

Turnover surged 50.1% to RMB770 million for year 2006

Profit attributable to Shareholders increased 40.5% to RMB96.5 million

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(Hong Kong, 11 April 2007) - Enric Energy Equipment Holdings Limited (“Enric” or the “Group”) (Stock code: 3899), a leading integrated business solutions provider and specialised gas equipment manufacturer in the gas energy industry in the PRC, is pleased to announce its annual results for the year ended 31 December 2006. During the year, net profit attributable to shareholders reached RMB96,504,000, up 40.5%. Basic earnings per share was RMB0.217.

Turnover was up 50.1% to RMB769,952,000 from RMB513,014,000 for 2005. The Group’s compressed natural gas (“CNG”) trailers, seamless pressure cylinders 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 71.8% to RMB451,192,000 and 41.4% to RMB187,886,000 respectively over the previous year. The compressors segment had a moderate growth and recorded a turnover of RMB130,874,000, up 11.4%.

Mr. Wang Yusuo, Chairman of Enric, said, “I am delighted to see Enric has once again achieved strong growth in its yearly results. Nine months after listing on GEM of the Hong Kong Stock Exchange in 2005, we successfully moved to the Main Board in July 2006. This demonstrates shareholders’ and investors’ confidence in us and the energy equipment industry.”

Under the 11th Five-Year Plan, the PRC government has been actively promoting natural gas for commercial, industrial, residential and vehicular use. City gas operators, gas station operators, public transportation corporations and logistic companies are showing huge demand for CNG and liquefied natural gas (“LNG”) storage and transportation equipment. During the year, the Group sold 299 CNG trailers, 6 compressed specialty gas trailers and 335 seamless pressure cylinders. Turnover in LNG products rose by 26.3% to RMB71,156,000. The fast development of natural gas vehicles (“NGV(s)”) accelerates the Group’s IBS business. A total of 52 sets of gas refueling station and 100 CNG refueling station trailers were sold in 2006, contributing RMB179,631,000 to the overall turnover, up 48.1%.

A significant growth in export sales was achieved in 2006. Export sales increased to RMB32,390,000, accounting for 4.2% of the overall turnover. Products were exported to Brazil and Asian countries like Pakistan and Thailand. In terms of product diversification, the Group successfully launched pressure vessels for specialty gases, providing a new source of revenue.

During the year, the Group successfully developed two new products, namely LNG container and liquefied-compressed natural gas (“LCNG”) station system. The LNG containers can be used for the transportation of LNG by ships, whereas, the LCNG station system transports natural gas in LNG form and uses LNG as a feedstock to deliver natural gas either in compressed or liquefied

form to vehicles. In anticipation of China's latest energy trend which stresses the importance of conservation and effective utilisation of energy, the Group is developing certain energy-efficient equipment as well as storage and transportation equipment for coalbed methane.

Mr. Wang concluded, "Under the 11th Five-Year Plan, a series of policies is promulgated by the state and local governments to promote natural gas. These favourable government policies, together with intensifying gas sources in China, have made natural gas a good choice of fuel in commercial, industrial, residential and transportation sectors. Gas equipment such as pressure vessels, gas refueling stations, trailers and compressors is set to grow with the gas. On the back of favourable market conditions and our strength in R&D and business acumen, complemented by our leading market position, we are confident that the Group is well-prepared to grasp opportunities ahead and will continue to grow and bring the best returns to our shareholders."

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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2006

	2006 <i>RMB</i>	2005 <i>RMB</i>
Turnover	769,951,661	513,013,890
Cost of sales	<u>(549,994,345)</u>	<u>(362,953,734)</u>
Gross profit	219,957,316	150,060,156
Other revenue	5,150,569	3,537,864
Selling expenses	(33,207,484)	(23,150,938)
Administrative expenses	(68,341,794)	(51,441,412)
Other net expenses	<u>(6,268,710)</u>	<u>(603,924)</u>
Profit from operations	117,289,897	78,401,746
Professional and other expenses incurred in connection with the listing of the Company's shares on the Main Board	(6,821,660)	-
Finance Costs	<u>(8,677,246)</u>	<u>(7,813,959)</u>
Profit before taxation	101,790,991	70,587,787
Income tax	<u>(5,287,472)</u>	<u>(1,882,093)</u>
Profit for the year attributable to equity shareholders of the Company	<u>96,503,519</u>	<u>68,705,694</u>
Earnings per share		
- Basic	<u>0.217</u>	<u>0.225</u>
- Diluted	<u>0.212</u>	<u>0.224</u>

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. 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 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 CNOOC Limited, China Petroleum & Chemical Corporation, Jincheng Anthracite Mining Group Inc., Liaohe Oil Field, PetroChina Company Limited, Shengli Oil Field, The Hong Kong and China Gas Company Limited, Xinao Gas Holdings Limited and Zhengzhou Gas Company Limited. In addition, the Group has customers from industrial and chemical sectors which require the Group's equipment for production.

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