CIMC Enric Holdings Limited
中集安瑞科控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3899)

Announcement of Annual Results for the Year Ended 31 December 2015, The 2015 Final Dividend, Closure of Register of Members and Withholding and Payment of Enterprise Income Tax for Non-resident Enterprises on Distribution of the 2015 Final Dividend

FINANCIAL HIGHLIGHTS

	2015	2014	
	RMB'000	*RMB'000*	
		(restated)	
Revenue	**8,241,333**	11,266,822	-26.9%
Profit attributable to shareholders	**519,194**	1,027,638	-49.5%
Basic earnings per share	**RMB0.268**	RMB0.531	
Proposed final dividend per share	**HKD0.100**	HKD0.195	

The Board of Directors (the "**Board**") of CIMC Enric Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the audited financial results of the Group for the year ended 31 December 2015 together with the comparative figures for the year 2014.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	Note	Year ended 31 December **2015** ***RMB'000***	 2014 *RMB'000* *(restated)*
Revenue	*4 & 8*	**8,241,333**	11,266,822
Cost of sales		**(6,708,616)**	(9,144,174)
Gross profit		**1,532,717**	2,122,648
Change in fair value of derivative financial instruments		**(5,612)**	(2,196)
Other revenue		**176,483**	244,774
Other income, net		**34,980**	4,229
Selling expenses		**(293,563)**	(325,729)
Administrative expenses		**(726,729)**	(821,032)
Profit from operations		**718,276**	1,222,694
Finance costs	*5*	**(36,820)**	(33,496)
Share of post-tax loss of associates		**(426)**	(1,497)
Profit before taxation	*5*	**681,030**	1,187,701
Income tax expenses	*6*	**(144,817)**	(148,330)
Profit for the year		**536,213**	1,039,371
Attributable to:			
Equity shareholders of the Company		**519,194**	1,027,638
Non-controlling interests		**17,019**	11,733
Profit for the year		**536,213**	1,039,371
Earnings per share	*7*		
– Basic		**RMB0.268**	RMB0.531
– Diluted		**RMB0.265**	RMB0.521

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
		(restated)
Profit for the year	**536,213**	1,039,371
Other comprehensive income for the year		
Items that may be reclassified to profit or loss:		
Currency translation differences	**(47,202)**	(80,483)
Total comprehensive income for the year	**489,011**	958,888
Attributable to:		
Equity shareholders of the Company	**471,992**	947,155
Non-controlling interests	**17,019**	11,733
Total comprehensive income for the year	**489,011**	958,888

CONSOLIDATED BALANCE SHEET

As at 31 December 2015

		As at 31 December	
		2015	2014
	Note	***RMB'000***	*RMB'000*
			(restated)
Non-current assets			
Property, plant and equipment		**2,224,597**	2,007,767
Construction in progress		**114,297**	227,072
Investment property		**–**	38,982
Lease prepayments		**440,661**	440,373
Intangible assets		**227,792**	97,020
Investment in associates		**4,000**	4,457
Prepayment for acquisition of equity interests		**178,634**	–
Goodwill		**232,871**	129,341
Deferred tax assets		**72,468**	58,123
		3,495,320	3,003,135
Current assets			
Derivative financial instruments		**–**	29
Inventories		**1,911,889**	1,968,608
Trade and bills receivables	*9*	**2,566,252**	3,139,053
Deposits, other receivables and prepayments		**1,515,067**	553,375
Amounts due from related parties		**126,224**	168,429
Restricted bank deposits		**661,524**	111,886
Cash and cash equivalents		**2,035,950**	1,683,210
		8,816,906	7,624,590
Current liabilities			
Derivative financial instruments		**7,094**	1,511
Bank loans		**125,000**	60,499
Loans from related parties		**690,000**	110,000
Trade and bills payables	*10*	**1,813,486**	1,859,682
Other payables and accrued expenses		**1,598,546**	1,855,371
Amounts due to related parties		**114,631**	102,908
Warranty provision		**40,656**	49,375
Income tax payable		**28,874**	16,334
Employee benefit liabilities		**200**	148
		4,418,487	4,055,828
Net current assets		**4,398,419**	3,568,762
Total assets less current liabilities		**7,893,739**	6,571,897

	As at 31 December	
	2015	2014
	RMB'000	*RMB'000*
		(restated)
Non-current liabilities		
Bank loans	**933,070**	25,223
Warranty provision	**44,911**	47,647
Deferred tax liabilities	**171,887**	98,007
Deferred income	**276,754**	271,215
Employee benefit liabilities	**1,645**	1,175
	1,428,267	443,267
NET ASSETS	**6,465,472**	6,128,630
CAPITAL AND RESERVES		
Share capital	**17,733**	17,699
Reserves	**6,294,270**	6,065,127
Equity attributable to equity shareholders of the Company	**6,312,003**	6,082,826
Non-controlling interests	**153,469**	45,804
TOTAL EQUITY	**6,465,472**	6,128,630

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to equity shareholders of the Company									
	Share capital *RMB'000*	Share premium *RMB'000*	Contributed surplus *RMB'000*	Capital reserve *RMB'000*	Exchange reserve *RMB'000*	General reserve fund *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2014 (as previously reported)	17,376	139,414	1,135,360	58,485	(202,418)	329,607	3,811,121	5,288,945	34,071	5,323,016
Burg Service B.V. under common control combination	–	–	1,263	–	83	–	8,301	9,647	–	9,647
At 1 January 2014 (restated)	17,376	139,414	1,136,623	58,485	(202,335)	329,607	3,819,422	5,298,592	34,071	5,332,663
Comprehensive income										
Profit for the year	–	–	–	–	–	–	1,027,638	1,027,638	11,733	1,039,371
Other comprehensive income										
Currency translation differences	–	–	–	–	(80,483)	–	–	(80,483)	–	(80,483)
Total comprehensive income	–	–	–	–	(80,483)	–	1,027,638	947,155	11,733	958,888
Issuance of ordinary shares in connection with exercise of share options	44	19,916	–	(5,729)	–	–	–	14,231	–	14,231
Issuance of ordinary shares for acquisition	315	–	(315)	–	–	–	–	–	–	–
Cancellation of shares repurchased on open market	(36)	(31,406)	–	–	–	–	–	(31,442)	–	(31,442)
Transfer to retained earnings	–	–	–	(117)	–	–	117	–	–	–
Equity-settled share-based transactions	–	–	–	34,761	–	–	–	34,761	–	34,761
Transfer to general reserve	–	–	–	–	–	43,706	(43,706)	–	–	–
2013 final dividend paid	–	–	–	–	–	–	(180,471)	(180,471)	–	(180,471)
Total contributions by and distributions to owners of the company, recognised directly in equity	323	(11,490)	(315)	28,915	–	43,706	(224,060)	(162,921)	–	(162,921)
At 31 December 2014 (restated)	17,699	127,924	1,136,308	87,400	(282,818)	373,313	4,623,000	6,082,826	45,804	6,128,630
At 1 January 2015 (restated)	17,699	127,924	1,136,308	87,400	(282,818)	373,313	4,623,000	6,082,826	45,804	6,128,630
Comprehensive income										
Profit for the year	–	–	–	–	–	–	519,194	519,194	17,019	536,213
Other comprehensive income										
Currency translation differences	–	–	–	–	(47,202)	–	–	(47,202)	–	(47,202)
Total comprehensive income	–	–	–	–	(47,202)	–	519,194	471,992	17,019	489,011
Issuance of ordinary shares in connection with exercise of share options	34	15,312	–	(4,270)	–	–	–	11,076	–	11,076
Distribution to previous shareholders of Burg Service B.V. under common control combination	–	–	(11,737)	–	–	–	–	(11,737)	–	(11,737)
Equity-settled share-based transactions	–	–	–	55,371	–	–	–	55,371	–	55,371
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	93,814	93,814
Transfer to general reserve	–	–	–	–	–	31,828	(31,828)	–	–	–
2014 final dividend paid	–	–	–	–	–	–	(297,525)	(297,525)	(3,168)	(300,693)
Total contributions by and distributions to owners of the company, recognised directly in equity	34	15,312	(11,737)	51,101	–	31,828	(329,353)	(242,815)	90,646	(152,169)
At 31 December 2015	17,733	143,236	1,124,571	138,501	(330,020)	405,141	4,812,841	6,312,003	153,469	6,465,472

NOTES:

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated results set out in this announcement are extracted from the financial statements of the Group for the year ended 31 December 2015. The financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

The consolidated financial statements of CIMC Enric Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements will be disclosed in the soon published Annual Report 2015.

2 RESTATEMENT FROM COMMON CONTROL COMBINATION

On 26 March 2015, Vela Holding B.V. ("Vela"), a wholly-owned subsidiary of the Company, acquired from Beheermaatschappij.Burg.B.V. ("Beheermaatschappij") 100% issued shares in Burg Service B.V. ("Burg") for cash consideration of RMB11,737,000.

Since the Company, Vela and Burg are ultimately controlled by China International Marine Containers (Group) Co., Ltd. ("CIMC") both before and after the abovementioned acquisition, this acquisition is regarded as "common control combination". Accordingly, the Company has applied merger accounting to account for the acquisition of Burg in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA.

In applying merger accounting, the consolidated financial statements incorporate the financial statement items of the combining entities in which the common control combination occurs as if they had been combined from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities had been combined at the previous balance sheet date unless they first came under common control at a later date.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, incurred in relation to the common control combination that is to be accounted for by using merger accounting are recognised as expenses in the year in which they are incurred.

Reconciliation of the results of operations for the year ended 31 December 2014 and the financial position as at 31 December 2014 previously reported by the Group and the restated amounts presented in the consolidated financial statements are set out below:

	For the year ended 31 December 2014				For the year ended 31 December 2015
	The Group	**Burg**	**Elimination**	**The Group**	**The Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(as previously reported)			*(restated)*	
Results of operations					
Revenue	11,197,670	73,844	(4,692)	11,266,822	8,241,333
Profit from operations	1,216,924	5,770	–	1,222,694	718,276
Profit for the year	1,035,063	4,308	–	1,039,371	536,213
Profit for the year attributable to equity shareholders of the Company	1,023,330	4,308	–	1,027,638	519,194
Basic earnings per share	0.529	0.002	–	0.531	0.268
Diluted earnings per share	0.519	0.002	–	0.521	0.265

	As at 31 December 2014				As at 31 December 2015
	The Group	**Burg**	**Elimination**	**The Group**	**The Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(as previously reported)			*(restated)*	
Financial position					
Current assets	7,601,410	23,180	–	7,624,590	8,816,906
Total assets	10,601,282	26,443	–	10,627,725	12,312,226
Current liabilities	4,042,152	13,676	–	4,055,828	4,418,487
Total liabilities	4,485,139	13,956	–	4,499,095	5,846,754
Equity attributable to equity shareholders of the Company	6,070,339	12,487	–	6,082,826	6,312,003

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(i) New and amended standards adopted by the Group

There are no new or amended standards that are effective for the first time for the current accounting period of the Group and the Company that have a material impact on the Group and the Company.

(ii) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(iii) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the group, except the following set out below:

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKAS 9's full impact.

HKFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 'Revenue' and HKAS 11 'Construction contracts' and related interpretations. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of HKAS 15.

There are no other HKFRSs or HK (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

4 REVENUE

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that is widely used in the energy, chemical and liquid food industries.

Revenue represents: (i) the sales value of goods sold after allowances for returns of goods, excluding value added taxes or other sales taxes and after the deduction of any trade discounts; and (ii) revenue from project engineering contracts. The amount of each significant category of revenue recognised in revenue during the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Sales of goods	**5,465,067**	8,191,291
Revenue from project engineering contracts	**2,776,266**	3,075,531
	8,241,333	11,266,822

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2015	2014
	RMB'000	*RMB'000*
Interest on bank loans and other borrowings	**26,956**	32,374
Less: interest capitalised	**(1,664)**	(2,177)
	25,292	30,197
Bank charges	**11,528**	3,299
	36,820	33,496

(b) Staff costs(i)

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Salaries, wages and allowances	**1,108,366**	1,183,896
Contributions to retirement schemes	**64,787**	60,853
Equity-settled share-based payment expenses	**55,371**	34,761
	1,228,524	1,279,510

(c) Other items

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Cost of inventories[(i)]	**4,319,943**	6,615,494
Auditors' remuneration		
– Audit services	**7,025**	5,055
– Non-audit services	**2,328**	–
Depreciation of property, plant and equipment[(i)]	**173,415**	171,126
Amortisation of intangible assets	**26,458**	18,942
Amortisation of lease prepayments	**10,502**	10,629
Impairment provision for trade receivables	**43,159**	17,491
Reversal of impairment provision for trade receivables	**(735)**	(319)
Impairment provision for other receivables	**1,351**	–
Reversal of impairment provision for other receivables	**(3)**	(1,836)
Write-down of inventories	**14,798**	7,629
Reversal of write-down of inventories	**(12,922)**	(476)
Research and development costs	**178,530**	183,814
Operating lease charges for property rental	**18,308**	15,296
Provision for product warranties	**31,523**	41,459

(i) Cost of inventories includes RMB331,071,000 (2014 restated: RMB437,267,000) relating to staff costs and depreciation expenses, amount of which is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

6 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Current tax		
Provision for the year	**97,264**	168,731
Over-provision in respect of prior years	**(6,571)**	(16,023)
	90,693	152,708
Deferred tax		
Origination and reversal of temporary differences	**54,124**	(4,378)
	144,817	148,330

No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits subject to Hong Kong Profits Tax during the years.

According to the Corporate Income Tax Law of the People's Republic of China (the "Tax Law"), the Company's subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax treatment applicable to advanced and new technology enterprises at an income tax rate of 15%.

Pursuant to the Tax Law, "Notice of the State Administration of Taxation on Issues Concerning the Determination of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their Bodies of Actual Management" and "Announcement of the State Administration of Taxation on Issues Concerning the Determination of Resident Enterprises on the Basis of Their Actual Management Bodies", the Administration of Local Taxation of Shenzhen Municipality issued an approval under which certain foreign subsidiaries of the Group are regarded as Chinese resident enterprises. Therefore, during the year, no deferred withholding tax liability was provided for the distributable profits of PRC subsidiaries and the previously provided amounts were credited to income tax.

Taxation of subsidiaries in the Netherlands, Belgium, Denmark and Germany are charged at the prevailing rates of 25%, 33.99%, 25% and 30% respectively in the relevant countries and are calculated on a stand-alone basis.

7 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to equity shareholders of the Company is based on the following data:

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Earnings		
Earnings for the purposes of basic and diluted earnings per share	**519,194**	1,027,638

	2015	2014
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**1,934,055,617**	1,933,527,891
Effect of dilutive potential ordinary shares in respect of the Company's share option scheme	**23,660,789**	37,226,678
Weighted average number of shares for the purpose of diluted earnings per share	**1,957,716,406**	1,970,754,569

8 SEGMENT REPORTING

The Group manages its businesses by divisions organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments based on the economic characteristics of the business units.

- Energy equipment
- Chemical equipment
- Liquid food equipment

(a) Segment results, assets and liabilities

	Energy equipment		Chemical equipment		Liquid food equipment		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)
Revenue from external customers	**3,396,808**	5,422,026	**2,709,679**	3,383,062	**2,134,846**	2,461,734	**8,241,333**	11,266,822
Inter-segment revenue	**364**	1,376	**50,224**	85,480	**-**	–	**50,588**	86,856
Reportable segment revenue	**3,397,172**	5,423,402	**2,759,903**	3,468,542	**2,134,846**	2,461,734	**8,291,921**	11,353,678
Reportable segment profit (adjusted profit from operations)	**237,770**	600,997	**345,035**	495,261	**251,940**	244,969	**834,745**	1,341,227
Interest income from bank deposits	**4,732**	5,007	**9,205**	5,524	**3,540**	5,460	**17,477**	15,991
Interest expense	**(5,579)**	(6,928)	**(296)**	(2,271)	**(8,996)**	(18,290)	**(14,871)**	(27,489)
Depreciation and amortisation for the year	**(126,779)**	(115,452)	**(35,091)**	(32,529)	**(47,908)**	(52,284)	**(209,778)**	(200,265)
Reportable segment assets	**6,406,000**	6,048,600	**3,012,484**	2,103,727	**2,159,697**	2,372,517	**11,578,181**	10,524,844
Additions to non-current assets during the year	**635,227**	188,096	**89,236**	114,033	**17,648**	88,257	**742,111**	390,386
Reportable segment liabilities	**2,612,186**	2,503,883	**593,277**	600,345	**944,180**	1,154,667	**4,149,643**	4,258,895

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2015	2014
	RMB'000	*RMB'000* (restated)
Revenue		
Reportable segment revenue	**8,291,921**	11,353,678
Elimination of inter-segment revenue	**(50,588)**	(86,856)
Consolidated revenue	**8,241,333**	11,266,822

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Profit		
Reportable segment profit	**834,745**	1,341,227
Elimination of inter-segment profit	**(6,574)**	(12,968)
Reportable segment profit derived from Group's external customers	**828,171**	1,328,259
Finance costs	**(36,820)**	(33,496)
Share of post-tax loss of associates	**(426)**	(1,497)
Unallocated operating income and expenses	**(109,895)**	(105,565)
Consolidated profit before taxation	**681,030**	1,187,701

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Assets		
Reportable segment assets	**11,578,181**	10,524,844
Elimination of inter-segment receivables	**(65,726)**	(48,780)
	11,512,455	10,476,064
Deferred tax assets	**72,468**	58,123
Unallocated assets	**727,303**	93,538
Consolidated total assets	**12,312,226**	10,627,725

	2015	2014
	RMB'000	*RMB'000*
		(restated)
Liabilities		
Reportable segment liabilities	**4,149,643**	4,258,895
Elimination of inter-segment payables	**(65,726)**	(48,780)
	4,083,917	4,210,115
Income tax payable	**28,874**	16,334
Deferred tax liabilities	**171,887**	98,007
Unallocated liabilities	**1,562,076**	174,639
Consolidated total liabilities	**5,846,754**	4,499,095

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, construction in progress, lease prepayments, prepayments, and goodwill ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets and goodwill.

	Revenues from external customers		**Specified non-current assets**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
		(restated)		*(restated)*
PRC (place of domicile)	**4,337,322**	6,203,719	**2,933,840**	2,610,359
United States	**838,240**	912,285	**–**	–
European countries	**1,034,729**	1,449,866	**303,735**	342,043
Asian countries (other than PRC)	**930,630**	1,241,259	**–**	–
Other American countries	**965,073**	1,322,058	**–**	–
Other countries	**135,339**	137,635	**–**	–
	3,904,011	5,063,103	**303,735**	342,043
	8,241,333	11,266,822	**3,237,575**	2,943,402

For the year ended 31 December 2015, there was one single external customer that accounted for 10% or more of the Group's total revenue (2014: nil).

9 TRADE AND BILL RECEIVABLES

	2015 *RMB'000*	2014 *RMB'000* *(restated)*
Trade debtors and bills receivables	**2,709,417**	3,195,500
Less: allowance for doubtful debts	**(143,165)**	(56,447)
	2,566,252	3,139,053

Ageing analysis

An ageing analysis of trade and bills receivables based on due date (net of impairment losses for bad and doubtful debts) is as follows:

	2015 *RMB'000*	2014 *RMB'000* *(restated)*
Current	**1,442,618**	2,334,421
Less than 1 month past due	**138,039**	146,710
1 to 3 months past due	**407,001**	278,644
More than 3 months but less than 12 months past due	**291,679**	304,281
More than 12 months past due	**286,915**	74,997
Amounts past due	**1,123,634**	804,632
	2,566,252	3,139,053

Trade and bills receivables are expected to be recovered within one year. In general, debts are due for payment upon billing. Subject to negotiation, credit terms up to twelve months are available for certain customers with well-established trading and payment records on a case-by-case basis.

The carrying amounts of trade and bills receivables approximate their fair values.

10 TRADE AND BILL PAYABLES

	2015 RMB'000	2014 RMB'000 (restated)
Trade creditors	**1,539,170**	1,678,606
Bills payables	**274,316**	181,076
	1,813,486	1,859,682

An ageing analysis of trade and bills payables of the Group is as follows:

	2015 RMB'000	2014 RMB'000 (restated)
Within 3 months	**1,605,635**	1,583,489
3 months to 12 months	**137,303**	246,642
Over 12 months	**70,548**	29,551
	1,813,486	1,859,682

All the trade and bills payables are expected to be settled within one year.

11 DIVIDENDS

The final dividend of approximately RMB297,525,000 (HKD0.195 per share) in respect of the year ended 31 December 2014 was paid in 2015. A final dividend in respect of the year ended 31 December 2015 of HKD0.100 (equivalent to approximately RMB0.084) per share has been proposed by the Directors. The proposed final dividend in respect of 2015 is subject to the approval of shareholders in the forthcoming annual general meeting. These financial statements do not reflect this dividend payable as it was proposed after the balance sheet date.

BUSINESS REVIEW

The Group is principally engaged in the design, development, manufacturing, engineering and sales of, and the provision of technical maintenance services for, a wide spectrum of transportation, storage and processing equipment that is widely used for the energy, chemical and liquid food industries.

Product portfolio

The three business segments of the Group are primarily carried out by eight operating units under different brand names:

Energy equipment

- Compressed natural gas ("**CNG**") seamless pressure cylinders
- CNG trailers
- Liquefied natural gas ("**LNG**") trailers and tanks
- Natural gas refueling station systems
- Liquefied petroleum gas ("**LPG**") trailers and tanks
- Natural gas compressors
- Project engineering services, e.g. LNG application projects

Energy equipment is mainly sold under the brand names of "Enric", "Sanctum" and "Hongtu".

Chemical equipment

- Tank containers for chemical liquids, liquefied gas and cryogenic liquids

Tank containers are mainly sold under the brand name "CIMC Tank".

Liquid food equipment

- Stainless steel processing and storage tanks
- Project engineering services, e.g. turnkey projects for the processing and distribution of beer and fruit juice

These products and services are branded under the name "Ziemann Holvrieka".

Operational performance

Revenue

As a result of the weak international oil price in 2015 and natural gas pricing reform implemented by the Chinese government in recent years, the price advantage of natural gas as an alternative fuel over oil has weakened significantly in comparison with 2014. Therefore, the market demand for natural gas equipment dropped significantly during 2015, and the Group's energy equipment segment recorded a significant fall in revenue. Despite a robust growth in special tank containers' revenue, the falling demand for standard tank containers caused the chemical equipment segment to post a decrease in revenue. While the liquid food equipment segment's Chinese subsidiary posted a revenue growth for the year, this was offset by the decline in the revenue contribution by the segment's European subsidiaries which are the core operating units of the segment. The segment's European subsidiaries recorded a slight fall in revenue in Euro terms which was further exacerbated by the Euro's significant depreciation against RMB which is the reporting currency of the Group. As a result, the revenue for 2015 slipped by RMB3,025,489,000 to RMB8,241,333,000 (2014: RMB11,266,822,000). The performance of each segment is discussed below:

During 2015, the energy equipment segment's revenue fell by 37.4% to RMB3,396,808,000 (2014: RMB5,422,026,000) because of a decline in the demand for natural gas equipment in general which was caused by a deceleration in oil-to-gas projects in China as well as the attractiveness of using natural gas as an alternative fuel given the diminished price advantage of natural gas over oil during the year. In particular the sales volume of LNG trailers, on-vehicle LNG fuel tanks and LNG refueling stations saw various degrees of decrease comparing with last year. At the same time, due to increased competitive pressures, the average selling price ("**ASP**") of these products declined which also contributed to the fall in segment revenue. The segment remains the top grossing segment and accounted for 41.2% (2014: 48.1%) of the Group's total revenue.

The chemical equipment segment's revenue decreased by 19.9% to RMB2,709,679,000 (2014: RMB3,383,062,000) due to a fall in the sales volume of standard tank containers which more than offset an increase in demand for special tank containers during the year. The segment made up 32.9% of the Group's total revenue (2014: 30.0%).

The liquid food equipment segment's revenue posted a decline of 13.3% to RMB2,134,845,000 during the period (2014: RMB2,461,734,000) mainly because of a slight decline in the revenue of the Group's European subsidiaries and the depreciation of Euro against RMB as Euro is the operating currency of the European subsidiaries which are the core operating units of the segment while RMB is the reporting currency of the Group. The segment accounted for 25.9% of the Group's total revenue (2014: 21.9%).

Gross profit margin and profitability

The energy equipment segment's gross profit margin ("**GP margin**") improved slightly to 20.3% (2014: 19.8%). The slight improvement is mainly the result of a rise in the GP margin of natural gas related design and engineering projects as well as LPG and other miscellaneous products and their increasing turnover contributions during the year. As for the chemical equipment segment, its GP margin slipped slightly to 15.9% (2014: 16.6%) during the year mainly due to lower ASP of tank containers in the face of weakening market demand. The GP margin for liquid food equipment segment remained relatively stable at 19.4% during the year (2014: 19.8%).

While the liquid food equipment segment's GP margin remained stable, the decline of the chemical segment's GP margin has been offset by the slight rise in energy equipment's caused the Group's overall GP margin to remain stable 18.6% (2014: 18.8%).

Profit from operations expressed as a percentage of revenue decreased by 2.2 percentage points to 8.7% (2014: 10.9%) which is mainly attributable to both selling and administrative expenses declined at a slower rate than revenue during the period.

Tax expenses for the Group fell slightly by 2.4% despite profit before taxation dropping by 42.7% was mainly because of reversal of prior years' deferred tax expenses upon the Company and certain of its investment holding subsidiaries being recognised as Chinese Resident Enterprises by the relevant Chinese tax authority in 2014.

As a result, profit attributable to equity shareholders of the Company for the year dropped to RMB519,194,000, representing a fall of 49.5% over the previous year (2014: RMB1,027,638,000).

Prospects

Global economic activity remained subdued in 2015. The International Monetary Fund (IMF) projected the global growth at 3.1% in 2015, where growth in emerging market and developing economies declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Global GDP growth is projected at 3.4% in 2016. For China, the country's GDP growth for 2015 recorded a 25-year low of 6.9%. The Chinese government set the GDP growth target in 2016 at a range of 6.5% to 7.0%; whilst IMF estimated the growth in China to be 6.3% in 2016, primarily reflecting weaker investment growth as the Chinese economy continues to rebalance.

The market expected the Chinese government to announce supportive policies to help stabilising the economic growth in China. The government also targets to promote renovation and upgrade in the industrial goods manufacturing industry, and has been actively seeking new drivers for development and growth by means of "Made in China 2025" action plan, "One Belt One Road" strategy, state-owned enterprises reform, as well as new technology promotion. CIMC Enric will continue to explore and develop new opportunities with the government's future development paths.

To seize market opportunities and support its long-term development, the Group will focus on enhancement of its core competitiveness and business integration of the newly acquired subsidiaries, on the back of dedicated efforts on organic growth and persistent innovation. For the existing business, by enhancing its core strengths, the Group targets to achieve increased productivity and cost reduction. Meanwhile, the Group strives to develop new business and growth drivers by means of acquisition, innovative technology and finance lease business model. The Group's overall goal is towards one-stop solutions, to offer comprehensive and tailor-made products and services to customers. More attention will be devoted to exploring overseas markets in order to achieve sustainable revenue growth.

On the basis of Sino-European cooperation, the Group has established a business structure of "local knowledge and global operation". To further develop strategic and operational management capability of its management team in a global sense, the Group will continue to promote leadership training programmes and incentive schemes to develop and motivate talented leaders, who are essential for the Group's long-term success. In addition, through the leadership training programmes, the Group targets to enhance the capability of its management team to pursue continuous business development under undesirable external environment and to grasp market opportunities timely. In the past three years, the Group's leadership training programmes provided to the China team have been successful, such programmes are planned to cover the Europe team in the near future. In order to achieve better management and strengthen internal control, the Group has implemented measures to enhance its organisational structure and work procedures of each department at the headquarters as well as its subsidiaries.

Energy equipment

Following the plunge in international oil price by more than half since the middle of 2014 and the Chinese government's natural gas pricing reforms implemented in recent years, the price advantage of natural gas as an alternative fuel over oil has weakened gradually, and the gap between natural gas price and oil price has narrowed significantly, and to a certain extent, undermined the motivation for oil-to-gas projects in China as well as the attractiveness of natural gas as a vehicle fuel. Therefore, the market demand for natural gas equipment dropped significantly in 2015. Moreover, the natural gas equipment industry in China has grown rapidly in recent years, market competition becoming more intense and average selling prices of some products decreased significantly. Grasping this critical moment, the Chinese government announced natural gas price cuts in April and November 2015 to maintain the natural gas price competitiveness in China.

Given the absolute environmental benefits of natural gas over other fossil fuels and together with the supportive policies for natural gas consumption by the Chinese government, the Group remains confident on the long-term prospects of the natural gas industry in China. Nevertheless, the natural gas equipment market is still pending a confirmative recovery, the Group's energy equipment segment will implement various measures to achieve lower cost of production, increased customisation and innovation as well as superior customer service, and will carefully manage and control its capital expenditure and working capital.

Apart from carrying out marketing strategies in the China market, the energy equipment segment will look for more growth opportunities in overseas markets. Moreover, the Group believes that LNG marine storage and transport industry and marine oil and gas module industry are facing challenges in the short-term but remain bullish in the long-term, the segment targets to enhance its capability to deliver projects for small and mid-size LNG, liquefied ethylene gas (LEG) and LPG carriers. The segment will also continue to explore and develop business opportunities in small-scale LNG liquefaction systems and equipment as well as EPC (engineering, procurement and construction) services.

Chemical equipment

In recent years, the Group's chemical equipment segment has recorded modest growth on the back of previous years' global economic recovery. In 2014, as the average selling price of tank containers was decreasing, customers purchased more tank containers for inventory reserves. In 2015, the slowdown in global economic growth continues to impact on the chemical industry, and the Group's standard tank containers business has experienced cyclical fluctuations of the chemical market. Moving into 2016, the growth of standard tank containers business is expected to slow down in the difficult economic environment. Due to the recent fall in steel price, being the major material cost of tank containers, the Group expects the average selling price of tank containers will remain under pressure in 2016.

With many years of expertise and experience in the chemical equipment industry, the segment remains committed to maintaining its leading position in tank container manufacturing business by controlling production costs, improving quality and enhancing operational efficiency. To pursue a healthy and sustainable growth in revenue, the segment will step up its effort to develop the market of special and high-end tank containers, such as LNG tank containers. Standard tank container is an intermodal transportation equipment for vehicles and vessels, yet its market penetration in China is still relatively low, and this reflects a bright prospect of its application in China. In addition, following the acquisition of Burg Service B.V. ("**Burg Service**") in 2015, the segment has increased its presence in the Europe market, and has gained access to advance technologies for repair and modification of tank containers in Europe.

Liquid food equipment

In view of the past years of rapid growth, the Group's liquid food equipment segment recorded a moderate performance in 2015. The Euro has fallen sharply against the RMB in 2015, and consequently a part of the segment's revenue has been eroded by the devaluation of Euro, when the segment's revenue was converted from Euro to RMB.

Backed by the strong brand name of "Ziemann Holvrieka", the Group's liquid food equipment segment is committed to offer engineering services and system solutions for the liquid food industry. Through the acquisition of Ziemann Holvrieka Asia Company Limited (formerly known as Holvrieka (China) Co., Ltd., "**ZHA**") in the second half of 2014, the segment has expanded its production capacity in China and will continue to introduce advanced manufacturing technologies and process automation from Europe to China. With a high level of technological and technical competence of production equipment for beer, the segment will strive vertically towards integrated EPC turnkey solutions, and horizontally towards diversification to juice storage and transportation and dairy product processing, achieve persistent innovation, and explore more business opportunities and revenue sources in Central America and the emerging markets.

FINANCIAL RESOURCES REVIEW

Liquidity and financial resources

At 31 December 2015, the cash and cash equivalents of the Group amounted to RMB2,035,950,000 (2014: RMB1,683,210,000). A portion of the Group's bank deposits totalling RMB661,524,000 (2014: RMB111,886,000), which had more than three months of maturity at acquisition. As of 31 December 2015, the bank deposit of RMB111,524,000 (2014: RMB111,886,000) were restricted for guarantee of banking facilities; while the remaining was restricted as collateral for Sino Pacific Offshore & Engineering Co., Ltd. ("SOE") The Group has maintained sufficient cash on hand for repayment of bank loans and loans from related parties as they fall due and has continued to take a prudent approach in future development and capital expenditure. Accordingly, the Group has been cautious in managing its financial resources and will constantly review and maintain an optimal gearing level.

At 31 December 2015, the Group's bank loans and overdrafts amounted to RMB1,058,070,000 (2014: RMB85,722,000), other than a three-year syndicated bank loan and a two-year term loans for business acquisition and capital expenditure, the remaining is repayable within one year. Apart from the syndicated bank loan denominated in USD and the term loan denominated in HKD that bear interest at floating rates, the overall bank loans bear interest at rates from 1.98% to 4.85% per annum. At 31 December 2015, the Group did not have secured bank loan (2014: Nil). As of 31 December 2015, bank loans amounting to RMB1,058,070,000 (2014: RMB85,722,000) were guaranteed by the Company's subsidiaries. As at 31 December 2015, loans from related parties amounted to RMB690,000,000 (2014: RMB110,000,000), which are unsecured, interest bearing from 4.35% to 4.9% (2014: 4.90% to 5.25%) per annum and repayable within one year.

The net gearing ratio, which is calculated by dividing net debt over equity, was zero times (2014: zero times) as the Group retained a net cash balance of RMB949,404,000 (2014: RMB1,599,374,000). The decrease in net cash balance is mainly attributable to downturn in revenue scale and the prepayment for equity investment. Apart from this, the management dedicates its effort to continuously improve the cash management to minimise finance cost. As a result, bank loans recorded a reduction at year end. The Group's interest coverage was 26.2 times for the year (2014: 37.6 times) which demonstrates that the Group is fully capable of meeting its interest expense commitments.

During 2015, net cash generated from operating activities amounted to RMB664,749,000 (2014: RMB1,073,470,000). The Group drew bank loans and loans from related parties totalling RMB1,987,311,000 (2014: RMB654,020,000) and repaid RMB478,117,000 (2014: RMB1,013,478,000). A payment of final dividend in respect of the financial year 2014 were approximately RMB297,525,000. In addition, cash proceeds amounted to RMB11,076,000 arose from the issuance of ordinary shares on exercise of share options.

Assets and liabilities

At 31 December 2015, total assets of the Group amounted to RMB12,312,226,000 (2014: RMB10,627,725,000) while total liabilities were RMB5,846,754,000 (2014: RMB4,499,095,000). The net asset value rose by 5.50% to RMB6,465,472,000 (2014: RMB6,128,630,000) which was mainly attributable to the net profit of RMB536,213,000, but partially offset by exchange difference on translation of financial statements denominated in foreign currencies of RMB47,202,000 for the year. As a result, the net asset value per share increased to RMB3.340 at 31 December 2015 from RMB3.173 at 31 December 2014.

Contingent liabilities

At 31 December 2015, the Group has provided guarantees to SOE in respect of the borrowings drawn from the financial institutions by SOE. As at 31 December 2015, the outstanding borrowings guaranteed by the Group amounted to RMB550,000,000.

Future plans for source of funding and capital commitments

Currently, the Group's operating and capital expenditures are mainly financed by its internal resources such as operating cash flow and shareholders' equity, and to an extent by bank loans. At the same time, the Group will continuously take particular caution on the inventory level, credit policy as well as receivable management in order to enhance its future operating cash flow. The Group has sufficient resources of funding and unutilised banking facilities to meet future capital expenditure and working capital requirement.

At 31 December 2015, the Group had contracted but not provided for capital commitments of RMB485,471,000 (2014: RMB123,875,000). The increment in capital commitments is mainly relating to the acquisition of SOE not yet completed in 2015. As of 31 December 2015, the Group did not have authorised but not contracted for capital commitments (2014: Nil).

Foreign exchange exposure

The Group is exposed to foreign currency risk primarily through trade transactions that are denominated in a currency other than its functional currency. The currencies giving rise to this risk to the Group are primarily US dollars and Euro. The Group continuously monitors its foreign exchange exposure and controls such exposure by conducting its business activities and raising funds primarily in the denominations of its principal operating assets and revenue. Moreover, if necessary, the Group enters into foreign exchange forward contracts with reputable financial institutions to hedge foreign exchange risk.

FUTURE PLANS AND STRATEGIES

Energy equipment

Although China's natural gas industry will continue to face pressure in the near-term, the Group strongly believes that the prospect of the industry is broadly positive in the long run. The Group remains well positioned and believes that superior industry qualifications, good reputation, sound track record, thorough competitor analysis, differentiated products and services, strong sales and marketing team and advanced R&D capability, all of which the Group possesses, will become the decisive competitive advantages over rivals.

The energy equipment segment remains committed to providing high quality and lightweight products to customers. With the Group's well-established brands in the energy equipment market, the segment is devoted to reinforce the market share of its core products in China. The segment endeavours to further reduce production costs and enhance production efficiency through implementation of manufacturing technology improvement programmes, continuous product development and product upgrades, as well as procurement management and control.

On top of maintaining its existing business, the segment actively seeks to develop new businesses. With an aim to expand from midstream and downstream natural gas storage and transportation towards upstream exploration, the segment would like to enter the market of special equipment for shale gas exploration. Moreover, the segment plans to expand from natural gas market to new energy market such as hydrogen fuel and biomass energy.

The segment is also cultivating overseas markets to spread more of its products to international markets, through enhancement of product design to international standards and establishment of awareness in overseas markets. The segment will continuously develop market opportunities in South-east Asia and other overseas countries, especially for CNG products and refueling station systems, LPG spherical tanks and other LPG equipment. In addition, the segment will consider acquisition and cooperation opportunities, for accelerating the achievement of its expansion in the overseas market.

The weak oil price environment provides opportunities for development of the segment's LPG equipment business. The segment will further advance the design of the Group's LPG trailers and tanks and capture the market opportunities. The segment will also conduct in-depth marketing studies and explore new growth potential, such as closely monitoring the provincial policies relating to coal-to-gas boiler conversion in China.

Apart from energy equipment manufacturing, the segment is devoted to creating additional value to customers and promoting one-stop integrated solutions proactively. With the acquisition of Liaoning Hashenleng Gas Liquefaction Co., Ltd. in 2015, the Group further improve its capabilities in design and project engineering, especially in natural gas liquefaction plants and the relevant processing and handling capability. The segment will step up its effort to explore more EPC business for unconventional gas sources, such as small and medium scale liquefaction systems, in both China and international markets.

By providing referral arrangement for finance lease and factoring services, the energy equipment segment will be able to solicit and retain customers especially under this competitive business environment and tight monetary conditions in China. The Group will devote to establishing more new and innovative modes of business to facilitate the segment's long-term development of equipment and engineering business.

In addition, the segment will continue to lead industry associations in the China market, for example, hosting or attending trade fairs and conferences, with an aim to lead industry development and drive initiatives to enhance the industry standards. It will also continue to participate in the establishment of national and/or industry standards for products.

Chemical equipment

The trend of cyclical fluctuations in the chemical market is expected to continue in 2016, the chemical equipment segment remains committed to maintain its leading position in the standard tank container market and will continue to seek cost advantage over competitors through its efforts on optimising product design, enhancing production processes and standardising product components.

With advanced R&D capability and abundant industrial experience, the segment strives to offer chemical logistic solutions, targeting one-stop service for users of industrial gas and liquid chemical gas. Moreover, the segment will proactively develop special tank container business, with a focus on gas tank containers and carbon steel tank containers in the short term. The segment will develop its business for LNG tank containers and tank containers for railway transport in the medium term. Under China's marketisation and its "One Belt One Road" international strategy, the segment will pay attention to the development of intermodal transportation for China and Southeast Asia market.

To keep ahead of competition, the segment also strives to build customer trust and confidence in its products by increasing communication and contacts with customers. The segment has held and will continue to hold conferences for the tank container industry which provide great opportunities for industry players to discuss issues and development trends of the industry, as well as exchange of ideas for product development.

The Group will continue to facilitate the transmission of know-how, technological expertise and market networks between its subsidiaries in China and Europe. Under a Sino-European product development programme, the segment has successfully developed and exported LNG tank containers with international standards, as a new mode of logistics solution to its overseas customers. The acquisition of Burg Service in the Netherlands in 2015 has also facilitated the segments' development of tank container after-sale services in China and overseas.

Liquid food equipment

Following the integration of certain assets acquired from Ziemann Group in 2012, the liquid food equipment segment has become a provider of comprehensive turnkey solutions to beer and other liquid food producers. The segment constantly reviews its development strategy and seek more opportunities in which it can excel and enhance its business position. For vertical diversification, the segment continues to enhance its capability to offer turnkey solutions for brewing and strives to develop such capability for the entire brewery. For horizontal diversification, the segment strives to proactively develop businesses for other liquid food apart from beer, such as juice storage and transportation and dairy product processing.

The Group has a foothold in China and Europe, and since the acquisition of ZHA in 2014, the liquid food equipment segment has expanded its production capacity in China and its marketing network in Asia. This facilitates the segment's development plans in Southeast Asia and other countries in the world. Furthermore, the Group will continue to transfer advanced manufacturing technologies and know-how from Europe to its Chinese operations. The liquid food equipment segment has been working on the integration of the Ziemann technology in ZHA, through organising training programmes and exchange programmes for the project teams, engineers and technologists in China and Germany. Meanwhile, the segment will explore more business opportunities and revenue sources in Central America and emerging markets.

In addition, the segment will continue to enhance the branding of "Ziemann Holvrieka". Under the objective of a unified corporate image, the segment will continue to implement marketing strategies to improve the market positioning as well as increase brand awareness and customer intimacy.

The Group recognises the importance of innovation and considers innovation as a growth driver. The liquid food equipment segment has developed process innovations and has participated in trade exhibitions to present the innovations to the market. The segment targets to develop innovative products for mash filtration, milling system, energy saving projects, smart conveyor and fast fermentation.

Last but not least, the segment will adopt measures to continuously improve its existing products to strive for competitive advantage over rivals. The segment has been evaluating insourcing and outsourcing opportunities by assessing the costs and benefits carefully.

THE 2015 FINAL DIVIDEND

Having taken into account the Group's continued business development and efforts to increase return on equity, the Board proposes to maintain a stable dividend payout ratio for the year 2015.

The Board recommends a final dividend in respect of 2015 of HKD0.100 (2014: HKD0.195) (the "**2015 Final Dividend**") per ordinary share payable in cash on or about 20 June 2016 to shareholders whose names appear on the register of members of the Company on 31 May 2016 (the "**Record Date**"), subject to shareholders' approval in the forthcoming annual general meeting ("**AGM**") on 20 May 2016.

Closure of register of members

To ascertain shareholders' entitlements to the 2015 Final Dividend, the register of members of the Company will be closed from Friday, 27 May 2016 to Tuesday, 31 May 2016 (both days inclusive). In order to qualify for the 2015 Final Dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 26 May 2016.

Withholding and payment of enterprise income tax for non-resident enterprises on distribution of the 2015 Final Dividend

Pursuant to the "Enterprise Income Tax Law of the People's Republic of China" (the "**Enterprise Income Tax Law**"), "Notice of the State Administration of Taxation on Issues Concerning the Determination of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their Bodies of Actual Management" and "Announcement of the State Administration of Taxation on Issues Concerning the Determination of Resident Enterprises on the Basis of Their Actual Management Bodies", the Administration of Local Taxation of Shenzhen Municipality issued an approval under which the Company is regarded as a Chinese Resident Enterprise, effective from the year 2013.

Pursuant to the Enterprise Income Tax Law and the "Implementation Regulations for the Enterprise Income Tax Law of the People's Republic of China", the Company is required to withhold and pay 10% enterprise income tax when it distributes the 2013 final dividend and dividends in subsequent years to its non-resident enterprise shareholders.

The withholding and payment obligation lies with the Company. Therefore, the Company will implement enterprise income tax withholding and payment when it distributes the 2015 Final Dividend and dividends in subsequent years.

In respect of all shareholders whose names appear on the Company's register of members as at the Record Date who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organisations, which are all considered as non-resident enterprise shareholders), the Company will distribute the 2015 Final Dividend after deducting an enterprise income tax of 10%. The Company will not withhold and pay the income tax in respect of the 2015 Final Dividend payable to any natural person shareholders whose names appear on the Company's register of members as at the Record Date.

If any resident enterprise (as defined in the Enterprise Income Tax Law) listed on the Company's register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold and pay the said 10% enterprise income tax, it shall lodge with Computershare Hong Kong Investor Services Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend that it is entitled, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Thursday, 26 May 2016.

With respect to individual investors of Shanghai-Hong Kong Stock Connect who hold Shares through HKSCC Nominees Limited, Hong Kong Securities Clearing Company Limited will pay the amount of the 2015 Final Dividend net of the 10% enterprise withholding tax to China Securities Depository and Clearing Corporation Limited for dividend distribution in accordance with relevant requirements under the Notice Regarding Tax Policies Related to the Shanghai-Hong Kong Stock Connect (Cai Shui 2014 No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》) jointly published by the Ministry of Finance of the PRC, State Administration of Taxation of the PRC and China Securities Regulatory Commission.

Investors should read this announcement carefully. If anyone would like to change the identity of the holders in the register of members, please enquire about the relevant procedures with the nominees or trustees. The Company will withhold and pay the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company's register of members on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of withholding and payment of enterprise income tax.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2015, the Company complied with all the code provisions of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company's corporate governance report is set out in the soon published Annual Report 2015. Details of each of the audit committee, the remuneration committee and the nomination committee of the Company are also given in the same report.

The audit committee has reviewed and discussed with management the annual results and the audited financial statements for the year ended 31 December 2015.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

DIRECTORS

As at the date of this announcement, the Board consists of Mr. Gao Xiang *(Chairman)*, Mr. Liu Chunfeng *(General Manager)*, Mr. Jin Jianlong and Mr. Yu Yuqun as executive Directors; Mr. Jin Yongsheng as a non-executive Director; and Mr. Wong Chun Ho, Mr. Tsui Kei Pang and Mr. Zhang Xueqian as independent non-executive Directors.

By order of the Board
CIMC Enric Holdings Limited
Gao Xiang
Chairman

Hong Kong, 21 March 2016

The Annual Report 2015 will be dispatched to the shareholders and published on the websites of the Company and the Stock Exchange as soon as practicable.