970
TOTAL EQUITY		**450,096,691**	405,258,050

Notes:

1. **Reorganisation**

   The Company was incorporated in the Cayman Islands on 28 September 2004 as an exempted company with limited liability under the Companies Law (Revised), Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a reorganisation (the "Reorganisation") of the Company and its subsidiaries (collectively referred to as the "Group") completed on 26 September 2005 to rationalise the structure of the Group in the preparation for the listing of its shares on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the subsidiaries now comprising the Group.

   The Company's shares were listed on GEM on 18 October 2005. On 20 July 2006, the Company withdrew the listing of its shares on GEM and listed its entire issued share capital by way of introduction on the Main Board of the Stock Exchange.

2. **Basis of preparation**

   The Group is regarded as a continuing entity resulting from the Reorganisation and the condensed consolidated financial statements have been prepared on the basis that the Company was the holding company of the Group throughout the six months ended 30 June 2005, rather than from 26 September 2005. Accordingly, the condensed consolidated financial statements of the Group for the six months ended 30 June 2005 include the financial statements of the Company and its subsidiaries with effect from 1 January 2005 or where their respective dates of establishment are at a date later than 1 January 2005, from the respective dates of establishment, as if the current group structure had been in existence throughout the six months ended 30 June 2005. In the opinion of the directors, the condensed consolidated financial statements prepared on this basis present fairly the results of operations and the state of affairs of the Group as a whole.

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted by the Group in the preparation of the financial statements for the year ended 31 December 2005. Please refer to Note 3 for the discussion of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") adopted by the Group in 2006.

The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs, and should be read in conjunction with the Group's 2005 annual financial statements.

3. New and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs, which term collectively includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA, that are effective or available for early adoption for accounting periods beginning on or after 1 January 2006. The Board of Directors has determined the accounting policies to be adopted in the preparation of the Group's annual financial statements for the year ending 31 December 2006, on the basis of HKFRSs currently in issue.

The adoption of these new HKFRSs did not result in substantial changes in the Group's accounting policies applied in these financial statements for the periods presented.

4. Segment information

Segment information is presented in respect of the Group's business segments. As the Group mainly operates in the People's Republic of China ("PRC"), no geographical segment information is presented.

The following table presents the revenue and results for the Group's business segments for the period:

	Six months ended 30 June	
	2006	2005
	Unaudited	Unaudited
	RMB	*RMB*
Segment revenue		
Compressors	**59,378,033**	60,037,304
Pressure vessels	**192,576,475**	110,461,591
Integrated business solutions	**74,842,852**	39,526,810
Inter-segment elimination	**(52,850)**	(301,452)
	326,744,510	209,724,253
Segment results		
Compressors	**8,279,587**	8,798,656
Pressure vessels	**33,163,471**	18,917,983
Integrated business solutions	**20,167,813**	10,926,929
Inter-segment elimination	**(22,951)**	(276,955)
	61,587,920	38,366,613
Unallocated operating income and expenses	**(6,871,341)**	(620,909)
Profit from operations	**54,716,579**	37,745,704
Professional and other expenses incurred in connection with the listing of the Company's shares on the Main Board	**(5,250,881)**	–
Finance costs	**(3,791,614)**	(4,048,792)
Taxation	**(3,765,733)**	(1,375,662)
Profit for the period	**41,908,351**	32,321,250

5. Profit before taxation

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2006	2005
	Unaudited	Unaudited
	RMB	*RMB*
Loss on disposal of property, plant and equipment	**4,288,415**	–
Interest on bank loans	**2,652,891**	3,900,055
Depreciation of property, plant and equipment	**5,251,807**	4,662,642
Amortisation of intangible assets	**454,430**	454,430
Amortisation of lease prepayments	**317,200**	347,051
Equity-settled share-based payment expenses	**2,930,290**	–

6. Income tax

No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits subject to Hong Kong Profits Tax during the period. Profits of the Company's subsidiaries in the PRC are subject to PRC income taxes.

Pursuant to the relevant laws and regulations in the PRC, certain subsidiaries in the PRC are entitled to exemption from state income tax for the first two years commencing from the year in which a taxable income is made after the offset of deductible losses incurred in prior years, and thereafter will be entitled to a 50% reduction in state income tax rate for the following three years.

Pursuant to the relevant laws and regulations in the PRC, certain subsidiaries in the PRC are either entitled to exemption from local income tax for the first five years commencing from the year in which a taxable income is made after the offset of deductible losses incurred in prior years, and thereafter will be entitled to a 50% reduction in local income tax rate for the following five years, or are fully exempted from local income tax.

During the six months ended 30 June 2006, the Company's subsidiaries in the PRC were either enjoying the aforesaid tax relief or did not have taxable income and accordingly were subject to state income tax at 0% to 15% (corresponding period in 2005: 0% to 15%).

No provision has been made for deferred taxation for the six months ended 30 June 2006 (corresponding period in 2005: Nil) as the Group has no significant deductible or taxable temporary differences which would give rise to deferred tax assets or liabilities.

7. Earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2006 is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of 445,200,000 ordinary shares of the Company outstanding during the six months ended 30 June 2006.

The calculation of basic earnings per share for the six months ended 30 June 2005 was based on the profit attributable to ordinary equity shareholders of the Company and on the 260,160,000 ordinary shares of the Company in issue and issuable as at the date of the prospectus on 10 October 2005 in relation to the listing on the GEM, as if these shares were outstanding throughout the six months ended 30 June 2005.

The calculation of diluted earnings per share for the six months ended 30 June 2006 is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of 454,013,730 ordinary shares, calculated as follows:

	Six months ended 30 June 2006 Unaudited
Weighted average number of ordinary shares used in calculating basic earnings per share	**445,200,000**
Effect of dilutive potential ordinary shares:	
– Share options	**8,813,730**
Weighted average number of ordinary shares used in calculating diluted earnings per share	**454,013,730**

There were no dilutive potential ordinary shares in issue during the six months ended 30 June 2005.

8. Dividends

No dividend has been paid or declared by the Company during the six months ended 30 June 2006 (corresponding period in 2005: Nil).

9. Trade and bills receivable

All of the trade and bills receivable (net of impairment losses for bad and doubtful debts) are expected to be recovered within one year.

An ageing analysis of trade and bills receivable (net of impairment losses for bad and doubtful debts) is as follows:

	At 30 June 2006 Unaudited ***RMB***	At 31 December 2005 Audited *RMB*
Aged within 3 months	**54,662,524**	32,898,075
Aged between 3 to 6 months	**20,040,974**	24,977,183
Aged between 6 months to 1 year	**26,114,089**	11,701,865
Aged over 1 year	**5,803,940**	2,829,967
	106,621,527	72,407,090

In general, debts are due for payment upon billing. Subject to negotiation, credit terms within a range of three to twelve months are available for certain customers with well-established trading and payment records on a case-by-case basis.

10. Trade and bills payable

An ageing analysis of trade and bills payable of the Group is as follows:

	At 30 June 2006 Unaudited ***RMB***	At 31 December 2005 Audited *RMB*
Due within 3 months or on demand	**61,974,602**	74,713,030
Due after 3 months but within 6 months	**50,023,715**	19,250,000
Due after 6 months but within 1 year	**–**	1,204,132
	111,998,317	95,167,162

All of the trade and bills payable are expected to be settled within one year.

BUSINESS REVIEW

Results for the six months ended 30 June 2006

On the back of natural gas boom in the PRC and the Group's unshaken commitment to business expansion in recent years, the Group recorded a remarkable growth for the six months ended 30 June 2006.

Net profit attributable to shareholders for the six months ended 30 June 2006 rose to RMB41,908,000 from RMB32,321,000 for the corresponding period in 2005, representing an increase of 29.7%. Basic and diluted earnings per share were RMB0.094 and RMB0.092 (corresponding period in 2005: RMB0.124 and not applicable) respectively. As the Company was not listed during the corresponding period in 2005, figures for earnings per shares are not comparable.

Turnover of the Group during the six months ended 30 June 2006 was up 55.8% to RMB326,745,000 from RMB209,724,000 for the same period in 2005. The Group's seamless pressure cylinders, compressed natural gas ("CNG") trailers and CNG refueling station systems received very positive market response and therefore experienced high turnover growth. Turnover for the segments of pressure vessels and integrated business solutions rose by 74.3% to RMB192,559,000 and 89.4% to RMB74,862,000 respectively over the corresponding period in 2005. The segment of compressors remained stable and recorded turnover of RMB59,324,000 (corresponding period in 2005: RMB59,736,000).

Gross profit margin and profitability

The Group's overall gross profit margin ("GP margin") for the period slightly decreased by 0.5 percentage point to 31.0%.

The increase in the average selling price ("ASP") of CNG products and the change in product mix of the pressure vessels segment led to a rise in the GP margin of this segment to 26.2% for the first half of 2006 from 24.9% for the same period in 2005. The GP margin for the compressors segment declined to 32.4% from 35.4% for the same period in 2005 mainly because of the change in product mix of the compressors segment and further decrease in ASP and GP margin for traditional general-purpose compressors. In comparison with the GP margin of the compressors segment of 29.6% for the year 2005, the turn around increase of 2.8% proved it is a correct strategy for the Group to focus on high-end natural gas compressors over the recent years. Regarding the segment of integrated business solutions ("IBS"), the change in the sales proportion between CNG hydraulic daughter refueling stations and CNG refueling stations trailers saw the GP margin for IBS diluted by 1.7 percentage points to 42.1% for the period in comparison with the same period in 2005.

The profit from operations expressed as a percentage of turnover declined slightly by 1.2 percentage points to 16.8% for the six months ended 30 June 2006 which is attributable to two main reasons: (1) the fair value of share options granted to directors and employees of RMB2,930,000 was recognised as an expense during the period, while there was no such expense for the corresponding period in 2005 as the share options were granted in September 2005. It is worthwhile to note that this expense is non-cash in nature and does not have any effect on the shareholders' equity as the same amount was credited to the capital reserve account; (2) certain old buildings and production facilities were disposed of in connection with the construction of a new production line for seamless pressure cylinders and, accordingly, loss on disposal of property, plant and equipment of RMB4,271,000 was incurred during the period.

The net profit margin for the six months ended 30 June 2006 decreased by 2.6 percentage points to 12.8%. In addition to the aforesaid non-cash share options expenses and non-recurring loss on disposal of buildings and facilities, the decrease in net profit margin was resulted from the non-recurring professional and other expenses of RMB5,251,000 incurred in connection with the listing of the Company's shares on the Main Board of the Stock Exchange.

FINANCIAL RESOURCES REVIEW

Liquidity and capital resources

At 30 June 2006, the Group recorded cash on hand of RMB247,226,000 (31 December 2005: RMB339,320,000) and bank loans of RMB50,000,000 (31 December 2005: RMB125,000,000). The Group will continue to take a prudent approach in future development and capital expenditures. Accordingly, the Group will constantly review and maintain an optimal gearing level.

At 30 June 2006, all bank loans of the Group were guaranteed by the Company's subsidiaries, bearing interest at rates from 5.6% to 6.8% per annum and repayable within one year. The net debt-to-equity ratio was zero times (31 December 2005: zero times) as the Group retained a net cash balance of RMB197,226,000 at 30 June 2006 (31 December 2005: RMB214,320,000). The interest coverage for the period was 18.2 times (corresponding period in 2005: 9.6 times).

In order to fulfil the sales orders on hand as of 30 June 2006, closing inventories level increased by RMB36,282,000 to RMB161,281,000 at 30 June 2006, which occupied a portion of the Group's working capital. During the period, net cash from operating activities amounted to RMB13,798,000 (corresponding period in 2005: RMB15,680,000). The Group drew bank loans of RMB20,000,000 (corresponding period in 2005: RMB45,000,000) and repaid RMB95,000,000 during the period (corresponding period in 2005: RMB52,860,000), therefore, bank interest expenses were reduced significantly.

Assets and liabilities

At 30 June 2006, the total assets of the Group was RMB726,493,000 (31 December 2005: RMB722,957,000) and the total liabilities was RMB276,396,000 (31 December 2005: RMB317,699,000). The net asset value increased to RMB450,097,000, mainly due to the net profit of RMB41,908,000 recorded for the period and the increase in capital reserve of RMB2,930,000 for the recognition of fair value of share options granted to directors and employees. The net asset value per share increased to RMB1.01 at 30 June 2006 from RMB0.91 at 31 December 2005.

OPERATIONAL REVIEW

During the six months ended 30 June 2006, the Group's operational performance was remarkable on the back of overwhelming market demand and ongoing technological enhancements.

Under the 11th Five-Year Plan, the PRC government has been actively promoting the use of natural gas in vehicles, households and the commercial sector. The prevalence of natural gas vehicle ("NGV") accelerates the Group's IBS business, which experienced an encouraging growth during the period. In the first half of 2006, a total of 25 sets of CNG hydraulic daughter refueling station and 36 CNG refueling station trailers were sold, contributing RMB70,376,000 to the Group's turnover, a surge of 99.4% over the corresponding period in 2005. Turnover of IBS segment accounted for approximately 22.9% of the Group's total turnover (corresponding period in 2005: 18.8%). IBS segment also recorded the highest GP margin among the segments at 42.1%. It is no question that IBS, a one-stop gas equipment package, is regarded as a short payback and one of the most efficient choices for gas station operators and city gas operators. With a positive market outlook, the demand for IBS will remain strong.

As city gas projects are being implemented inevitably in the PRC, city gas operators, gas station operators and public transportation corporations are showing huge demand for CNG storage and transportation equipment. During the period, the Group sold 142 CNG trailers and 183 seamless pressure cylinders whereas 48 and 157 were sold respectively for the same period in 2005. Driven by the significant growth in CNG products, turnover of the pressure vessels segment increased by 74.3% to RMB192,559,000.

In order to stand out from the competitive compressor market and attain larger profit, the Group has put more weight on natural gas compressors. During the period, the Group sold 70 sets of natural gas compressor which contributed RMB30,718,000 in turnover, up 55.4% over the turnover of 46 sets in the corresponding period in 2005. Given that natural gas compressors are indispensable for the set up of CNG mother and standard refueling stations, a steady growth of this product is anticipated.

Sales and marketing

The Group's products and services have presence in over 28 provinces, autonomous regions and municipalities throughout the PRC. At 30 June 2006, the Group ran sales offices in nine cities, namely Shanghai, Bengbu, Chongqing, Guangzhou, Langfang, Shenyang, Xi'an, Wuhan and Urumqi. With sound reputation and proven record, the Group has attracted a pool of well-established enterprises in the energy sector as its customers, including PetroChina Company Limited, China Petroleum and Chemical Corporation, Shengli Oil Field, Liaohe Oil Field, Xinao Gas Holdings Limited and The Hong Kong and China Gas Company Limited.

To further raise the brand awareness, a broad and active marketing strategy has been adopted. During the period, the Group participated in exhibitions and conventions in relation to the gas equipment industry in the PRC and placed advertisements in professional magazines.

With the aim to establish itself as an international brand and further boost sales volume, the Group strives to expand its overseas market. During the period, products amounted to approximately RMB13,700,000 were exported to Brazil and Pakistan. Manufacturing licenses have been granted by the American Society of Mechanical Engineers and the United States Department of Transportation, which allow the Group's products to reach the U.S. and South-east Asia countries. The European Union ("EU") CE certification is also under application to open the door to EU affiliates. The Group is also upgrading the function of its website to serve as an e-commerce platform, bridging with potential customers worldwide.

Research and development
In April 2006, Beijing Enric Energy Technologies Limited, a wholly owned subsidiary of the Company, commenced operations as a research and development arm of the Group. Apart from gas transportation equipment used on land, the Group has successfully developed a new product – liquefied natural gas ("LNG") containers – which can be used for the transportation of LNG by ships. The relevant certificate has been obtained from China Classification Society. The product is expected to receive a positive market response as an increasing number of LNG plants and LNG terminals are being built along coastal cities.

After years of efforts, the liquefied-compressed natural gas ("LCNG") refueling station system has proceeded to the site-testing phase. As the LCNG system uses LNG as feedstock and can refuel natural gas to vehicles either in LNG and CNG form, an array of advantages over conventional gas refueling stations are offered, such as higher refueling efficiency and lower transportation cost for natural gas. It is believed that it will become an exclusive and competitive product in the PRC.

Productivity
During the period, the Group had capital expenditures of approximately RMB30,522,000 for productivity enhancement. In particular, a brand new production line of seamless pressure cylinders is scheduled to come into operation this year and production capacity will by then be increased to 6,000 units per annum. This sets to boost production efficiency, reduce production cost and, most importantly, meet market demand in coming years.

Human resources
The Group steps up efforts to attract and retain capable and dedicated staff through investing in people development. Training programmes and a performance management scheme were carried out in the first half of 2006. Significant progress has been made in enhancing employees' skills and job knowledge as well as strengthening their commitment to attaining the Group's objectives.

At 30 June 2006, the total number of employees of the Group was 1,568 and there have been no material changes in respect of employee remuneration, remuneration policies, bonus, share option scheme and training scheme as disclosed in the Annual Report 2005.

PROSPECTS
The rapid growth of the PRC economy is expected to continue with a GDP growth of 9.5%. Realising that sufficient and diversified energy sources are the backbone of sustainable economic growth, the PRC government is constantly looking for renewable and environmental-friendly alternatives to alleviate the nation's heavy reliance on traditional energy sources like oil and coal. Natural gas – green, efficient and price competitive – has become an important energy in the country.

Under the 11th Five-Year Plan of the PRC central government on the state's energy structure, a series of favourable policies is promulgated to promote the utilisation of natural gas. The PRC central and local governments have issued a series of policies and blueprints, for example "Opinion concerning the speeding up of the development of market economy in the public utilities sector" (《關於加快市政公用行業市場化進程的意見》), "Blueprint of the development of gas industry in Shenzhen in 2006-2020" (《深圳市燃氣行業發展規劃 (2006-2020年)》) and "Report on the promotion of natural gas vehicles in Guangdong region" (《廣東地區推廣天然氣汽車的研究報告》), demonstrating the strategic and long-term development of gas industry. These favourable policies secure a healthy and sustainable growth of the gas equipment industry in the long run.

The International Energy Agency forecasted that the annual investment in PRC natural gas equipment market would rocket over five times from USD0.6 billion in 2000 to USD3.2 billion in 2020. The West-East Pipeline Project, the Zhong-Wu Pipeline Project and the Shaanxi-Beijing Pipeline Project have all commenced operations over past two years. Supply of imported LNG has been realised with the commencement of operation of the first LNG terminal in Shenzhen in June this year, followed by more and more LNG terminals to be built in southern cities such as Shanghai, Zhuhai, Ningbo and Quanzhou. Coupled with the increasing proved natural gas reserves in China, which is 2.35 trillion cubic metres at the end of 2005 according to the BP Statistical Review of World Energy 2006, more and more cities and provinces in the PRC will have access to natural gas.

Natural gas is used as vehicle fuel because of its advantages over gasoline and diesel – lower cost, less exhaust emissions and safer. The number of NGV per 1,000 people in the PRC is only 0.18. It is expected that in the coming years both NGVs and CNG refueling stations will enter into a rapid growth stage in the PRC.

Favourable policies, substantial investment in natural gas infrastructure and increasing sufficiency of natural gas stimulate the growth of gas equipment market. The optimistic outlook of gas equipment market is forecasted to continue in forthcoming years, providing a solid foundation on which the Group further builds its business. The Group will spare no efforts on the best benefits for shareholders through prudent financial planning, technological enhancement and effective marketing strategies.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as the Company's code of conduct regarding directors' transactions of the securities of the Company. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code in their securities transactions throughout the six months ended 30 June 2006.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in compliance with the Listing Rules. It has a membership comprising three independent non-executive Directors, namely Mr. Wong Chun Ho, Mr. Gao Zhengping and Mr. Shou Binan, among which Mr. Wong has been appointed as the chairman. The primary duties of the Audit Committee are, amongst other things, to review and supervise over the financial reporting procedures and internal control system of the Group. The Audit Committee has reviewed and discussed with management the unaudited interim financial report for the six months ended 30 June 2006.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS

As at the date of this announcement, the executive Directors of the Company are Mr. Wang Yusuo (Chairman), Mr. Jin Yongsheng (Chief Executive Officer), Mr. Cai Hongqiu, Mr. Zhao Xiaowen, Mr. Zhou Kexing and Mr. Yu Jianchao; the non-executive Director is Ms. Zhao Baoju; and the independent non-executive Directors are Mr. Wong Chun Ho, Mr. Gao Zhengping and Mr. Shou Binan.

By order of the Board
Wang Yusuo
Chairman

Hong Kong, 14 September 2006

This announcement will be published on the Stock Exchange's website. The 2006 interim report will also be published on the Stock Exchange's website and will be despatched to the shareholders of the Company.