

PRESS RELEASE

25 September 2006

EnterpriseAsia plc

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

CHAIRMAN'S STATEMENT

EnterpriseAsia plc (the "Company") and its subsidiaries recorded an unaudited consolidated loss of £103,454 for the six months ended 30 June 2006 compared with a loss of £81,325 in the corresponding period in 2005.

Dividends

The directors are not recommending the payment of a dividend for the period.

Business Strategy

The most significant development since my last report to shareholders in May 2006 has been the completion of a placing of £1m on 20 July 2006 which will enable your Company to continue its investment strategy in the energy and environmental sectors in southern China. In addition to the opportunities to increase our current holding in the incineration plant at Houjie and to invest in a similar plant at Shantou (both of which have been previously reported), we also have an opportunity to invest in a bio-diesel plant in Hunan.

As I mentioned in May, we are excited by the quality of the prospects which we are discovering but I am still very mindful of the two key tasks which face us: the creation of sufficient funds to finance a balanced portfolio going forward and, above all, the need to deliver returns sooner rather than later.

Copies of this report may be obtained by applying to the registered office whose address is given at the end of this statement. The report may also be viewed on the company's website (www.enterpriseasia.com.hk).

Davie Auyeung
Chairman

Independent Review Report

To the shareholders of
enterpriseAsia plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2006 set out on pages 2 to 6 and we have read the other information contained in the interim report for any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where changes, and the reason for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2006.

MRI Moores Rowland LLP
Chartered Accountants
Registered Auditor

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Period from 1 January 2006 to 30 June 2006

	6 months ended 30 June 2006 £ (unaudited)	6 months ended 30 June 2005 £ (unaudited)	Year ended 31 December 2005 £ (audited)
Turnover			
Share of profit	35,341	27,066	71,403
Administrative expenses	(152,230)	(118,930)	(292,314)
	(116,889)	(91,864)	(220,911)
Other operating income	9,217	6,628	4,839
Operating loss	(107,672)	(85,236)	(216,072)
Other interest receivable and similar income	4,218	3,911	9,704
Loss on ordinary activities before taxation	(103,454)	(81,325)	(206,368)
Tax on loss on ordinary activities	-	-	-
Loss on ordinary activities after taxation	(103,454)	(81,325)	(206,368)
Minority interest	-	-	-
Loss for the period	(103,454)	(81,325)	(206,368)
Basic and diluted loss per share (pence)	(3.32)	(3.83)	(7.64)

CONSOLIDATED BALANCE SHEET

At 30 June 2006

	As at 30 June 2006 £ (unaudited)	As at 30 June 2005 £ (unaudited)	As at 31 December 2005 £ (audited)
Fixed assets			
Intangible assets	339,231	-	346,154
Tangible assets	2,049	1,381	1,241
Investments	202,025	512,025	202,025
	543,305	513,406	549,420
Current assets			
Debtors	119,466	39,969	88,932
Cash at bank and in hand	348,858	646,589	491,518
	468,324	686,558	580,450
Creditors: amounts falling due within one year	(36,472)	(46,310)	(51,259)
Net current assets	431,852	640,248	529,191
Net assets	975,157	1,153,654	1,078,611
Capital and reserves			
Called up share capital	31,168	29,740	31,168
Share premium account	666,812	618,240	666,812
Profit and loss account	277,177	505,674	380,631
Shareholders' funds – equity interests	975,157	1,153,654	1,078,611

The interim financial statements on pages 2 to 6 were approved by the board of directors on 22 September 2006 and were signed on its behalf by Ka Hang Lai:

Director

CONSOLIDATED CASH FLOW STATEMENT

Period from 1 January 2006 to 30 June 2006

	6 months ended 30 June 2006 £ (unaudited)	6 months ended 30 June 2005 £ (unaudited)	Year ended 31 December 2005 £ (audited)
Net cash outflow from operating activities			
Operating loss	(107,672)	(85,236)	(216,072)
Deprecation of tangible assets	310	336	550
Amortisation of intangible assets	6,923	-	13,846
Loss on disposal of tangible fixed assets	-	-	106
Increase in debtors	(30,534)	(19,264)	(68,227)
Decrease in creditors within one year	(14,787)	(9,073)	(4,124)
Net cash outflow from operating activities	(145,760)	(113,237)	(273,921)
Returns on investments and servicing of finance			
Bank interest received	4,218	3,198	9,704
Other interest received	-	713	-
Net cash inflow for returns on investments and servicing of finance	4,218	3,911	9,704
Capital expenditure and financial investments			
Payments to acquire tangible assets	(1,118)	(129)	(317)
Proceeds on disposal of tangible fixed assets	-	-	8
Payments to acquire intangible asset	-	-	(360,000)
Payments to acquire fixed asset investment	-	(144,000)	(50,000)
Net cash outflow for capital expenditure	(1,118)	(144,129)	(410,309)
Net cash outflow before management of liquid resources and financing	(142,660)	(253,455)	(674,526)
Financing			
Issue of new shares	-	420,000	686,000
Net cash inflow from financing	-	420,000	686,000
Net (decrease)/increase in cash in the period	(142,660)	166,545	11,474
Reconciliation of net cash flow to movement in funds			
(Decrease)/Increase in cash in the period	(142,660)	166,545	11,474
Movement in net funds in the period	(142,660)	166,545	11,474
Opening net funds	491,518	480,044	480,044
Closing net funds	348,858	646,589	491,518

1. BASIS OF PREPARATION

This interim statement has been prepared on the basis of accounting policies set out in the Group financial statements for the year ended 31 December 2005.

The information relating to the six month periods ended 30 June 2006 and 30 June 2005 is unaudited. The information relating to the year ended 31 December 2005 is extracted from the audited accounts of the Company which have been filed at Companies House and on which the auditors issued an unqualified opinion.

2. The above financial information does not constitute statutory accounts within the meaning of Section 240 Companies Act 1985.

3. Loss per share is based on the weighted average number of shares in issue during the period ended 30 June 2006 of 3,116,847 (31 December 2005: 2,699,795; 30 June 2005: 2,125,990).

4. POST BALANCE SHEET EVENT

On 20 July 2006, the issued share capital of the Company was increased to £83,800 by allotting 5,263,157 ordinary shares of 1p each, at a premium of 18p each, for the provision of additional working capital to finance the Company's expansion in its investment portfolio in China's growing energy and environmental sectors. These shares rank pari passu with the existing shares in all respects.

5. PROFIT AND LOSS ACCOUNT

	6 months ended 30 June 2006 £ (unaudited)	6 months ended 30 June 2005 £ (unaudited)	Year ended 31 December 2005 £ (audited)
Opening balance	380,631	586,999	586,999
Retained loss for the period	(103,454)	(81,325)	(206,368)
	<u>277,177</u>	<u>505,674</u>	<u>380,631</u>

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	6 months ended 30 June 2006 £ (unaudited)	6 months ended 30 June 2005 £ (unaudited)	Year ended 31 December 2005 £ (audited)
Retained loss for the period	(103,454)	(81,325)	(206,368)
Issue of shares	-	636,000	686,000
Net (decrease)/increase in shareholders' funds	(103,454)	554,675	479,632
Opening shareholders' funds	1,078,611	598,979	598,979
Closing shareholders' funds	975,157	1,153,654	1,078,611