

Turnover grew 22.6% to RMB493.7 million for 1H2008

Profit attributable to Shareholders amounted to RMB38.2 million

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(Hong Kong, 25 August 2008) - Enric Energy Equipment Holdings Limited (“Enric” or the “Group”) (Stock code: 3899), a leading integrated business solutions (“IBS”) provider and manufacturer of specialised gas equipment in the PRC, is pleased to announce its interim results for the six months ended 30 June 2008. Net profit attributable to shareholders reached RMB38,211,000, down 36.4%. Basic and diluted earnings per share were both RMB0.083.

Mr. Jin Yongsheng, CEO of Enric said, “The Group has adopted various measures and strategies with an aim to regain its satisfactory business performance in the second half of 2008.”

In 1H 2008, turnover rose by 22.6% to RMB493,675,000 over the corresponding period in 2007. The increased turnover was mainly contributed by the rise in sales of pressure vessels.

Pressure vessels

Benefited from the continuous surge in the global demand for equipment for the storage and transportation of natural gas and specialty gases, the Group’s pressure vessel business experienced a robust growth. Turnover of pressure vessels increased by 51.3% to RMB357,739,000 in comparison with the same period of 2007.

IBS

As a significant sum of orders were received in the late of the second quarter, the Group could only recognise sales of 21 sets of hydraulic power unit and 22 units of refueling station trailer in the first half 2008 (corresponding period in 2007: 25 sets and 46 units respectively), the turnover of IBS for the period decreased by 32.1% over the same period of 2007 to RMB65,309,000.

Compressors

Even though the market competition is strong in the segment of compressors, the Group still recorded a 1.1% rise in turnover to RMB70,627,000 (same period of 2007: RMB69,940,000).

One of the reasons for the disappointing results for the period is attributable to the downturn of sales of compressed natural gas (“CNG”) refueling stations. Nevertheless, the sales of the stations are set to rebound under the proactive sales strategies taken by the Group in the second half of 2008. To date, the Group has received confirmed orders for over 50 sets of CNG refueling station

system. With more new orders expected to be placed in coming few months, the revenue contributed by the IBS segment in the second half 2008 is promising.

The overall gross profit margin was deteriorated by the continuous price hikes of raw materials during the period. The Group has implemented price raising policy for most of its products. Supported by its commitment in providing quality products and services, the Group believes that customers are willing to accept a reasonable increase in selling price of its products.

In order to maintain the Group's sustainable growth, proactive expansion of export business is one of the Group's long term development strategies. The Group has opened up U.S. market during the period and products were also exported to Thailand, Indonesia, Pakistan, Myanmar, Vietnam, etc. with total export amounted to RMB73,593,000, representing a 63.5% boost over the same period of 2007.

Mr. Jin concluded, "We are confident that with proactive steps to improve and enhance our operational performance and a dedicated desire to become a world leading energy equipment manufacturer and integrated business solutions provider, we will continue to grow healthily and bring satisfactory returns to shareholders."

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CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30 June 2008

	For the six months ended	
	2008	2007
	RMB	RMB
Turnover	493,674,568	402,608,436
Cost of sales	<u>(380,415,831)</u>	<u>(285,377,859)</u>
Gross profit	113,258,737	117,230,577
Other revenue	10,172,050	3,523,824
Other net income	758,806	75,826
Selling expenses	(23,820,278)	(15,570,186)
Administrative expenses	<u>(46,326,852)</u>	<u>(34,814,950)</u>
Profit from operations	54,042,463	70,445,091
Finance costs	<u>(6,920,714)</u>	<u>(4,808,900)</u>
Profit before taxation	47,121,749	65,636,191
Income tax	<u>(8,910,857)</u>	<u>(5,584,237)</u>
Profit for the period and attributable to equity shareholders of the Company	<u>38,210,892</u>	<u>60,051,954</u>
Earnings per share		
- Basic	<u>0.083</u>	<u>0.134</u>
- Diluted	<u>0.083</u>	<u>0.132</u>

Enric Energy Equipment Holdings Limited

Enric is a leading specialised energy equipment manufacturer and IBS provider in the PRC. It designs, manufactures and sells specialised gas equipment including seamless pressure cylinders, CNG trailers, CNG refueling station systems, liquefied natural gas (“LNG”) storage tanks, LNG trailers and natural gas compressors. It also offers IBS, a one-stop service pack from the design and manufacture of gas equipment system and on-site installation to staff training and after-sales services.

The sales and marketing network of the Group is primarily based in the PRC. As Enric’s products and services cater to the needs of city gas operators, gas refueling station operators and specialty gas suppliers and users, a diversified customer base is formed. Within the top 20 customers of the Group, most of them are oil and gas giants, including PetroChina, Sinopec, Petroleum Authority of Thailand (PTT), Xinao Gas and Jincheng Anthracite Mining Group, and international atmospheric gases corporations such as Air Liquide and Air Products.

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The announcement of the interim results for the first half of 2008 is available at the Company’s website at <http://www.iraisa.com/listco/hk/enric/index.htm>.