

[For Immediate Release]

**Turnover Surged over 1 times to RMB513 Million for the year of 2005  
Profit Attributable To Shareholders Increased 89.8% to RMB68.71 Million**

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(Hong Kong, 23 March 2006)- Enric Energy Equipment Holdings Limited (“Enric” or the “Group”) (Stock code: 8289), a leading integrated business solutions provider and specialised gas equipment manufacturer in the PRC, announced its annual results for the fiscal year of 2005 ended 31 December 2005. During the year, turnover and profit attributable to shareholders increased to approximately RMB513 million and RMB68.71 million respectively, representing a growth of approximately 103.3% and 89.8% over the year 2004. Basic earnings per share increased by approximately 61.9% to RMB0.225.

The significant increase in turnover and profit attributable to shareholders for the year was mainly attributed to the rapid growth of sales in CNG hydraulic daughter refueling station system and pressure vessels resulting from the huge demand for specialised gas equipment. During the year, the Group’s sales of pressure vessels and sales of compressors reached approximately RMB263 million and approximately RMB118 million respectively, representing increases of 1.19 times and 2% over the year 2004. Revenue from the provision of integrated business solutions was approximately RMB133 million, representing an increase of 6.80 times in comparison with the corresponding period last year.

Mr. Wang Yusuo, Chairman of Enric, said, “2005 was a remarkable and memorable year for us. On 18 October 2005, the Company successfully listed its shares on the Growth Enterprise Market of The Hong Kong Stock Exchange Limited by way of placing. Not only did the Listing represent an important milestone for the Group but also open a door to the international capital market and strengthen our shareholder base. Benefited from the blooming natural gas industry in the PRC and the Group’s dedicated efforts to strengthen its specialised gas equipment business, the Group achieved strong growth for the year ended 31 December 2005.”

The Group implemented proactive strategies in expanding export sales and attained encouraging results for the year. The export sales for the year increased to RMB22,526,000 from approximately RMB10,390,000 in 2004. The Group’s seamless pressure cylinders were exported to Korea and gas compressors and special-purpose compressors, through its dealers, to other countries such as Pakistan and Thailand. To fulfill the appetite of the emerging gas equipment market, the Group always strives to enhance its productivity. During the year, production capacity has been enhanced gradually as scheduled. As at 31 December 2005, the annual production capacities of pressure vessels and compressors were approximately 3,000 and approximately 1,000 standard units respectively, which were sufficient to cope with the increasing market demand throughout the year 2005.

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The gas equipment industry adheres to stringent statutory regulations. Industry players must obtain relevant qualifications. Apart from achieving the prerequisite manufacturing and design licences from the PRC government, the Group has also been granted qualifications from international bodies. In addition to the Certificate of Registration for Manufacturing of Seamless Pressure Cylinder from the Ministry of Commerce, Industry and Energy of Korea obtained in 2004, the Group has during the year, obtained the Manufacturing License for Pressure Vessel from the American Society of Mechanical Engineers and a manufacturing certificate from the United States Department of Transportation, which allows the Group to sell its products, in particular gas transportation products, to the United States. These professional and authoritative qualifications have not only sharpened the Group's competitive edge, but have also laid a solid foundation for the Group's future business development.

Quality service is a prerequisite of an organisation's success. In view of this, the Group is determined to provide customers with the best service in support of its superior products. In addition to a 24-hour hotline that offers round-the-clock consultative service to customers, a service pledge has been implemented to ensure timely delivery of after-sales service to customers across the nation. Our dedication to quality customer service did not go unnoticed. During the year, the Group was awarded "Chinese Customers Quality and Service Satisfaction Entity" jointly by the Chinese Association for Quality, the China Quality Service Science Association and the China Product Safety Evaluating and Monitoring Centre.

To safeguard its leading position in the gas equipment industry, the Group exerts continual efforts in product innovation. For the year 2005, a total of RMB6,172,000 (2004: RMB4,242,000) was devoted to the research and development of new products and upgrade of existing products.

Enhancement of manufacturing technology is another area the Group focuses on. The Group has successfully enhanced the technology in the patented CNG dispensing system used in CNG hydraulic daughter refueling stations and CNG daughter refueling station trailers. These exclusive products have been put into full production and contributed a significant portion of the revenue for the year. The Group is also in the process of developing a liquefied-compressed natural gas ("LCNG") refueling station system which uses LNG as a feedstock to deliver CNG to vehicles.

Mr. Wang concluded, "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 - a green and efficient energy. The thriving natural gas industry, combined with favourable policies and substantial investment in natural gas infrastructure by the PRC government, without doubts, generates a huge demand for specialised gas equipment for storage,

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transportation and distribution of natural gas and brings enormous business opportunities to the Group. Well-positioned at the blooming gas equipment industry, we are confident that through careful financial planning, industry expertise and effective marketing strategies, we will take full advantage of every business opportunity ahead and bring excellent returns to our shareholders.”

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**CONSOLIDATED INCOME STATEMENT**

**For the year ended 31 December 2005**

*(Expressed in Renminbi)*

	<b>2005</b> <i>RMB</i>	<b>2004</b> <i>RMB</i>
<b>Turnover</b>	513,013,890	252,375,698
Cost of sales	(362,953,734)	(177,790,799)
<b>Gross profit</b>	150,060,156	74,584,899
Other revenue	3,537,864	5,109,203
Selling expenses	(23,150,938)	(12,803,532)
Administrative expenses	(51,441,412)	(23,110,803)
Other net (expense)/income	(603,924)	2,681,210
<b>Profit from operations</b>	78,401,746	46,460,977
Finance costs	(7,813,959)	(6,082,089)
<b>Profit before taxation</b>	70,587,787	40,378,888
Income tax	(1,882,093)	(1,814,458)
<b>Profit for the year</b>	68,705,694	38,564,430
Attributable to:		
Equity shareholders of the Company	68,705,694	36,191,118
Minority interests	-	2,373,312
<b>Profit for the year</b>	68,705,694	38,564,430
<b>Earnings per share</b>		
- Basic	0.225	0.139
- Diluted	0.224	N/A

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## **Enric Energy Equipment Holdings Limited**

Enric is an integrated business solutions provider in the gas energy industry and one of the leading specialised gas equipment manufacturers in the People's Republic of China (the "PRC"). The Group designs, manufactures and sells specialised gas equipment including seamless pressure cylinders, compressed natural gas ("CNG") trailers, natural gas refueling station system, liquefied natural gas ("LNG") storage tanks, LNG trailers and gas compressors. In anticipation of market's needs, the Group also offers integrated business solutions, a beyond-the-equipment package of one-stop services from the design and manufacture of gas equipment system and on-site installation to staff training and other after-sales services. Products of the Group are essential for the transportation, storage and distribution of natural gas.

The sales and marketing network of the Group is primarily based in the PRC. Specialised gas equipment for the storage, transportation, distribution, compression and pressure-regulating of natural gas is of keen demand across the gas sector from city gas operators and gas refueling station operators to natural gas logistic companies and natural gas infrastructure contractors - forming a diversified customer base for the Group. Some of our renowned customers include branch companies of PetroChina Company Limited ("PetroChina") and China Petroleum & Chemical Corporation ("Sinopec"), Shengli Oil Field, Liaohe Oil Field, Xinao Gas Holdings Limited ("Xinao Gas") and The Hong Kong and China Gas Company Limited's subsidiaries in the PRC. In addition, the Group has customers from industrial and chemical sectors which require the Group's equipment for production.

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