



ENRIC ENERGY EQUIPMENT HOLDINGS LIMITED
安瑞科能源裝備控股有限公司

To: Business Editor
[For immediate release]

Enric Energy Equipment Holdings Limited
Announces Proposed GEM Listing on
The Stock Exchange of Hong Kong Limited

[10 October 2005, Hong Kong] — **Enric Energy Equipment Holdings Limited** (“Enric Holdings” or the “Group”, stock code: 8289) today announces its proposed listing on the GEM of The Stock Exchange of Hong Kong Limited (“SEHK”).

Enric Holdings will issue a total of 120,000,000 shares (“Placing Shares”) for subscription by way of placing. Based on the indicative Placing Price of HK\$1.40 per Placing Share (being the mid-point of the stated range of the Placing Price between HK\$1.12 and HK\$1.68 per Placing Share), the proceeds from the Placing is estimated to amount to approximately HK\$168.0 million.

China Everbright Capital Limited is the Global Coordinator, Bookrunner and Sponsor, while China Everbright Securities (HK) Limited is the Lead Manager. The allotment results will be announced on 14 October 2005 (Friday). Dealings in Enric Holdings’ shares are expected to commence on the GEM on 18 October 2005 (Tuesday).

Commenting on this significant move, ***Mr. Wang Yusuo, the Chairman and Executive Director of Enric Energy Equipment Holdings Limited***, said, “We are extremely excited to witness this milestone development in the Group’s history. With efforts of its management and staff, **Enric Holdings** has grown rapidly and becomes one of the best enterprises in the PRC gas equipment industry. We are proud of our achievements and will continue to build on our established foundation towards further excellence in the future.”

Enric Holdings is a leading integrated business solutions provider and specialized gas equipment manufacturer in the gas equipment industry in the PRC. Being a forerunner in the promotion of green energy, the Group realizes the importance of the exploitation, transportation and distribution of natural gas in the future energy sector. Therefore, Enric Holdings has focused on the research, development and production of compressors and other related gas equipment since 2001. With dedicated efforts, the Group is now mainly engaged in the design, manufacture and sale of specialized gas equipment used in gas refueling stations and city gas distribution networks, including compressors and pressure cylinders used for the storage and distribution of natural gas. In addition, it provides integrated business solutions to address the transportation, storage and distribution needs of gas energy industry in the PRC. With rich experience and superior technologies on gas equipment, the Group has run a unique business model by providing high quality gas equipment and integrated business solutions to its customers.

Enric Holdings' headquarters is located in Langfang Economic and Technical Development Zone, Hebei province, while three production plants are located in Langfang and Shijiazhuang, Hebei province and Bengbu, Anhui province, which are fully-equipped and demonstrate advanced production technologies.

Mr. Cai Hongqiu, the General Manager and Executive Director of the Group, said "It is no question that the whole world is facing energy shortage, energy resources thus become a hot issue worldwide. The rapid development of global economy stimulates the surge in energy supply and demand, which in turn fuels the investment in the energy sector, bringing a huge business opportunity to the gas equipment industry."

The room for development of the gas equipment market in the PRC is enormous. China's consumption of natural gas accounted for approximately 2.7% of the total primary energy consumption in 2002, which is far below the world average of approximately 25% to 30%. Some experts forecast that by 2020, the annual demand of natural gas in the PRC will jump to approximately 200.0 bcm. The natural gas infrastructure sector is highly promising. According to the plan of the National Development and Reform Commission, the PRC Government will invest approximately RMB220 billion in natural gas infrastructure by 2020.

Under a stringent regulatory system and the high entry barrier of gas equipment industry, the Group has obtained certification for the design, manufacture, examination and quality control of various products including seamless pressure cylinders, cryogenic liquid equipment, movable pressure cylinders and compressors etc. Among the many certificates, the Group has also been recognised by the ASME and the Ministry of Commerce, Industry and Energy of Korea. Added to this, the Group is designated by the China Standardisation Committee on Boilers and Pressure Vessels to draft the national standards for a number of gas equipment, including seamless pressure cylinders, gas storage cylinder groups for gas refueling stations and gas pressure-regulating device. All these prove that **Enric Holdings** has become a high-ranked leading enterprise with comprehensive qualifications in the PRC gas equipment industry.

Consisting of over 120 professionals, **Enric Holdings'** research and development team contributes to the success of the Group. The team possesses the latest market information and technologies, enabling them to design products which suit individual's needs. By introducing advanced foreign technologies and expanding its product mix, the Group has secured a competitive market position for its many products and thus sharpening its competitive edge as a whole.

Enric Holdings has established a sales network across most parts in the PRC with sales offices in 10 major cities. Its customers range from oil & gas enterprises, city gas operators and gas refueling stations to coal enterprises, chemical industry and machinery enterprises. Its products are exported to foreign countries, such as Brazil, Korea and Pakistan. These provide the Group with a solid foundation for its expansion to international market.

Mr. Wang concluded, “**Enric Holdings** is heading towards the energy equipment industry. We are determined to strengthening our R&D capability, business qualification and productivity as well as sales network to consolidate our leading position. In order to further develop our business, we will make full use of our insights in the industry and strive to penetrate to overseas market through strategic alliance. With such extraordinary strengths, we are confident that Enric Holdings will become a leading enterprise in the global energy industry and bring an excellent return for its shareholders.”

Issued by Porda International (Finance) PR Company Limited for and on behalf of Enric Energy Equipment Holdings Limited. For further information, please contact:

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安瑞科能源裝備控股有限公司

At a Glance Factsheet

Offering Statistics

Number of Placing Shares	: 120,000,000 Shares (subject to Over-allotment Option)
Placing Price	: HK\$1.12 – HK\$1.68
Nominal Value	: HK\$0.01 per Share
Marketing Capitalisation	: HK\$483,800,000 – HK\$725,800,000
Prospective pro forma price/earnings multiple	
(a) weighted average	: 5.3 – 8.0 times
(b) fully-diluted	: 8.0 – 12.0 times
Dealing Expected to Commence	: 18 October 2005 (Tuesday)
Stock Code	: 8289

Use of Proceeds

Based on the indicative Placing Price of HK\$1.40 per Placing Share (being the mid-point of the stated range of the Placing Price), the Company intends to raise approximately HK\$168.0 million. The net proceeds from the Placing, after deducting related listing expenses and without taking into account any proceeds from the exercise of the Over-allotment Option, are estimated to amount to approximately HK\$144.2 million which are intended to be applied as follows:

- As to approximately HK\$80.0 million for enhancing the productivity of the Group through expanding and upgrading the Group's production and related facilities, breakdown of which includes:
 - (i) approximately HK\$21.3 million for improving product quality and production capacity of Enric Compressor
 - (ii) approximately HK\$23.0 million for upgrading the production facilities to further improve the production capacity of Enric Gas Equipment and
 - (iii) approximately HK\$35.7 million for constructing production facility and new product assembly line of Enric Integration;
- as to approximately HK\$29.8 million for strengthening research and development capability of the Group to further develop key products and technologies, breakdown of which includes:
 - (i) as to approximately HK\$4.8 million for Enric Compressor to further develop the natural gas compressor products
 - (ii) as to approximately HK\$8.3 million for Enric Gas Equipment to conduct research for the optimisations of the design of high pressure valves and cryogenic valves to raise performing efficiency, and to invest in the localisation of the raw materials of seamless pressure cylinders and

(iii) as to approximately HK\$16.7 million for Enric Integration to further research and develop the system design of LNG and CNG refueling stations and to enhance the quality and efficiency of services provided to customers

- approximately HK\$16.1 million for intensifying the Group's sales and marketing efforts by increasing the number of sales offices and promotion;
- approximately HK\$3.9 million for upgrading the Group's business qualifications, in particular, the application for relevant certificates from the U.S. DOT and the European Union CE certification, so as to establish a foundation for its expansion into these markets with an aim to further consolidate its position; and
- approximately HK\$14.4 million for general working capital of the Group.

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